



KISTOS

2025 Annual Report and Accounts

Kistos Holdings plc

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2025 Year in Review

Strategic and Operational Highlights

2025 was a year of significant delivery and growth for Kistos. Our highlights included the start-up of the Jotun FPSO (marking the completion of the Balder Future project in Norway), Group production for the year achieving the top end of management guidance and culminated with our announcement in December of the acquisition of onshore interests in Oman, which will double our hydrocarbon production on a pro forma basis.



Continued maturation of resources on the Balder field

Following the conclusion of the Balder Future project in September 2025, Kistos, alongside the operator Vår Energi, has continued to proactively mature opportunities for development in the area. The Balder Phase V programme is underway, achieving first oil from two wells in December 2025. The remaining four wells will be drilled and onstream during 2026 and 2027, in total, targeting >30 million barrels of oil equivalent (MMboe) (gross). The Balder Phase VI and King wells will come online in the second half of 2026, targeting >20 MMboe (gross). Balder Next consists of three main elements: the first one is Jotun debottlenecking (already sanctioned); the second one is Next New Wells, sanctioned in June 2026; and the third one is the removal of the Balder floating production unit (FPU), scheduled in 2028. The three Balder Next projects will increase production capacity at the Jotun floating production storage and offloading vessel (FPSO) and enable accelerated production, targeting 85 MMboe (gross) in 2P and 2C reserves and resources, and significantly reduce opex and CO₂ emissions from 2028 onwards.



8,940 boepd per day production at the top end of guidance

Production in 2025 net to Kistos averaged 8,940 barrels of oil equivalent per day (boepd) across our three regions (2024: 8,050 boepd), which was at the top end of the 8,000 to 9,000 boepd guidance provided by management for 2025. This reflected a successful start-up of the Jotun FPSO and subsequent ramp-up of the 14 Balder Future oil wells, along with high operational uptimes across the rest of the portfolio through the second half of 2025. Including the Oman transaction within the 2025 numbers, Kistos averaged 18,470 boepd for the year, and pro forma exit production rate was 22,700 boepd (30 December 2025).



Organic growth onshore UK

Following the acquisition of EDF's onshore UK gas storage assets in April 2024, Kistos increased the working gas capacity in July 2024 to 22.1 million therms. An investment decision was taken in September 2025 to return the Hole House gas storage caverns to active service, with works anticipated to be completed by 2028, increasing our working gas storage capacity by 63%. This project is being funded by third-party financing under a profit share arrangement, which builds on and strengthens our existing relationship with a multinational gas trading house.



Acquisition of interests in Block 9 and Blocks 3 & 4, onshore Oman

On 9 December 2025, we announced the acquisition of a 5% working interest in Block 9 and 20% working interest in Blocks 3 & 4, onshore Oman, from Mitsui E&P Middle East B.V (MEPME) for a total consideration of \$148 million. The transaction has an effective date of 1 January 2025, with the amount payable on completion subject to customary closing adjustments.

This acquisition adds 25.6 MMboe (operator's estimates) of 2P reserves net to Kistos (as at 1 January 2025) and contributed 9,500 boepd net to MEPME during 2025. Kistos expects this portfolio to add an estimated production in the range of 9,000–10,000 boepd net to Kistos in 2026 (pro forma), made up of approximately 91% liquids with the remainder being gas sales.



Change of operator in the Greater Laggan Area, UK

Serica Energy became operator of the Greater Laggan Area (with a 40% working interest) following the transfer from TotalEnergies in Q1 2026. Kistos views this as a positive change that can offer significant organic growth potential and opportunities to extract near-term value from infill drilling and the development of further third-party tie-backs to the Shetland Gas Plant.

■ 2025 Year in Review

Financial Highlights



Gross profit \$115 million

Gross profit of \$115 million for the 12 months to 31 December 2025 (2024: \$117 million).

The Group remains entirely unhedged on its oil and gas production.

Adjusted EBITDA \$97 million

Adjusted EBITDA of \$97 million¹ for the 12 months to 31 December 2025 (2024: \$95 million).



\$209 million liquidity and restricted funds

The Group's overall liquidity position was approximately \$209 million, reflecting the combination of \$117 million of unrestricted cash, \$30 million of restricted funds held in escrow primarily in connection with the Oman acquisition, tax receivables mainly from Norway of approximately \$32 million expected to be receivable in 2026, and \$30 million of undrawn committed facilities at the year-end.

\$32 million tax rebate due in December 2026

Norwegian tax rebate receivable of approximately \$32 million in respect of investments in the 2025 calendar year, payable in December 2026.



\$122 million capital expenditure

Capital expenditure on a cash basis was \$122 million (2024: \$144 million), representing the significant planned ongoing investment in Norway to progress the Balder Future project to first oil.



Adjusted net debt \$76 million

Adjusted net debt of \$76 million² (2024: adjusted net debt \$52 million). All outstanding Hybrid Bonds were cancelled in the year due to no crude oil being lifted from the Jotun FPSO by 31 May 2025 (2024: carrying value \$0.7 million).



Result for the period

Statutory loss after tax of \$2 million (2024: \$52 million loss after tax).

¹ Non-IFRS measure. Refer to note 2.2.2 to the financial statements for definition and calculation.

² Non-IFRS measure. Refer to Appendix B2 to the financial statements for definition and calculation.

Strategic Report

The background of the page is a dark blue gradient. In the lower half, there is a complex, abstract graphic consisting of a grid of small, light blue dots. These dots are arranged in a way that creates a series of undulating, wave-like patterns across the page, giving it a sense of depth and movement. The overall aesthetic is modern and technological.

■ Executive Chairman's Statement

A Defining Year of Growth and Portfolio Expansion

I am pleased to present Kistos Holding plc's (Kistos) annual report for the year ended 31 December 2025. This year has been transformational for our company, marked not only by the critical progress made in Norway with the Balder Future project, but also by Kistos' portfolio expansion into a new region and significant operational and financial achievements across the Group.

During the year, Kistos took a major strategic step by entering into a binding agreement to acquire a 5% working interest in Block 9 and a 20% working interest in Blocks 3 & 4 in Oman. This value-accretive acquisition adds an estimated 25.6 MMboe of net 2P reserves as at the effective date (1 January 2025), at an attractive valuation of approximately \$5.80 per barrel. It marks Kistos' entry into the Middle East and significantly diversifies our portfolio beyond the North Sea, providing access to high-quality, long-life onshore assets with substantial growth potential.

The start-up of the Jotun FPSO and the ramp-up of all 14 Balder Future production wells represented a major milestone for Kistos, which bought into the licence following our acquisition of Mime Petroleum in 2023. Following the vessel's successful commissioning, net production from the Balder Area increased more than threefold, exceeding 11,000 boepd in September. This step-change in output marks the beginning of a multi-year period of elevated production from our interests in Norway. The ongoing delivery of the Balder Phase V programme – of which the first two wells came online in late December, and a third in February 2026 – and continued development planning alongside the operator are expected to unlock further infill, exploration and short-cycle tie-back opportunities. We are now advancing Balder Phase VI following a Final Investment Decision (FID), which was taken during the year, as well as the first phase of Balder Next, which includes debottlenecking at the Jotun FPSO and further new production wells. These activities are focused on converting 2C resources to 2P reserves and positioning the Balder Area for long-term, cost-effective production.

In the UK, the Greater Laggan Area (GLA) contributed 2,490 boepd throughout 2025, significantly exceeding expectations due to strong uptime and well performance. The transition of operatorship from TotalEnergies to Serica Energy in the first quarter of 2026 is expected to provide additional momentum, with opportunities for near-term infill drilling, further optimisation of existing wells and development of additional third-party tie-backs to the Shetland Gas Plant. Work also commenced to return the Hole House gas storage facility to full service, supported by our investment in the midstream market. Over the next two years, this site is expected to increase our total UK gas storage capacity by approximately 63%, further securing Kistos' role in supporting the UK's energy resilience.

In the Netherlands, production from Q10-A averaged 1,180 boepd for the year, with performance improving in the second half following earlier outages at the TAQA-operated P15 tie-back facility. Uptime averaged 97% through the remainder of the year. The extended outage, together with lower TTF gas price forecasts at year-end, triggered an impairment assessment that resulted in an impairment charge. Efforts remain focused on optimising volumes and unit costs and planning for an efficient decommissioning of the field in late 2027.

At a Group level, Kistos delivered an average production rate of 8,940 boepd in 2025, at the top end of management guidance. On a pro forma basis, including the Oman assets, the exit production rate was 22,700 boepd, and year-end pro forma net 2P reserves were 48.8 MMboe.

Financially, the Group maintained a strong balance sheet and liquidity position during the year. As at 31 December 2025, cash and near-cash balances, inclusive of restricted funds, amounted to \$197 million, supported by the receipt of \$75 million in Norwegian tax rebates during December. Adjusted net debt stood at approximately \$76 million, reflecting the Group's healthy liquidity position and continued balance sheet resilience.

We remain actively focused on pursuing further value accretive merger and acquisition (M&A) opportunities in both the North Sea and the Middle East and North Africa (MENA) region in support of our strategy to grow scale, optimise asset diversity and enhance shareholder value.

I would like to express my sincere appreciation to our employees, contractors, suppliers and joint venture partners for their steadfast commitment and support throughout the year. Their professionalism and dedication have been fundamental to Kistos delivering another period of significant operational and strategic progress. As we look ahead, we will continue to strengthen and diversify the Group, ensuring the creation of sustainable long-term value while upholding the highest standards of safety, corporate governance and environmental stewardship.

Andrew Austin
Executive Chairman

25 June 2026

■ Chief Executive Officer's Review

Review of Operations

Kistos has successfully delivered on all of its 2025 priorities, key of which was achieving first oil from the Jotun FPSO and the successful ramp-up of the Balder Future wells in Norway. Through the maturation and progression of near-term development opportunities such as Balder Phase VI, we have grown our reserves base with a reserves replacement ratio in the year of 169%. Daily production, at the top end of guidance, averaged 8,940 boepd for 2025.

In Norway, following the start-up of the Jotun FPSO and ramp-up of the 14 Balder Future wells, total Balder area production exceeded 11,000 boepd (net) in September. This significant ramp-up during the second half of 2025 lifted average daily output to 5,270 boepd (net) for the year, compared to 2,740 boepd (net) achieved during 2024. An FID was taken on Balder Phase VI to develop c.1.5 MMboe (net), which will be drilled and on-stream during 2026. The first phase of the Balder Next project has now been sanctioned and consists of debottlenecking activities at the Jotun FPSO to further enhance production capacities, in addition to the drilling of new production wells targeting additional reserves of approximately 8.6 MMboe (net). The next phase, which is anticipated to achieve sanction during 2026, will include the cessation of production, removal and decommissioning of the Balder FPU in 2028. This is expected to significantly reduce operating costs by approximately \$130 million (gross) per year, as well as avoiding the release of roughly 70,000 tonnes (gross) of CO₂ equivalent emissions per year into the atmosphere from 2028 (operators' estimates). The Ringhorne platform continues to drill further targets, such as the King segment, which is anticipated to come onstream during 2026 and is targeting 0.6 MMboe (net).

In the Netherlands, uptime substantially improved on the Q10-A platform through the remainder of the year following the restart of P15, with production efficiency at circa 97%, following an unplanned extended outage at the TAQA-operated P15 tieback facility (98 vs 35 days planned), which significantly impacted our ability to deliver gas into the network. The

extended outage, together with lower TTF gas price forecasts at year-end, triggered an impairment assessment that resulted in an impairment charge. Production for the year averaged 1,180 boepd, which highlights the strong flush production achieved during H2 following an H1 daily average of 900 boepd. We continue to work with all P15 hub partners to optimise throughput and unit production costs ahead of the planned cessation of production (CoP) in 2027. At the end of the year, we rationalised our Dutch exploration portfolio around the Q10-A field, reducing acreage, which will save in excess of \$750,000 per year net to Kistos' 60% working interest from 2026.

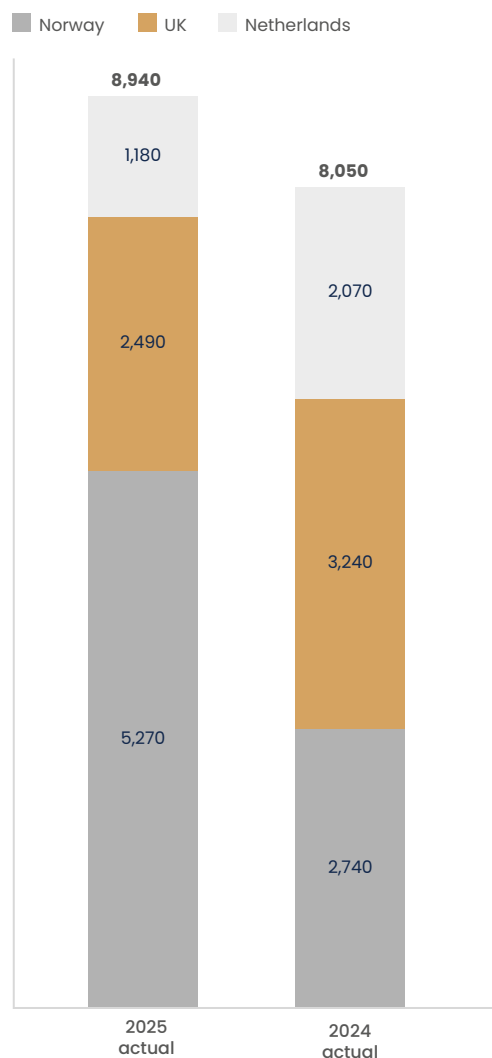
In the UK, the GLA fields and Shetland Gas Plant produced at or above expectations throughout the year. A planned pitstop, primarily focused on safety-critical verification, replacement of critical passing valves and recertification of certain pressure integrity systems, was safely and successfully completed during May, while gas import (flowline sweep) operations were optimised with learnings taken from 2024 forward. The third-party Victory field (Adura, 100%), which utilises the GLA's subsea infrastructure and evacuates via the Shetland Gas Plant, started up in September 2025, slightly ahead of schedule and producing in line with expectations. This has significantly increased throughput at the plant, which resulted in lower unit operating costs for GLA users in the final quarter of 2025. Looking ahead, the introduction of the Victory field into the system will strengthen our long-term cash flows and extend the technical and economic limit of the area. During 2024, it was announced that Prax

Upstream Limited had agreed a deal to acquire TotalEnergies 40% operated stake in the GLA, with expected completion during June 2025. As previously disclosed, this deal did not go ahead due to the parent company of Prax entering administration. Serica Energy subsequently purchased Prax Upstream Limited, with the deal completing in December 2025. As part of this acquisition, Serica Energy honoured the terms of the deal between Prax Upstream Limited and TotalEnergies.

At UK Gas Storage, overall performance remains in line with expectations, with total gas withdrawals of 140 million therms (calendar year 2025) representing the equivalent of over six full cycles from full to empty. At Hill Top Plant, a major turnaround lasting four weeks was completed safely and ahead of schedule, reinforcing strong reliability and execution capability as we entered the traditionally more volatile winter months. Work is underway on returning the Hole House gas storage facility to service, where major well work activities will be occurring throughout 2026. At completion, which is expected by 2028, we will increase our working gas storage capacity by 63% and estimate having the operational capability to provide 15% of the UK's daily onshore gas storage withdrawability.

Chief Executive Officer's Review

Full-year production (boepd)



Norway

Production and drilling activity

Net production from the Balder, Ringhorne and Ringhorne Øst fields (Kistos holds a 10% ownership interest in the Balder and Ringhorne fields and a 7.4% ownership interest in the Ringhorne Øst unit) averaged 5,270 boepd in 2025, with 53 wells producing oil during the year.

Safe operations have been maintained on the Balder FPU and the Ringhorne platform throughout 2025. The Jotun FPSO was brought onstream on 22 June 2025, with all 14 subsea production wells online at the end of August, resulting in total hydrocarbon production of 1,922 thousand barrels of oil equivalent (kboe) in 2025. Production efficiency for the Balder FPU was 93% and 94% for the Ringhorne platform. Since the start-up of the Jotun FPSO in June, the production facilities have achieved 79% efficiency, which is reflective of the required commissioning of new systems during the ramp-up phase.

The Ringhorne drilling rig delivered three new production wells in 2025. In addition, a new cuttings re-injection well was drilled, and one exploration well was ongoing at the end of the year, which was subsequently announced as a dry well by the Norwegian Petroleum Directorate (sodir) on 12 February 2026. One well workover was performed to ensure the required water injection capacity was maintained on the platform.

2P reserves estimate stands at 24.3 MMboe per 31 December 2025, a significant increase in 2P reserves compared to year-end 2024, mainly due to maturation of the Balder Phase VI project, which was previously classified under our 2C contingent resource category.

Balder Future and other developments

The Balder Future drilling operations were completed in Q3 2024, as previously disclosed, and all subsea equipment was installed prior to the sail away and installation of risers onto the Jotun FPSO during May 2025. First oil was achieved at the Jotun FPSO during June, and all 14 Balder Future wells were commissioned by the end of August. The deployment and integration of the Jotun FPSO within the existing Balder Area infrastructure significantly enhances production capabilities, enables further development of subsurface targets and is expected to extend the economic lifetime of the Balder Area beyond 2045. The handover of the vessel and wells to the Balder Area operations teams marked the end of the Balder Future project, and we now look forward to efficient and cost-effective operations.

There were several development projects beyond Balder Future ongoing during the year. The Balder Phase V project, utilising the remaining six free subsea well slots, started production from two wells onto the Jotun FPSO at the end of 2025, with the third well starting up in early 2026. The remaining three wells will be completed in 2026.

The Balder Phase VI project, targeting approximately 15 MMboe (gross), was approved for development in June 2025 and is planned to be drilled and to start producing in the second half of 2026. A three-branch multilateral well will utilise the spare subsea satellite from the Balder Future project, which is installed and will be tied back to the Jotun FPSO.

The Balder Next New Wells (BNNW) project was initiated in May 2025 to further develop the southern Balder area, and the first phase, which focuses on debottlenecking the Jotun FPSO to increase handling capacities, was approved during the year. The project will additionally target maturation of six new wells (certain long lead items have already been ordered, and project sanction is anticipated in 2026), along with multilateral branches for drainage of legacy resources currently tied back to the Balder FPU, which will be removed from the field by 2028. Estimated resources to be recovered are 53 MMboe (gross). The target production start from BNNW is by the end of 2027, with further wells in 2028 and additional maturation of targets to continue into 2029.

■ Chief Executive Officer's Review

The United Kingdom

Greater Laggan Area

The GLA's (Kistos 20%) average net production rate in 2025 was 2,490 boepd (2024: 3,240 boepd), reflecting natural reservoir decline alongside some minor production outages related to a hydrate formation issue and overrun of FL2 HIPPS valve re-certification during the first half of the year. Despite this, 2025 production exceeded the operator budget, driven by continued optimisation of pipeline de-liquifying operations, high uptime at the Shetland Gas Plant and strong Tormore and Glenlivet wells performance.

The introduction of the third-party Victory field (Adura, 100%) to the GLA subsea system and Shetland Gas Plant in September 2025 represents a major step change for the area, with higher throughputs reducing unit opex costs significantly and extending the technical and economic life of the plant. Victory receives power via an 18 km umbilical routed from the Edradour manifold and exports hydrocarbons via a 17 km trunk line that connects to flowline 1 at a hot tap tee offshore. The Victory field is the first third-party tie-back to be incorporated in the GLA since it was developed in the mid-2010s and has been achieved with significant collaboration between the project execution teams from both Adura (formerly Shell) and TotalEnergies. Production is metered upon arrival at the SGP before being commingled with our native production for processing and onward export through the SIRGE (Shetland Islands Regional Gas Export Pipeline) towards mainland UK.

Developments and opportunities

The Glendronach development previously passed all technical stage gates and demonstrated accretive economics utilising existing GLA subsea infrastructure and the SGP. During late 2025, a review of key design decisions commenced, which will culminate in a review of project economics in summer 2026, following the assumption of operatorship by Serica Energy from TotalEnergies.

Following on from 2023 4D seismic surveys over the GLA fields, the operator has continued to mature subsurface opportunities for infill drilling. The Glenlivet infill target was discounted during the year and has been removed from our contingent resources, while the Tormore T4 infill target continues to look attractive and will be concluded upon during 2026.

GLA owners continue to explore further third-party tie-back opportunities to enhance the economics of the Shetland Gas Plant and plot a route to continued utilisation of a nationally critical piece of gas infrastructure for the UK.

33rd Round Award

Kistos (33%) and its JV partner TotalEnergies (66% and operator) were awarded the P2683 licence, with minor work commitments required ahead of a potential drill-or-drop decision prior to progressing to Phase C. The licence includes the Ballechin prospect, which was previously identified by the GLA JV partnership; however, it was required to relinquish the acreage prior to Kistos' entry into the licence in 2022.

At the time of the formal licence award, Kistos was made aware of a judicial review launched by Oceana UK, challenging the licence award process followed by the North Sea Transition Authority (NSTA) and affecting all 33rd round exploration licence awards. The P2683 joint venture secured a one-year extension to the Phase A work programme commitments while the judicial review was ongoing. The final judgement was handed down in the High Court in November 2025, finding in favour of the defendants with all claims dismissed. Accordingly, the joint venture has until 30 November 2026 to decide whether to progress the licence to Phase C, which would include the commitment to drill an exploration well.

Onshore UK gas storage

In April 2024, we acquired Hill Top Farm and Hole House gas storage sites in Cheshire, UK. The acquisition was in line with our then-stated strategy to pursue opportunities that align with the energy transition and allow us to diversify our asset portfolio into a stable marketplace that offers significant growth potential. Due to the fast-cycle nature of the facility, Hill Top can deliver up to 11% of the UK's onshore flexible daily

gas capacity if called upon. Shortly after the transaction closed, we increased Hill Top Farm's working gas capacity from 17.8 million therms to 22.1 million therms and signed an agreement with a multinational trader to commercialise the site in partnership with Kistos as operator.

During 2025, the site continued to benefit from excellent operational availability, and while volatility was lower than the preceding years, the equivalent of more than six full cycles of gas was withdrawn, representing an average extrinsic margin of 2.6 pence per therm, highlighting the fast-cycle nature of the site and its ability to capture short-dated volatility.

Hill Top achieved 88% operating availability through the year and exited 2025 with 18.0 million therms of trading stock.

Initial hedges, which traditionally involve injections in July and withdrawals in the first quarter of the following year, were not available during H1 2025 as the market was in backwardation, due in part to high storage injection mandates for European gas storage sites, which kept the gas price elevated throughout the summer months. Initial hedges were achieved on all of Hill Top Farm's working volume during 2025, at an average price of 17.0 pence per therm, with injections occurring as late as 21 October 2025. This strategy took advantage of the fast-cycle nature of the facility, typically relying on weekend weakness in the spot price to obtain our injection volumes.

Approximately 10% of our working storage capacity was rented out under an operating margins contract to National Gas for a fixed annual fee. This process is re-tendered in the

■ Chief Executive Officer's Review

first quarter of each year, and the site has held a certain volume of operating margins of gas in its caverns since pre-2020. For 2026, we have been awarded a lower volume than 2025, which will release the balance into the working gas pool for our trading partner to utilise.

At our adjacent Hole House gas storage facility, a final investment decision to return the four caverns to active operation was announced in September 2025. This followed on from a front-end engineering and design (FEED) study initiated during 2024 following our acquisition of the sites. The Hole House plant remains operational and is used periodically as a backup to the Hill Top Farm plant, while the caverns were last active in 2018. Since this date, they have been gradually re-brined, and at the end of 2025, three of the four caverns were filled with brine, while the remaining cavern sat in cushion gas. Once recommissioned, we anticipate the working gas on site will increase to 36 million therms. Importantly, little to no additional cushion gas would be required for recommissioning, while most of the brine already received would be utilised elsewhere on site.

The Netherlands

Q10-A

Q10-A (Kistos 60% and operator) net production in 2025 was 1,180 boepd (2024: 2,070 boepd). No major investment activities were undertaken during the year, and production was adversely impacted by an extended outage at the tieback third-party platform that the Q10-A field exports its hydrocarbon production to. As previously disclosed, the planned 35-day outage in H1 2025 overran by 63 days, with the field restarting during July. Following a first-half average production rate of 900 boepd (net), flush production and 97% uptime after the restart of operations significantly lifted the full-year average production rate. Aside from the cessation of production from the Q10-A01, well decline in the remaining producing wells was largely as expected, driven by natural pressure decline across producing reservoir intervals.

Our estimate of recoverable 2P reserves remains broadly in line with those set out at year-end 2024, with slight downward adjustments to account for the lower offtake during 2025 and the loss of the Q10-A01 well.

The Group continues to cooperate closely with the operator and other users of the P15-D platform and associated infrastructure to try to ensure volumes are maximised and unit operating costs are minimised in the coming years, while we are planning for CoP at the end of 2027.

Other

During the second half of 2025, Kistos undertook an exercise to rationalise the exploration acreage in the vicinity of Q10-A. Following this review, a submission was made to the ministry, which was subsequently accepted, to relinquish significant exploration acreage. This will save Kistos in excess of \$750,000 per year and is effective from 2026.

Onshore, after concluding the safe abandonment of three wells (HRK-1, DKK-3 and DKK-4) at the end of 2022, Kistos commenced land remediation and returning sites to landowners through 2024. During 2024 and 2025, Kistos partnered with Callidus to remove 24 km of buried pipelines. This operation was completed successfully and without incidents, and all liabilities associated with onshore hydrocarbon production and operations have now been discharged.

Reserves and resources

Kistos exited 2025 with 2P reserves of 26.7 MMboe. Production in 2025 was 3.3 MMboe, resulting in an overall increase of 2.2 MMboe from year-end 2024 Group 2P reserves of 24.4 MMboe, fed by positive additions of 5.5 MMboe in the year.

Our 2C contingent resources were estimated to be 18.8 MMboe at the end of 2025, which includes removing all volumes related to Orion and M10a/M11, as we currently have no plans to pursue these opportunities.

Including our announced deal with Mitsui E&P Middle East B.V. to purchase onshore assets in Oman with an effective date of 1 January 2025 would increase our closing 2P and 2C positions to 48.8 MMboe and 52.3 MMboe, respectively.

Peter Mann
Chief Executive Officer (CEO)

25 June 2026

Financial Review

Results for the year ended 31 December

		2025	2024
Production rate¹	boepd	8,940	8,050
Sales volumes			
Liquids	boepd	5,009	3,363
Natural gas	boepd	3,544	4,911
	boepd	8,553	8,274
Average realised price			
Liquids	\$/boe	63	79
Natural gas - UK	\$/boe	67	62
Natural gas - NL	\$/boe	69	63
	\$/boe	65	69
Revenue			
Liquids	\$'000	112,658	98,227
Natural gas	\$'000	89,031	111,412
Gas trade	\$'000	11,251	6,680
	\$'000	212,940	216,319
Unit opex	\$/boe	29	29
Adjusted EBITDA²	\$'000	96,590	95,324
Basic earnings per share	\$/share	(0.02)	(0.63)
Capital expenditure	\$'000	121,532	143,814
Adjusted net (debt)/cash³	\$'000	(75,870)	(51,663)

1. Production rate includes Kistos' share from backout compensation by Victory to make GLA partners whole.

2. Non-IFRS measure. Refer to note 2.2.2 in the financial statements for definition and calculation.

3. Non-IFRS measure. Refer to Appendix B2 in the financial statements for definition and calculation.

Revenue

The Group's revenue during the year was broadly comparable with 2024, with higher production being almost entirely offset by the lower average realised prices.

Unit opex

Operating costs remained stable at \$29/boe, with inflationary cost increases being offset by higher production.

Adjusted EBITDA¹

\$'000	2025	2024
Adjusted EBITDA	96,590	95,324
Development expenses	(31)	(214)
Share-based payment expenses	(2,849)	(560)
Depreciation, amortisation and Impairments	(103,886)	(134,398)
Transaction costs	(29)	(898)
Operating loss	(10,205)	(40,746)

Loss for the period

\$'000	2025	2024
Operating loss	(10,205)	(40,746)
Interest income	5,286	6,417
Interest expense	(35,288)	(34,196)
Other net finance income	31,150	15,003
Other net finance costs	(12,115)	(42,360)
Tax credit	19,354	43,883
Loss for the period	(1,818)	(51,999)

Adjusted EBITDA

Adjusted EBITDA was broadly in line with the comparable period of 2024.

Debt and finance costs

The carrying value of bond debt on 31 December 2025 was \$270 million, comprising USD-denominated bonds issued by Kistos' Norwegian subsidiary. The Hybrid Bond debt with a face value of \$45 million was fully cancelled for nil consideration on 28 May 2025, as the operational milestone was not met.

Foreign exchange differences resulting from the Norwegian subsidiary are the principal driver of the non-cash other finance income.

1. Non-IFRS measure. Refer to note 2.2.2 in the financial statements for definition and calculation.

Financial Review

Tax credit

The net accounting tax credit for 2025 was \$19.4 million, arising from tax losses generated in Norway, the Netherlands and the Storage business in addition to deferred tax movements in the UK. Taxable profits charged at rates of 78%, 78% and 50% applicable to oil and gas production activities in the UK, Norway and the Netherlands, respectively, and 25% applicable to onshore UK activities, have been mainly offset by capital allowances on the Balder Future project.

Cash taxes paid during the period were \$24.4 million (2024: \$72.2 million), primarily relating to the settlement of UK tax liabilities on 2023 profits and Netherlands tax liabilities on 2022 profits. Cash taxes received during the period were \$73.8 million (2024: \$80.7 million) relating to capital expenditure on the Balder Future project.

The current tax liability at the year-end was \$90.9 million (2024: \$93.6 million). This includes \$55 million (2024: \$49 million) uncertain tax position in respect of the Solidarity Contribution Tax, for which the Group believes there is a strong argument that the relevant Dutch subsidiary Kistos NL2 BV is out of scope (see note 6.4 to the financial statements).

Capital expenditure

Cash capital expenditure in 2025 was almost entirely related to the Balder Future project, with no drilling or well intervention campaigns in the UK or Netherlands. Expenditures comprised drilling and refurbishment costs on the Jotun FPSO and other facilities.

Capital expenditure in Norway is relievable at an effective rate of 78%, with any tax losses generated during the year creating a tax credit that is receivable as a cash tax rebate the following December. The tax receivable in respect of 2025 Norwegian tax losses (primarily generated by capital expenditure in 2025) is anticipated to be approximately \$32 million (NOK 331 million), not including accrued interest, to be received in December 2026.

Liquidity and restricted funds

The Group's overall liquidity position was approximately \$209 million, reflecting the combination of \$117 million of unrestricted cash, \$30 million of restricted funds held in escrow primarily in connection with the Oman acquisition, tax receivables mainly from Norway of approximately \$32 million expected to be receivable in 2026, and \$30 million of undrawn committed facilities at year-end.

James Thomson

Chief Financial Officer (CFO)

25 June 2026

Who We Are

Kistos Holdings plc is an independent, UK-based company that strives to create value for investors and other stakeholders through the acquisition and management of businesses in the energy sector.

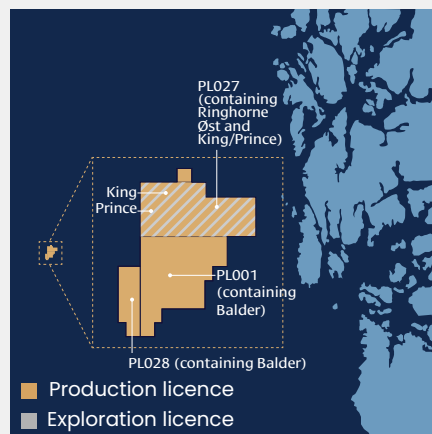
Established in October 2020 and headquartered in London, we aim to build a balanced, long-term portfolio with high-quality production and development assets, energy storage infrastructure and energy generation projects.

Led by an experienced management team with a successful track record of value creation, Kistos' strategy is built around the pursuit of growth through strategic M&A and prioritising operational excellence to accelerate organic development opportunities.



Who We Are

1. Norway



In Norway, Kistos has working interests of 7.4% and 10% in the Ringhorne Øst Unit and Balder and Ringhorne fields, respectively. Following the successful deployment of the Jotun FPSO during 2025, we expect the lifetime of the Balder Area to extend beyond 2045, enabling further development in the area. The licences are operated by Vår Energi ASA.

The Balder Area, which primarily produces oil along with minor volumes of associated gas, contributed the largest portion of hydrocarbon production to the Kistos Group during 2025. This was achieved following the installation of the Jotun FPSO in-field in June 2025, which enhanced

the existing production and handling capacities of the infrastructure available.

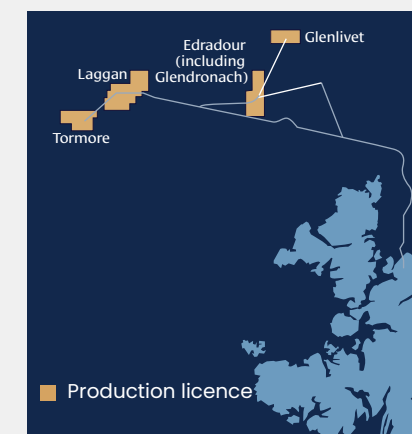
At the end of the year, the Balder Area was being produced by the Jotun FPSO, the Balder FPU and the Ringhorne platform, all of which are connected via gas-lift and production risers, while also sharing production power and liquid handling capabilities. Oil is processed and stored aboard both the Balder FPU and Jotun FPSO and periodically offloaded onto shuttle tankers for onwards sale.

There are several development projects ongoing, the highlights of which are set out below.

- ♦ Balder Phase V entails the drilling of six wells on the remaining subsea well slots provided for the Balder Future project. The first three wells are on stream, and the remaining wells will be delivered during 2026 and 2027.
- ♦ Balder Phase VI was approved for development in June 2025 and consists of a single subsea well tied back to the Jotun FPSO via H-template. The well will have three branches targeting c.15 MMboe (gross), and it is expected to spud and come onstream during 2026.

- ♦ The BNNW project was initiated in May 2025 to qualify further development of the southern Balder area. The project is split into three key phases:
 - Phase 1, which was sanctioned during 2025, is focused on debottlenecking the Jotun FPSO to increase the handling capacities of the vessel to accelerate production.
 - Phase 2, which is targeting a final investment decision in H1 2026, targets the maturation of six new wells along with multilateral branches for drainage of legacy resources currently tied back to the Balder FPU. Estimated resources to be recovered by the first six wells are 53 MMboe (gross).
 - Phase 3 is also being matured through 2026 and will result in the removal of the Balder FPU in 2028, realising cost savings in the realm of \$130 million per year (gross) along with substantial carbon emissions reductions. Additionally, further subsurface targets are being matured such that up to a total of 15 wells will be drilled through to 2030, targeting up to 75 MMboe (gross) from the BNNW project.

2. The UK



2a. Greater Laggan Area

Kistos has working interests in several offshore licences west of Shetland. These interests include 20% of the Laggan, Tormore, Edradour and Glenlivet producing gas fields, the onshore Shetland Gas Plant and 20% of the Glendronach gas discovery. The licences are operated by TotalEnergies. Serica Energy assumed operatorship of the Greater Laggan Area from TotalEnergies in March 2026.

Commercial gas production from the GLA commenced in 2016, and all fields are connected to the SGP by dual pipelines, each 140 km long.

Who We Are

2. The UK continued

After arriving at the SGP, crude oil is transferred via pipeline to the adjacent Sullom Voe Terminal, where it is stabilised and stored until lifted. Wet gas is exported to the St Fergus Gas Terminal in Scotland, where it is separated into dry gas and natural gas liquids (NGLs), with the gas entering the grid and NGLs (including propane and butane) exported to Braefoot Bay via a further pipeline, ready for sale.

The Glendronach discovery was made in 2018, prior to Kistos acquiring interests in the licence. The development concept envisages re-entering the discovery well to complete it for production, tying back through the Edradour manifold and onwards to the SGP. The project passed all technical gates during 2022 but failed to achieve sanction by the operator. Since then, the opportunity has been recycled, and we expect the arrival of Serica Energy as the new operator to bring this forward for FID during the second half of 2026.

The joint venture also continues to look at the potential for infill drilling on our existing fields following the acquisition of 4D seismic in 2023. At the end of 2025, the main opportunity being worked on was a Tormore infill well, where the subsurface work is ongoing and should conclude during 2026.

Kistos also holds minority working interests in three exploration licences to the West of Shetland. Here, our interests vary from 20% up to 33.3%. We have no material

commitments on these and continue to discharge our licence obligations as required.

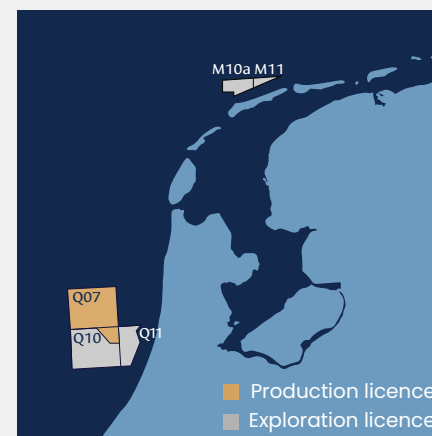
2b. Gas storage

In early 2024, we announced further expansion and diversification, agreeing to purchase EDF's onshore gas storage assets in Cheshire, UK. This transaction diversified our presence across the energy value chain, securing a foothold in the midstream market, while providing potential future alternative energy sources for the asset, such as compressed air or hydrogen.

At the time of acquisition, the Hill Top Farm site was fully operational, with five caverns in use for gas storage. Hole House plant was operational, and is kept as a back-up to the Hill Top plant, while the four Hole House caverns were in the process of being re-brined.

In July 2024, site capacity was increased 24% following a successful pressure range trial, and work has commenced on returning the Hole House gas storage facility to service following FID in September 2025. This return to service includes the workover of eight wells across the four caverns, while Kistos has also committed to modernising certain obsolete control systems and equipment to set the site up for commercial operations into the 2040s. Upon completion, which is expected in 2028, our gas storage capacity will increase from ~22 million therms today to ~36 million therms.

3. The Netherlands



powered Q10-A platform. The natural gas is exported through a 42-km pipeline to the TAQA-operated P15-D platform, where it is processed and transported to shore for sale.

Towards the end of 2025, Kistos undertook a rationalisation of its exploration acreage, following which material exploration licences were either relinquished or substantially reduced to optimise licence fees as we near the expected CoP of the Q10-A field in the next couple of years. We retain our working interests in (and operatorship of) the M10a, M10b, M11 licences, along with Q07a, Q10a, Q10b and Q11a.

Kistos operates several exploration and production (E&P) licences offshore of the Netherlands, in which we have a 60% working interest with our partner EBN, holding the remaining 40% interest across all our licences.

Following our acquisition of Tulip Oil Netherlands (renamed Kistos NL1) and its subsidiary, Tulip Oil Netherlands Offshore (Kistos NL2) in 2021, Kistos became the operator of the Q10-A field, located 20 km offshore the Netherlands. The transaction also included other oil and gas discoveries in the Dutch sector of the North Sea. Commercial gas production began in February 2019 from the unmanned, primarily solar- and wind-

What We Do

What we rely on

Employees and contractors

- ◆ 51 employees across three countries

Natural resources

- ◆ 48.8 MMboe proved and probable (2P) reserves (end 2025) including pro forma Oman
- ◆ 52.3 MMboe contingent resources (2C) including pro forma Oman (end 2025)

Financial resources

- ◆ \$209 million of liquidity at the end of 2025 (including restricted funds held in escrow primarily in connection with the Oman acquisition and current receivables)
- ◆ \$60 million tap facility on its existing bonds

Tangible assets

- ◆ 53 producing wells and associated infrastructure
- ◆ 20% interest in the SGP
- ◆ 10% share in the Jotun FPSO
- ◆ 100% ownership (long-term leases) of two gas storage plants: Hill Top Farm and Hole House

How we add value

Identify and explore

We seek to identify natural gas and oil fields through acquisition or exploration, and other opportunities in the energy and transition space.

Drill and develop

We drill appraisal wells to assess the viability of oil and natural gas discoveries, and develop the infrastructure and assets needed for viable commercial production.

Collaborate

We identify joint ventures driven by strong operators and bring our varied experience and flexible approach to enhance these partnerships.

Extraction

We progress development assets into oil and gas production from our operated licences in a safe, responsible and sustainable manner.

Transport and trading

We have agreements with third parties that sell the natural gas produced offshore of the Netherlands and the UK. Oil produced from our interests in Norway is exported via shuttle tanker to refineries predominantly in Europe.

Sale

Our gas production in the UK and the Netherlands is sold domestically, enhancing energy security for both countries.

Use

Our produced gas is used by industrial and other commercial companies, utility and other power generation businesses, and by residential customers. Produced oil is refined into various components, including gasoline, diesel and fuel oil.



Our Business Strategy

Kistos' business model is built on a diversified, international platform spanning the energy value chain. We create value for shareholders through disciplined, relationship-driven M&A and delivering operational excellence that unlocks organic growth – underpinned by a proven leadership team with a repeatable track record of generating significant investor returns.

Market context

The energy market in which we operate remains in a state of significant change; energy security and price volatility remain key risks in today's market, alongside frequent policy changes in the areas in which we have traditionally operated. Ongoing conflicts in Eastern Europe and the Middle East, combined with broader geopolitical instability, have triggered significant oil and gas price fluctuations over the past 12 months, which can have a material impact on the Group.

OPEC+'s decision to begin unwinding long-standing production cuts during 2025 is reshaping price expectations. Ongoing UK regulatory evolution – particularly

around licensing reform, windfall taxes, and energy-transition requirements – continues to influence investment decisions and may constrain capital deployment at a time when supply security is a national priority.

Post year-end, the escalation of military conflict involving the US, Israel and Iran has further amplified volatility. Following coordinated US-Israeli strikes on Iran on 28 February 2026, Brent prices surged past \$100/bbl, reflecting heightened risk premia and fears of prolonged disruption to the Strait of Hormuz, a transit point for roughly 25% of the world's seaborne oil trade. These developments reinforce the potential for short-term supply shocks and create additional uncertainty in energy markets.

The conflict also has implications for Kistos in relation to its acquisition in Oman. Oman's proximity to the Strait of Hormuz exposes the region to heightened geopolitical and logistical risk, particularly as shipping traffic through the Strait has declined significantly following Iran's declaration of partial closure of the waterway. However, Oman is the only Gulf state whose hydrocarbon exports do not depend on the Strait of Hormuz, significantly reducing its vulnerability to maritime disruption. Despite uncertainty around the security situation, infrastructure damage at this point in Oman remains relatively limited. Nevertheless, the conflict's duration remains highly uncertain, and some disruptions are likely to persist for an unknown period of time.



Our Business Strategy

Key strategic priorities

Secure long-life producing hydrocarbons

- ◆ Acquire established producing assets with material, often overlooked upside, where complexity or dislocation has obscured value across core EMEA markets
- ◆ Targeting ~40 kboepd through well-advanced M&A opportunities, supplemented by uplifts from Oman Blocks 3 & 4, Balder Next and the licence extension of Block 9

Maximise exposure to commodity price upside

- ◆ Unhedged price exposure and strategic gas-storage assets enabling shareholders to participate fully in market volatility
- ◆ High-IRR opportunities (Balder Next, GLA and Blocks 3 & 4) backed by a low-cost base (<\$18/boe), strengthening the platform for future shareholder returns

Generate sustainable shareholder returns

- ◆ Targeting sustained top-quartile shareholder returns, backed by a proven track record: ~272% Total Shareholder Return (TSR)* since IPO and previously delivering 42x returns to early RockRose Plc investors.
- ◆ Credibility in the Norwegian bond market and with IOCs gives us advantageous, low-cost leverage – a key driver of our outsized returns

Key pillars for the next phase of growth

Proven management team

- ◆ Leadership team with a proven track record of value creation
- ◆ Significant management equity stake creates shareholder alignment

Scaled, established platform

- ◆ Diversified energy platform across Europe and the Middle East
- ◆ Strong partnerships and operating relationships established, including IOCs
- ◆ 15 MMboe of production to date with c.48.8 MMboe of reserves/resources at 31 December 2025

Portfolio organic upside

- ◆ Significant near-term growth expected from Balder, unlocking additional drilling phases and extending field life beyond 2045
- ◆ Upside from infill drilling and tie-back in the GLA; further drilling in Oman
- ◆ Expansion of UK gas storage capacity to c.36 million therms

Disciplined, value-accretive M&A

- ◆ Continuously evaluating new opportunities guided by a disciplined focus on returns, not headline production
- ◆ Strong EMEA acquisition pipeline focused on jurisdictions with supportive fiscal policy and stable regimes

Delivering value for our shareholders, our environment, our communities and our people

* As at 29 May 2026.

Our ESG Strategy

Using strategic investment, industry expertise and a culture of excellence to support society's transition to a low-carbon future.

Through our environmental, social and governance (ESG) strategy, we look to prioritise sustainable business practices and strengthen our local communities, while upholding our ambitions for growth and investor value creation.

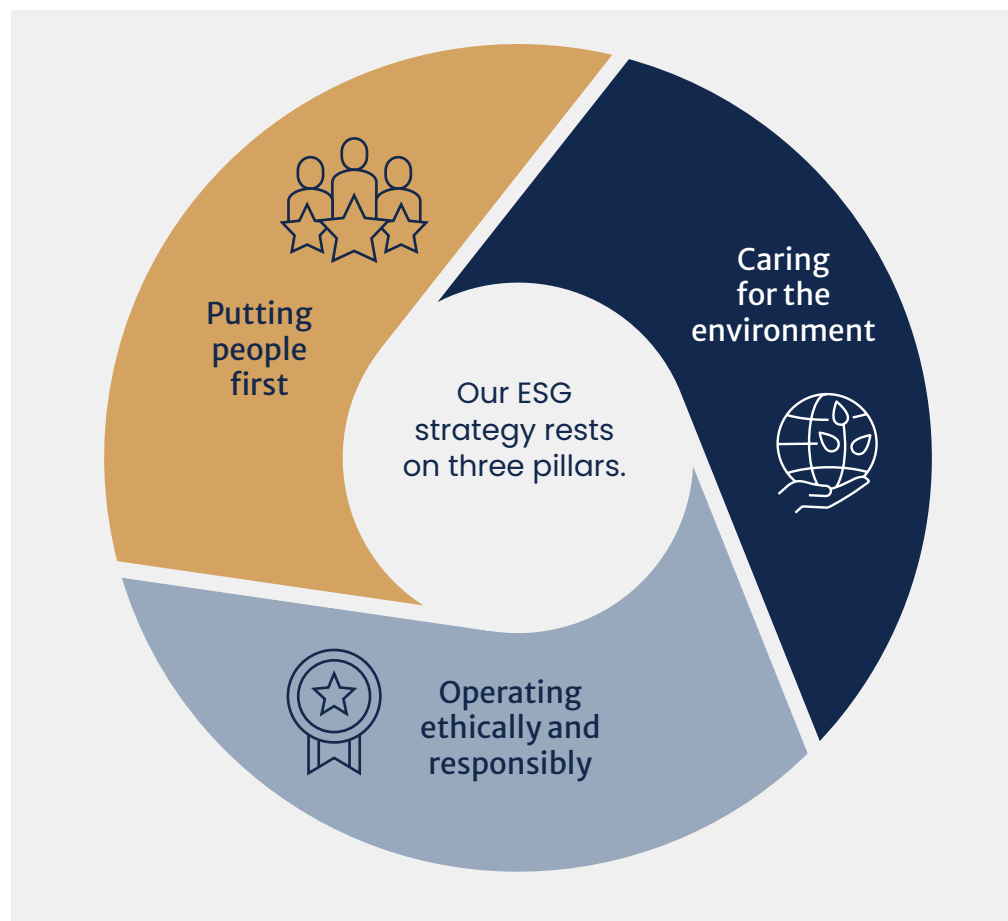
Our ESG strategy is designed to guide us in reducing our environmental impact, enhancing operational efficiency and delivering value for people. At its foundation are our material issues. Behind its success is a team dedicated to living our company values.

Within our industry, we are committed to supplying the oil and natural gas that will enable the transition to an economy based on renewable energy, while emitting as little CO₂ as possible. We support the aims of the countries in which we operate – the UK, the Netherlands and Norway – to reach their national greenhouse gas (GHG) emissions targets by 2050 and continue to work closely with partners and suppliers to promote good environmental practices.

Our commitment to excellence has seen Q10-A achieve an emissions intensity of around 0.008 kg CO₂e/boe (Scopes 1 and 2) – far below typical Dutch North Sea averages – positioning it among the lowest-emission platforms in the region. This is enabled by its renewable-powered design and our proactive approach to maintenance.

Our rigorous processes and strong governance have also helped us build strong relationships with regulators and communities in the territories where we operate. We are therefore confident we can contribute to a more sustainable future without compromising our own ambitions for growth.

We are also proud to have achieved ISO 14001 certification for our Netherlands operations, cementing our commitment to continuous improvement around environmental performance.



Caring for the environment

We will continue to prioritise sustainable business practices with every decision we make.

- ◆ Action on climate change
- ◆ Global energy transition
- ◆ Operational energy use
- ◆ Spill performance
- ◆ Air quality, emissions and waste
- ◆ Decommissioning
- ◆ Ecological impacts and biodiversity

Operating ethically and responsibly

We will act with integrity to ensure we're always doing the right thing.

- ◆ Risk management
- ◆ Business ethics and governance
- ◆ Operations in sensitive or complex locations
- ◆ Sustainable procurement
- ◆ Financial risks of climate change
- ◆ Funding and investment
- ◆ Economic performance

Putting people first

We will create safe, inclusive workplaces, promote human rights and strengthen our local communities.

- ◆ Health and safety
- ◆ Access to energy
- ◆ Engagement with communities and stakeholders
- ◆ Employment, training and education
- ◆ Diversity, equality and inclusion
- ◆ Human rights

Our 2025 ESG Activities

We strive to operate a responsible, sustainable business, strategically managing key ESG issues.



Environment

As the world moves to adopt renewable energy solutions, natural gas and oil remain valuable current solutions in the transition. We focus on maximising facility efficiency and longevity, along with increasing productivity, to achieve the cost and emissions savings that make oil and gas viable and responsible. We also rigorously evaluate the emissions intensity and carbon footprint of any future projects to make smart decisions that align our growth with positive impact.

Sources of our Scope 1 and 2 emissions

Group Scope 1 emissions

- ◆ Scope 1 emissions from offshore operated assets are minimised where possible, such as through the solar panels and wind turbines that power the Q10-A platform and reduce reliance on our back-up diesel gen-set.
- ◆ In Norway, following the installation of the Jotun FPSO with the Balder Area during 2025, our Scope 1 emissions caused by generating power offshore have increased materially. However, on an emissions intensity basis, Norway now has significantly higher production, which is not matched by such a large increase in absolute emissions.
- ◆ In our UK upstream activities, where we are a non-operator in the Greater Laggan Area, we generate power at the SGP through the burning of fuel gas, while also generating minor emissions through the use of vessels carrying out essential maintenance and surveys on our subsea infrastructure.

- ◆ During the second half of 2025, the third-party Victory field started up, tying back to the SGP and utilising our infrastructure. Due to the elevated throughput at the SGP, there was a prolonged requirement to run two compressors simultaneously rather than the usual one, thus increasing absolute emissions compared to the prior period.

Group Scope 2 emissions

- ◆ Scope 2 emissions primarily relate to purchased electricity used to drive our compressors at our gas storage operations onshore UK.
- ◆ In the Netherlands, we do not import electricity, as our offshore operations are fully powered by on-site wind and solar energy.

Adjustment to emissions reporting

- ◆ Following a reassessment of our organisational boundaries and operational control, it has been determined that Kistos does not have operational control over the TAQA-operated P15 platform. Therefore, the associated fuel combustion and emissions fall outside of our Scope 1 and Scope 2 emissions.
- ◆ In previous reports, Q10-A's share of the fuel used to generate power on the platform was included within our reported Scope 2 emissions. As part of the continued development of our ESG reporting, we have reviewed the methodology for the allocation of these emissions and determined them to relate to third-party activities. As such, they are considered Scope 3 emissions, which are not currently included within our reported emissions figures.

- ◆ Our emissions reporting has been updated accordingly to ensure alignment with our reporting principles and organisational boundaries.

Scope 1 and 2 emissions performance

Operated assets

Our operated assets comprise the Q10-A platform in the Netherlands and our gas storage facility in the UK.

Across our offshore assets, emissions performance remains significantly below the North Sea average. We continue to constructively engage with regulators on our emissions management and operational discipline.

At the Q10-A platform, operations continued throughout 2025 with a strong focus on safety, operational discipline and emissions management. The installation is powered by on-site renewable energy through wind and solar generation, reducing reliance on the back-up diesel generator.

Within the year, just shy of 1,600 litres of marine fuel (equivalent to ~2,025 kWh) were consumed in operations on the Q10-A platform, such as crane activities, equating to 5.7 tonnes of CO₂e Scope 1 emissions. The platform generated in excess of 27,000 kWh of renewable electricity, which significantly reduced the requirement to combust diesel, which we estimate reduced gross emissions at the platform by 17.8 tonnes of CO₂e. No flaring occurred on the Q10-A platform during 2025.

Annual inspections are conducted to identify and prevent operational methane leaks, exceeding the typical four-year inspection requirements.

Our gas storage facility in the UK does not consume gas during routine operations. However, natural gas venting occasionally occurs as part of the safety systems for process equipment, and operations also rely on grid electricity.

Scope 1 emissions associated with the gas storage facility relate to the consumption of 5,263 litres of diesel (equivalent to ~6,686 kWh) for on-site vehicle use, together with 23.5 tonnes of vented gas (equivalent to ~258,176 kWh). This equates to 673 tonnes of CO₂e.

Scope 2 emissions relate to electricity consumed on site, primarily to power the compressors during gas export campaigns. During 2025, we consumed 11.08 GWh of electricity. Using an emissions factor of 0.177 kg CO₂e per kWh, this equates to 1,962 tonnes of CO₂e.

In 2025, 659 tonnes of CO₂e were vented from natural gas, while 14 tonnes of CO₂e were vented from diesel. This was higher than the 2024 reported figure (which included emissions following completion of the acquisition of the business from EDF), but compared with the full year 2024, it represents a slight reduction in total vented emissions.

Non-operated interests

Our non-operated offshore interests include our share in the GLA in the UK and assets on the Norwegian Continental Shelf.

Our 2025 ESG Activities



Environment continued

In the UK, emissions from our interests are reported net to our working interest. Scope 1 and 2 emissions intensity increased from 18 kg CO₂e/boe in 2024 to 22 kg CO₂e/boe in 2025. Absolute emissions increased year-on-year by 4,432 tonnes CO₂e (2025: 26,682 tonnes CO₂e net to our 20% working interest; 2024: 22,250 tonnes CO₂e).

The increase in absolute emissions was driven by the start-up of the Victory field, which is tied back to the SGP, and necessitated the use of dual compression for a period of time due to higher flows into the plant. While the GLA joint venture (including Kistos) does not have a working interest in this field, emissions are reported net to working interest, while plant throughput is referenced for context only. In the final quarter of the year, Victory was allocated approximately 80% of the total throughput at SGP. In 2026, we anticipate our emissions intensity to drop materially as a full year of Victory throughput is included.

In Norway, emissions net to our working interest were 25,799 tonnes CO₂e, of which 3,504 tonnes were attributed to flaring. Set against production for 2025, this equates to an emissions intensity of 13.1 kg CO₂e/boe.

Across our offshore assets, flaring is limited to situations where it is required for safety reasons, such as during start-up or shutdown activities to depressurise systems or during drilling and well-intervention campaigns.

During 2025, flared volumes were higher than usual due to the commissioning of the Jotun FPSO, which was classed as an extended start-up period for the purposes of allowable flaring. In all instances where flaring is required, processes are optimised for carbon efficiency.

Actual emissions from operated assets¹

kg CO ₂ e/boe		2025	2024
Scope 1	Excluding flaring	<0.01	<0.01
	Including flaring	<0.01	<0.01
Scope 1 and Scope 2	Excluding flaring	<0.01	<0.01
	Including flaring	<0.01	<0.01

tonnes CO ₂ e		2025	2024
Scope 1	Excluding flaring	679	520
	Including flaring	679	520
Scope 1 and Scope 2	Excluding flaring	2,641	2,142
	Including flaring	2,641	2,142

Relaunching Jotun

In June 2025, the Jotun FPSO commenced operations after more than four years of extensive refurbishment. The significant investment in extending Jotun's working life, rather than commissioning a new-build FPSO after 20 years of service, stands as a testament to our commitment to sustainability, which we share with our partner Vår Energi. Among other enhancements, the vessel is now equipped with

best-in-class water treatment facilities, allowing us to safely extract more oil from water. This not only increases our production efficiency; it also enables the safe discharge of treated produced water in accordance with regulatory requirements. We are already planning to increase the volume of water that Jotun can treat so that it can take over water treatment needs when our diesel-powered Balder FPU is decommissioned.

In addition, the installation of the Jotun FPSO into the Balder Area has extended the life of the Balder field for at least a further 20 years, ensuring that current assets are responsibly maximised. While Jotun coming online will initially cause an increase in absolute emissions, the increased production that the vessel has enabled means that our emissions intensity has reduced substantially. This will be further supported by the significant emissions savings we will make when our diesel-powered Balder FPU is decommissioned in 2028, removing an estimated 70,000 tonnes (gross) of CO₂e emissions per year.

Achieving ISO 14001 in the Netherlands

In 2025, our Netherlands business (Kistos NL2 B.V.) achieved ISO 14001 certification for its environmental management system (EMS), following several years of dedicated work by our team. ISO 14001, the internationally recognised standard for environmental management

systems, provides a structured framework for identifying, managing and continually improving environmental performance. Achieving certification confirms that our environmental management processes meet internationally recognised requirements and are subject to independent verification.

A culture of continuous improvement

In our Netherlands operations, we are progressing a Management of Change Process to significantly reduce methanol use. A corrosion inhibitor has been delivered from the Taqa-operated P15 platform via a 2" piggyback line that requires methanol as a carrier, but in early 2026, we are transitioning to an on-platform injection system that removes the need for methanol altogether. This shift will further lower our emissions and enhance operational performance.

We are also pleased to maintain exceptionally high availability on the Q10-A platform, in part supported by the fact that the platform's three wind turbines and solar power means we experience fewer outages. In fact, the back-up generator was only used for 131 hours in total throughout the entire year. In addition, we switched to using biofuels for our generator, reducing the carbon intensity of back-up power generation.

¹ Following a methodology review, P15 platform emissions were classified as Scope 3, as they fall outside the Group's control and equity share, 2024 Scope 2 has been restated accordingly.

■ Our 2025 ESG Activities



Environment continued

2025 has also been a positive year for our UK operations, with the Victory field (operated by Adura) coming online through the SGP and with the approval to reinstate the Hole House storage facility. The recommissioning of existing infrastructure at Hole House increases storage capacity by more than 60%, supporting the energy security of the UK, which has among the lowest gas storage capacities in Europe.

Spills and incidents

Recognising spills and incidents as a key issue for our business, we aim to maintain zero operational spills annually in our operated sites.

In 2025, we experienced zero spills, leaks or environmental incidents, including during higher-risk phases such as the Jotun FPSO commissioning, pipeline removal and shutdown periods.

We provide employees with the required training to enable them to uphold our robust safety processes at sea and at onshore facilities. Together with our operators, we participate in emergency response exercises for our assets.

We also maintain mitigation and clean-up procedures for unexpected incidents, in line with the standards required by regulators where we operate. In addition, we maintain access to emergency response resources at all our facilities. These teams are available 24/7.

Effluents and waste

During oil extraction, naturally occurring produced water is brought to the surface. We manage and treat these volumes in line with strict regulatory standards. We manage produced water discharges in accordance with applicable regulatory requirements. We adhere to all relevant guidelines, including maintaining compliance with EU REACH regulations that prevent the use of chemicals and materials considered harmful to the environment. We continue to invest in machinery to improve the cleaning of produced water. In our non-operated activities, our newly relaunched Jotun FPSO now features best-in-class equipment to treat and safely discharge water.

Biodiversity

We aim to incorporate nature-inclusive design principles into new operated projects where feasible.

As part of our Environmental Action Plan (EAP) town planning conditions for onshore operations, we conduct annual barn owl and bat surveys to understand and monitor our biodiversity impact. We assess and manage potential impacts of our operations on marine life and seek specialist advice to manage interactions with marine wildlife.

During 2025, our teams in the Netherlands continued with onshore abandonment projects to use minimally invasive keyhole pipe removal methods and return land to its owners in its original condition. As part of this work, we consulted with external experts on safely working around and avoiding 1 km of protected areas with important frog species.

■ Our 2025 ESG Activities



Social

Health and safety

The health and safety of all our employees and other stakeholders is paramount, and our aim is to implement a robust safety culture that results in zero harm. We work across offices as well as industrial onshore and offshore sites, each presenting unique safety requirements.

We are continuing to develop our five-year health and safety plan, which will drive cross-business alignment while enhancing HSE leadership, certification, contractor management and behavioural safety programmes. It will be implemented by 2028 and builds on existing annual plans for asset integrity and process safety.

Safety performance

In 2025, no lost-time injuries (LTIs) were recorded on sites operated by Kistos. Six LTIs were recorded across our joint venture sites.

In the Netherlands, at our operated Q10-A platform, 2025 saw a relatively high level of operational activity, including the wireline intervention campaign. Despite the increased workload, a strong focus on safety and operational discipline was maintained, and no lost-time injuries (LTIs) were recorded during the year.

In the UK, at our operated gas storage facility, increased operational activity resulted in a higher risk profile for workplace injuries. There was increased risk in 2025 due to a significant planned five-week turnaround. Particular focus was placed on changes to scaffold flooring and certain operating procedures. As a result, no lost-time injuries (LTIs) were recorded during 2025, and the shutdown was completed without incidents and ahead of schedule.

Across our non-operated interests, including our share in the Greater Laggan Area, there were no lost-time incidents during 2025, and a planned pitstop during May was executed to schedule and without incidents.

In Norway, as part of our non-operated activities in the Balder area, six LTI incidents were recorded in 2025. Four incidents were related to offshore operations, and two incidents were related to project work during Jotun FPSO's yard-stay at Worley Rosenberg. The Jotun FPSO tow-out and mooring, offshore commissioning and hook-up to the Balder field (March-June) were successfully completed without lost-time incidents.

Workplace culture

Across the Group, we have highly skilled teams of employees who share our values-led, high-performance culture. Managing physical energy assets demands constant preparedness, dependability and accountability, and we therefore strive to create a workplace culture that is collaborative and supportive. We provide time off and financial support so employees can attend relevant training courses.

The team at our UK gas storage facility has also introduced resources such as workshops, one-to-one coaching and corporate well-being events. These initiatives increase retention and enable all employees to fulfil their potential.

Additionally, we provide equal access to training for all employees, both operationally and in the office.

Kistos develops people to operate complex energy assets safely, efficiently and responsibly. The company's approach to capability development is guided by five principles:

- ◆ **Safety and integrity first** – competence underpins process safety and operational excellence.
- ◆ **Asset-led learning** – training aligned to real operational environments.
- ◆ **Competence over attendance** – capability measured by demonstrated performance.

- ◆ **Regional excellence, global standards** – local requirements integrated with international best practice.

- ◆ **Continuous development** – structured growth from entry-level to executive leadership.

We view capability development as a strategic investment, directly supporting operational performance, regulatory excellence and long-term value creation across our international portfolio. Our approach is structured, disciplined and aligned with the full lifecycle of our assets.

Diversity, equality and inclusion

Despite having a relatively small workforce, we remain committed to recruiting from a diverse candidate pool and upholding a zero-tolerance stance for discrimination based on disability, ethnicity, gender or any other protected characteristic in hiring practices.

Roles are unique to each region, but we embed universally applicable policies around diversity and inclusion into our business practices to help dismantle systemic barriers to opportunity and empower leaders to manage diversity.

The size of our teams means that it is not meaningful to measure the gender pay gap, but we offer remuneration packages commensurate with the level, experience and technical expertise required, regardless of gender.

■ Our 2025 ESG Activities



Social continued

Community engagement

For over 20 years, we have fostered strong relationships with the village of Warmingham in Cheshire, UK, where we operate our gas storage facility. In 2025, we enhanced this connection, supporting Warmingham Primary School by funding hooded sweatshirts for school leavers, donating laptops and IT equipment and contributing prizes for the school's winter and summer fairs. We also supported the wider community, sponsoring – and donating to – the WWII D-Day 80th Anniversary, restoration of the village's WWI memorial clock, the local Women's Institute, the Warmingham Duck Drive and the annual Warmingham Wakes.

Kistos supports and oversees community engagement and social investment activities associated with our operations, ensuring alignment with applicable environmental and social regulations.

Human rights

Kistos is committed to respecting human rights as outlined in our Code of Business Conduct and [Modern Slavery Statement](#). Our integrated approach, which applies to all employees and contractors, is embedded in our policies, business systems and processes.

We have identified four areas where respect for human rights is critical to our operations: labour rights, communities, supply chains and security. Employees, community stakeholders, contractors and third parties can raise concerns and allow us to resolve issues rapidly, including, where necessary, providing access to remedy.

Our 2025 ESG Activities



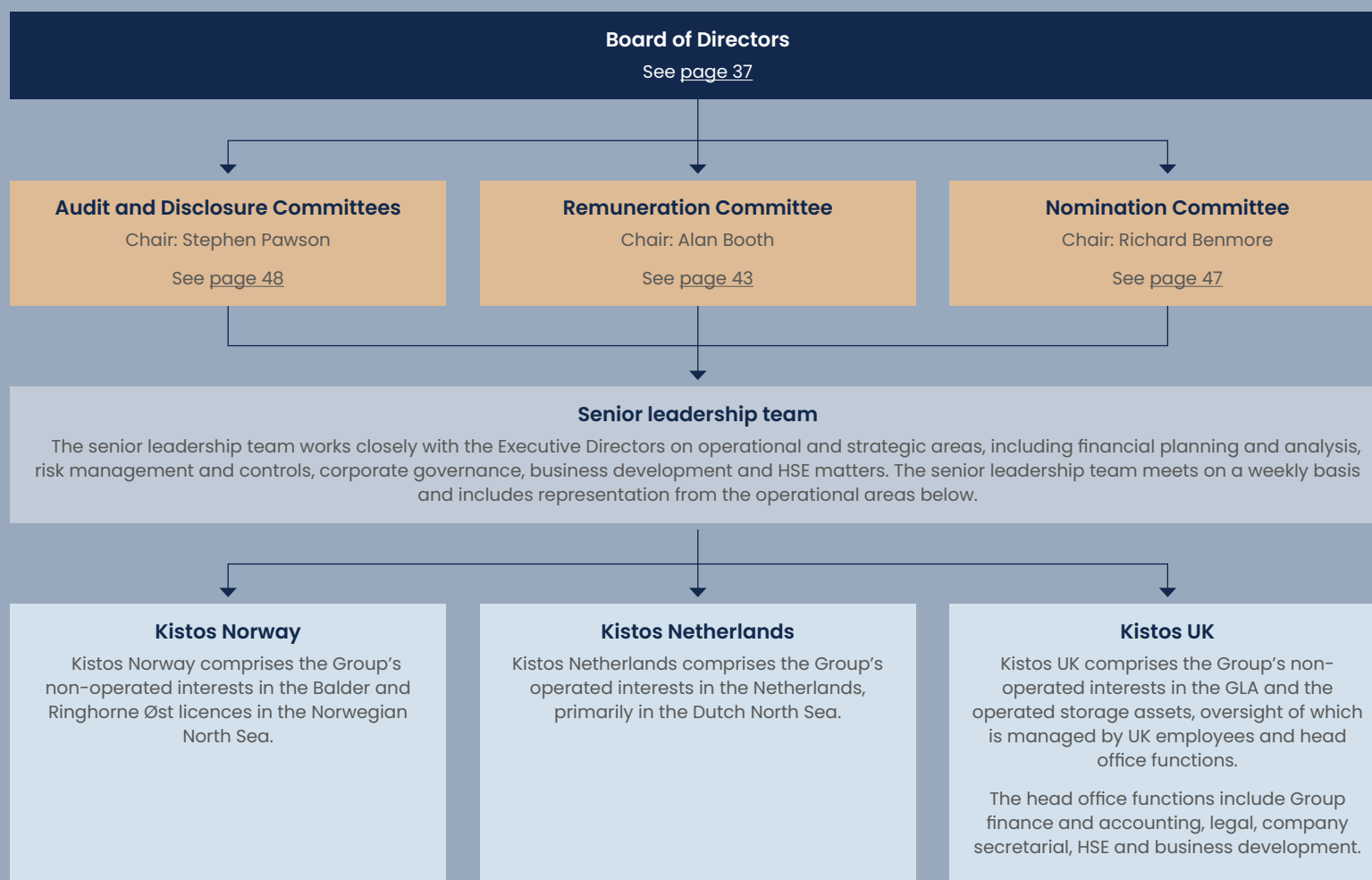
Governance

The Group’s strategic aims, business plan and management of financial and operational resources are determined by the Board. This includes decisions relating to overall supervision, acquisition and divestment. Our Executive Chairman is responsible for implementing the Group’s strategy in conjunction with other Executive Directors. The Board collaborates closely with management-level staff to harmonise policies, processes and structures across Kistos. Our governance structure and relevant committees remain well-documented and understood throughout the business.

We participate in industry associations that are shaping ethical and sustainable business practices in the oil and gas industry. For example, we are a member of the HSEQ working committee in the Industry Association for Upstream Oil Companies and participate in task groups focusing on health and safety and ESG issues. We also engage with industry associations that are addressing issues related to drilling and well operations to ensure compliance with industry standards.

Risk management

Risk management is one of our most material issues, and we work continually to identify and manage critical financial, operational and reputational risks. Our risk management process provides reasonable assurance that risks are recognised and controlled, thereby protecting our business, people and reputation and ensuring the success of the Group. We have strong, well-documented financial controls in



Our 2025 ESG Activities



Governance continued

place. A Group-wide Corporate Risk Register is maintained, regularly updated and presented at Board meetings. These processes enable Kistos to achieve its strategic objectives and create value for our shareholders. Read more in our [Principal Risks and Risk Management](#).

Operations in sensitive or complex locations

The Group manages such risks in the context of upcoming developments through engagement with a wide range of stakeholders. Where necessary, alternative options are also considered to mitigate the risks. External consultants with experience in managing these developments are employed to complement our skills and knowledge. For example, when removing pipe from protected areas in the Netherlands in 2025, we consulted with external experts to protect wildlife.

Maintaining high standards of business conduct

Kistos Holdings plc is incorporated in the UK and governed by the Companies Act 2006. The Board recognises the importance of maintaining a high standard of corporate governance and, as such, we have adopted the Quoted Companies Alliance Corporate Governance Code 2023 (the QCA Code). This, together with requirements to comply with the [London Stock Exchange's AIM Rules](#), ensures that we safeguard the interests of our stakeholders.

Ethical behaviour and responsible business practices are embedded throughout the business. For example:

- All permanent employees and longer-term contractors are required to complete training on our Code of Business Conduct;
- Our [Anti-Bribery and Corruption Policy](#) reflects our expectation of honest, fair and professional behaviour and our zero-tolerance approach to bribery and unethical behaviour; and
- Our Whistleblowing Policy enables staff to raise any concerns freely and confidentially.

Funding and investment

Financial risks are closely monitored and, where appropriate, risk mitigation steps are implemented. The Group's cash flow projections and forecast compliance with covenants are frequently reviewed by management. Projects are delivered effectively by project leads through clear frameworks, and project objectives, timeline and cost are tracked and reported on.

Procurement practices and sustainability of suppliers

We promote a 'one-team' culture, fostering a culture of fairness and respect among our suppliers. Where applicable, we work with suppliers that are pre-qualified for oil and gas operations. We conduct risk assessments to ensure any risks posed by suppliers undertaking activities that support our business are proportional to the scope of the work.

Economic performance

Price volatility remains a defining feature of global oil and gas markets, creating both opportunities and risks for companies across the value chain. Fluctuations in crude oil and natural gas prices directly influence revenues, cash generation, investment decisions and overall financial resilience for upstream producers. Persistent volatility may affect supply chains, manufacturing and energy-dependent sectors, placing pressure on downstream industries such as petrochemicals and fertilisers that rely heavily on gas feedstocks.

Preparing for reporting in accordance with the CSRD

Throughout 2024, Kistos' Norway and Netherlands subsidiaries prepared to meet the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). This work has required significant training and resource allocation, and included double materiality assessments identifying key material topics for the Norway and Netherlands businesses. To ensure reporting readiness, senior management attended high-level courses organised by the Auditor Association in Norway.

Kistos is expected to fall out of scope for CSRD reporting, based on the latest proposed changes to reporting thresholds, before reporting obligations commence. However, the process of preparation has contributed to an increased understanding of our ESG impacts, risks and opportunities, as well as best practice sustainability reporting.

Enhancing ways of working

During 2025, our subsidiaries worked on co-developing a new Group Management System that will align the ways of working across our HSE, Finance, IT and Governance divisions. Developed to support ISO style management standards, it is designed to create consistency across our different operating regions and drive growth. The system is currently in the draft stage, and we look forward to providing updates in future reporting.

Advancing risk assessment processes

Our Netherlands business is required to complete a comprehensive risk assessment and evaluation process. This involves evaluating potential risks and hazards across our offices, platforms and sites. The assessment and mitigation plans are reviewed by an external examiner to ensure all potential risks are covered and corrective actions are in place.

The process includes an employee survey to gather feedback on workplace safety and satisfaction. The survey results are shared with the Company to improve safety measures. The assessment and mitigation plans are reviewed in accordance with applicable regulatory requirements.

Stakeholder Engagement

We engage with our stakeholders in a variety of ways to support the Board's understanding of how our activities impact them.

When making long-term decisions and delivering our strategy, we consult and engage with our stakeholder groups in line with Section 172 of the UK Government's Companies Act 2006. Kistos Directors seek to create benefit for our stakeholders by maintaining high standards of business conduct and ensuring the long-term success of our Group. Our key stakeholder groups are:

- ◆ Employees and contractors;
- ◆ Partners and suppliers;
- ◆ Governments and regulators;
- ◆ Community and environment; and
- ◆ Shareholders and bondholders.

We carefully consider the impact of our operations on these groups and the consequences of any decision taken. The implementation of our strategic, operational and risk management decisions is detailed in this Strategic Report.

Interactions with our stakeholders

We engage with our stakeholders in a variety of ways to support the Board's understanding of how our activities impact them. Examples of how we engage with some of our key stakeholder groups are outlined here.



Employees and contractors

We maintain a high-performance culture that values accountability and a commitment to excellence. We frequently engage with employees through remuneration reviews, work appraisals, training and development opportunities, to better understand their needs and celebrate their contributions. These initiatives are implemented at a regional rather than Group level. We communicate important business decisions and policies with employees to ensure continuous dialogue and improvement on issues such as working conditions and health and safety.

To facilitate collaboration and team building, the Executive Directors, primarily based in London, regularly visit our other offices in Oslo, The Hague and Cheshire and host weekly video conferences with members of the senior leadership team across all assets. This ensures key messages and updates are communicated to employees via their line managers. Contractors are engaged through regular meetings where they are integral to current projects and developments. The Executive Directors also host town-hall-style meetings for all staff and long-term contractors to communicate strategic messages such as the impact of acquisitions on the wider business.



Partners and suppliers

We collaborate with joint venture partners to deliver strategies that mitigate risks, delays or instances of operational underperformance. We engage regularly with the operators of our GLA and NCS assets, TotalEnergies and Vår Energi, to share knowledge, offer support and establish best practice. Senior management contributes to Management Committee Meetings (MCMs), Technical Committee Meetings (TCMs) and Operating Committee Meetings (OCMs) to advise on material decisions, together with Board representatives, both as an operator in the Netherlands and as a non-operating partner in the UK and Norway.

Stakeholder Engagement



Governments and regulators

We comply with all applicable legislation, disclosing all necessary information in the areas where we operate and involving the relevant regulatory bodies where appropriate.

- ◆ In the Netherlands, Kistos engages with the State Supervision of Mines (SodM) on our business and development activity. The Group's external advisors provide guidance to the Board with respect to legislative or regulatory changes. We are also a member of Element NL, which represents the interests of extractive companies when working with regulatory bodies and the Dutch Government.
- ◆ In the UK, we are a member of Offshore Energies UK (OEUK) and the Association of British Independent Exploration Companies (BRINDEX), both of which work closely with the NSTA and communicate with the UK Government on regulatory and fiscal matters impacting oil and gas operators.
- ◆ In Norway, we engage with the Ministry of Energy, the Norwegian Offshore Directorate and the Norwegian Ocean Industry Authority (Havtil). We are also a member of the industry association Offshore Norge.
- ◆ We also regularly engage with the Alternative Investment Market (AIM) and the Oslo Børs.



Community and environment

We work closely with non-governmental organisations (NGOs), coastguards, the Port of Amsterdam and local people to address the potential social and environmental impacts of our operations. Our work in Norway is as a non-operator, so much of our UK and Netherlands community engagement is concentrated in the Netherlands. For example, in 2025, we continued a gas pipeline removal project, and in the UK, we engaged with the local community located near our gas storage acquisition in Cheshire to build trust and understanding (see [page 22](#) for more information on land restoration and [page 24](#) for more information on community engagement).



Shareholders and bondholders

We are a listed company with shares on the AIM market of the London Stock Exchange and bonds on the Oslo Børs. As a key stakeholder group, it is important that our shareholders and bondholders understand our strategy and progress. The Executive Chairman, CEO and Chief Financial Officer (CFO) are responsible for engaging with this group and ensuring other Board members are fully briefed on shareholder and bondholder discussions from investor days and fund manager meetings. More formally, the Board engages with shareholders at the Annual General Meeting (AGM).

Our primary method for communicating with shareholders and bondholders is through the [investors section](#) of our website. This is where we publish reports, financial results, investor presentations, share price updates and regulatory news announcements. Kistos maintains regular dialogue with investors and analysts through meetings, conferences and presentations.

Principal Risks and Risk Management

Kistos identifies, assesses and manages the risks critical to its success. The Group’s business, people and reputation are safeguarded by overseeing these risks.

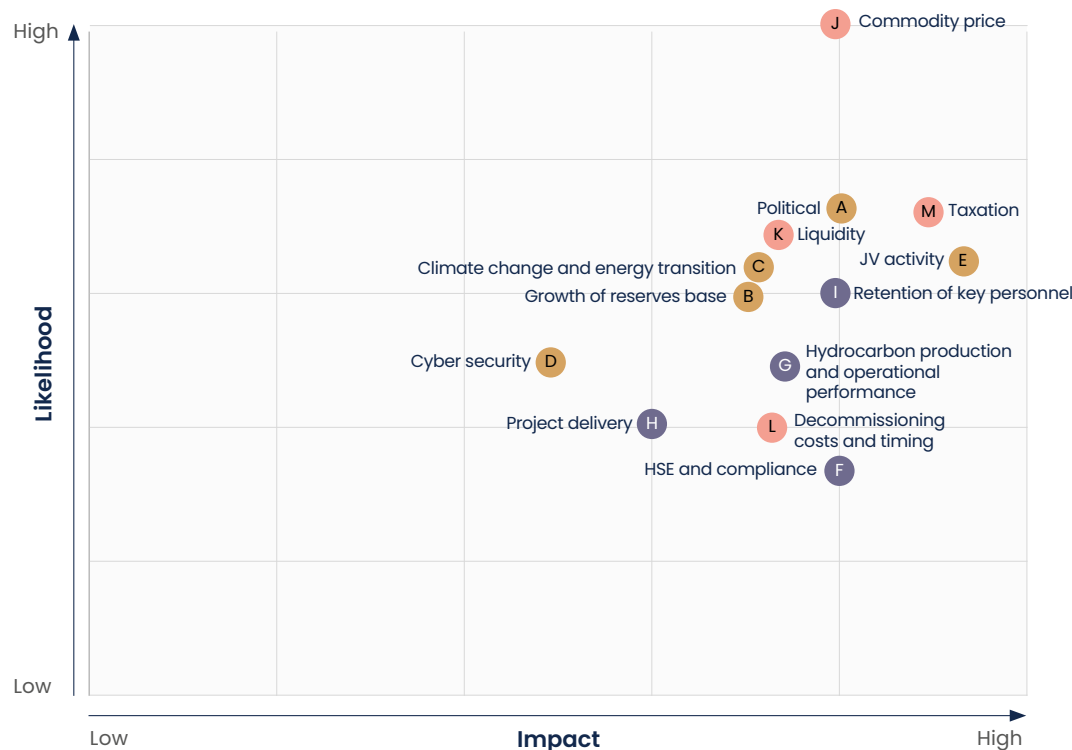
We use the risk management process to ensure we are aware, and in control, of the risks we face. This way, we can achieve our strategic goals and create value. We may choose to accept, manage, transfer or remove a risk depending on its nature. We may manage a risk with controls or other actions that reduce its impact. We may transfer a risk to others who can handle it better. Or we may remove a risk by stopping the activities that cause it.

Management maintains a Corporate Risk Register based on risks identified at asset and business levels, which includes the underlying risks and mitigating actions for each. This is reviewed by senior management, the Executive Directors, the Audit Committee and the Board.

The principal risks facing the Group, and the actions taken to minimise their likelihood and/or mitigate their impact, are listed in the following

table. Directors confirm they have conducted a thorough assessment of the main risks that affect the Group, including those that would significantly harm its strategy, business model, future performance or liquidity.

Strategic	Movement
A Political	↑
B Growth of reserves base	↓
C Climate change and energy transition	↔
D Cyber security	↔
E Joint venture (JV) activity	↔
Operational	
F Health, safety and environmental (HSE) and compliance	↔
G Hydrocarbon production and operational performance	↔
H Project delivery	↓
I Retention of key personnel	↔
Financial	
J Commodity price	↑
K Liquidity	↔
L Decommissioning costs and timing	↔
M Taxation	↔



Principal Risks and Risk Management

A Political	Potential impact	Mitigation	Risk movement
<p>Changes in national government policies towards oil and gas-focused companies could adversely impact the ability of the Group to deliver its strategy.</p> <p>Change in risk level: Increase</p> <p>Owner: Peter Mann (CEO)</p>	<ul style="list-style-type: none"> ◆ Refusal of permitting applications for development, appraisal and exploratory drilling. ◆ Increased costs relating to permitting and legal matters, and delay to projects. ◆ Impairment of intangible assets. ◆ Inability to win new licences. ◆ Loss of value to stakeholders. 	<ul style="list-style-type: none"> ◆ Active member of Element NL, OEUK, BRINDEX, Offshore Norge and other industry associations. ◆ Engagement with respective governments and other appropriate organisations to ensure the Group is kept abreast of expected political changes. ◆ Active role taken in making appropriate representations to the relevant departments in governments. 	<p>The risk has increased in 2025:</p> <ul style="list-style-type: none"> ◆ United States' trade policy was defined by a rapid, widespread expansion of tariffs and import restrictions to address the trade deficit, targeting several nations, including China, Canada, Mexico, and the EU. Norway's ruling Labour Party and its four political partners reached a budget agreement by the end of 2025, averting a government crisis. ◆ In 2025, the Netherlands experienced political instability, culminating in a snap election on 29 October following the collapse of Geert Wilders' right-wing coalition. The election saw a shift towards centrist, pro-European parties.
B Growth of business and reserves base	Potential impact	Mitigation	Risk movement
<p>The Group's growth strategy is primarily dependent on identifying new reserves and resources and is delivered through organic growth and acquisitions. Our future oil and gas reserves and production are highly dependent on our success in efficiently developing current reserves and using cost-effective methods to find or acquire additional recoverable reserves.</p> <p>If we are unable to replace our current and future production, the value of our reserves will decrease, and our business and financial position could be materially adversely affected.</p> <p>Change in risk level: Decrease</p> <p>Owner: Andrew Austin (Executive Chairman)</p>	<ul style="list-style-type: none"> ◆ Reduced asset value, leading to potential impairment of oil and gas assets and/or intangible exploration and evaluation (E&E) assets. ◆ Actual or perceived overpayment for acquisitions, leading to impairments of goodwill and assets. ◆ Adverse reputational and share price impact. 	<ul style="list-style-type: none"> ◆ A broad range of acquisitions and similar opportunities are evaluated internally, with support from subject matter experts where appropriate. Such targets are scrutinised by the Board, including Non-Executive Directors who challenge the Executive team and other senior management. ◆ A rigorous assessment process evaluates and determines risks associated with all potential business acquisitions and strategic alliances, including conducting stress-test scenarios for sensitivity analysis. If applicable, each assessment includes an analysis of the Group's ability to operate in a new jurisdiction. ◆ Country managers and senior team members with responsibility for activities attend weekly senior management meetings, where concerns can be raised and the status of current business development projects is updated. ◆ Exploration, appraisal and development cases are robustly assessed and stress tested against cost, price and taxation sensitivities. 	<p>This risk has decreased in 2025:</p> <ul style="list-style-type: none"> ◆ The Group maintains its strategy of securing additional reserves. ◆ A FID on Balder Phase VI was taken in 2025 to develop circa 1.5 MMboe (net), which will be drilled in 2026. The first phase of the Balder Next project has now been sanctioned, targeting additional reserves of approximately 8.6 MMboe (net). ◆ The change of operator in the GLA is expected to provide additional momentum in sanctioning a number of development projects in the area, including Glendronach. ◆ In December 2025, the Group announced it had entered into a binding agreement to acquire a 5% working interest in Block 9 and a 20% working interest in Blocks 3 & 4 from Mitsui E&P Middle East B.V., both located onshore in the Sultanate of Oman. The transaction is expected to add 25.6 MMboe (operators' estimates) of 2P reserves net to Kistos (as at 1 January 2025).

Principal Risks and Risk Management

C Climate change and energy transition

Changes in laws, regulations, policies, obligations and social attitudes relating to the transition to a lower carbon economy could lead to higher costs or reduced demand and prices for oil and gas, impacting Group profitability. Sources of debt and equity finance may become more expensive or restricted as investors diversify away from oil and gas-based investments. Climate change may result in an increase in the frequency of severe adverse weather conditions.

Change in risk level: No change

Owner: Peter Mann (CEO)

Potential impact

- ◆ Increased difficulty in accessing financing due to reduced appetite for investing in the oil and gas industry.
- ◆ Increased difficulty in obtaining regulatory approval for new or increased offshore production activities.
- ◆ Stranded assets.
- ◆ Adverse impact on operating cash flow due to higher carbon credit costs.
- ◆ Disruption to operations from extreme weather events may result in shut-ins, physical damage to assets, lost production and reduced cash flow.

Mitigation

- ◆ Active reviews of the Group's strategy towards energy transition, with an aim to provide long-term returns to shareholders, and consideration of the impact of climate change and potential policy updates on decision making.
- ◆ Integrating environmental considerations as a key factor in determining any potential inorganic growth activity.
- ◆ Discounting value of projects in the future for later life production to account for potential demand reduction for hydrocarbons.
- ◆ Stress tests of budgets and forecasts in respect to the cost of carbon emission allowances.
- ◆ Continued Group exploration and implementation of actions that could reduce our environmental footprint, where it makes commercial and financial sense to do so.
- ◆ Design and operate assets to work in most weather conditions and undertake lessons learnt when storms and other events disrupt production.
- ◆ Working closely with operators and partners to understand and manage planning and production forecasting.

Risk movement

No change in 2025:

- ◆ Although climate change and energy transition remain a key focus for the Group, limited adverse impact has been experienced with regards to the availability of financing opportunities and wider hydrocarbon demand. This is expected to remain stable in the short to medium term.

D Cyber security

There is a risk of financial loss, reputational damage and general disruption from a failure of the Group's IT systems or an attack for the purposes of espionage, extortion, terrorism or ransomware. Any failure of, or attack against, the Group's IT systems may be difficult to prevent or detect, and the Group's internal policies to mitigate these risks may be inadequate or ineffective. The Group may not be able to recover any losses that may arise from a failure or attack.

As the Group grows, there are more IT areas to standardise and migrate to Group standards. In interim periods, there is an increased risk of incidents until such time as policies and standards are fully aligned.

Change in risk level: No change

Owner: James Thomson (CFO)

Potential impact

- ◆ Financial loss from phishing attacks that may not be recovered or limitations on the Group's ability to operate that could result in loss of production and/or loss of stakeholder confidence.
- ◆ Reputational impact from leak of market-sensitive data or personal information.
- ◆ Fines and financial penalties may be levied in the event of a data breach.

Mitigation

- ◆ Outsourcing of IT equipment and help-desk services provision to competent and experienced third parties.
- ◆ Robust network management systems in place to protect the Group's IT environment.
- ◆ Well-designed IT security management model with defensive structural controls.
- ◆ Set of rules and procedures in place, including a Disaster Recovery Plan, to restore critical IT functions.
- ◆ Regular mandatory employee training and awareness of cyber security matters such as phishing attacks.
- ◆ Following any acquisition, plans in place to move acquired businesses onto common IT platforms as soon as possible, using an IT contractor to undertake assessments, gap analyses and on-site audits.
- ◆ Detailed understanding of IT environment on any potential acquisition target is typically obtained during due diligence to assess level of current risk (if unacceptable, transactions may not go ahead).

Risk movement

No change in 2025:

- ◆ Level of attempted cyber security incidents experienced to date have not materially changed.

Principal Risks and Risk Management

E Joint venture activity	Potential impact	Mitigation	Risk movement
<p>As a minority non-operating partner in the GLA and Balder partnerships, operated by TotalEnergies and Vår, respectively, the interests and objectives of each partner may not be aligned.</p> <p>Change in risk level: No change</p> <p>Owner: Peter Mann (CEO)</p>	<ul style="list-style-type: none"> ◆ Longer decision-making processes resulting in loss of asset value. ◆ Impairment of oil and gas assets, and E&E assets. ◆ Reduction in reserves and resources. ◆ Capital diverted into projects and developments not aligned with Group strategy. ◆ Inability to meet JV cash calls, which may ultimately mean breach of joint operating agreements and loss of licence. 	<ul style="list-style-type: none"> ◆ Representation and active participation in all of JVs' committees (including operating, finance and technical). ◆ Regular engagement with the JV operator and other participants with regards to key decision making, preparation and approval of work programmes and budgets, and general strategic direction. 	<p>No change in 2025:</p> <ul style="list-style-type: none"> ◆ Serica Energy is expected to replace TotalEnergies as operator of the GLA during 2026.
<p>F HSE and compliance</p> <p>The Group is exposed to various risks in relation to HSE, compliance, planning, environmental, regulatory, licensing and other permitting rules associated primarily with production operations, drilling and construction. There is a risk that the Group and/or its primary contractors are in breach of their regulatory obligations with one of the principal regulators in connection with the Group's activities, whether operational (for example, maintaining offshore production consents or a loss of hydrocarbon containment) or corporate (for example, adhering to listing rules and market disclosure regulations). This could restrict the Group and/or its primary contractors' capacity to obtain permits or carry out the Group's activities.</p> <p>Change in risk level: No change</p> <p>Owner: Peter Mann (CEO)</p>	<ul style="list-style-type: none"> ◆ Injuries to workforce. ◆ Harm to the environment. ◆ Physical damage to assets and infrastructure. ◆ Financial or other penalties imposed. ◆ Reputational damage. ◆ Loss of licence to operate. 	<p>Mitigation</p> <ul style="list-style-type: none"> ◆ Working closely with regulators to ensure all required planning consents and permits for operations are in place. Maintenance of continuous dialogue with all stakeholders to understand emerging requirements. ◆ Conducting activities in accordance with Board-approved policies, standards and procedures. ◆ Code of Business Conduct and compliance programmes in place to provide assurance on conformity with relevant legal and ethical requirements. ◆ Emergency response plans in place and exercises undertaken to prepare for incidents. ◆ External consultants with experience in managing risk developments employed to help complement the existing team skills. ◆ Audit and Disclosure Committees. 	<p>Risk movement</p> <p>No change in 2025:</p> <ul style="list-style-type: none"> ◆ Continued focus from regulatory bodies on compliance matters in current environment.

Principal Risks and Risk Management

G Hydrocarbon production and operational performance

The Group's production volumes (and therefore revenue) are dependent on the operational performance of its producing assets. The Group's producing assets are subject to operational risks, including, but not limited to, compressor failures; lack of sufficient critical chemical stocks and spare parts; failure of electrical power supply lines; pipeline corrosion; asset integrity; health, safety, security and environment incidents; low reserves recovery from the field; and exposure to natural hazards such as extreme weather events.

Change in risk level: No change

Owner: Peter Mann (CEO)

Potential impact

- ♦ Reduced cash flow from operations.
- ♦ Increased cash costs per barrel equivalent.
- ♦ Earlier cessation of production if operational performance issues cannot be rectified economically.
- ♦ Impairment of assets and loss of stakeholder value.

Mitigation

- ♦ Continuous review of production performance from each asset, facilitating performance planning well intervention activities as needed.
- ♦ To the extent possible, discussions held with third parties to manage both planned and unplanned shutdowns.
- ♦ Planned and unplanned downtime assumptions built into the corporate budgeting cycle and cash flow projections.

Risk movement

No change in 2025.

H Project delivery

There is a risk of delays in project delivery and higher costs being incurred, especially under the current high inflationary environment. Continued delays to the Balder Future project risk material cost increases and potential additional delay to first oil.

Change in risk level: Decrease

Owner: Peter Mann (CEO)

Potential impact

- ♦ Delayed and/or reduced cash flow from operations, leading to an inability to adequately finance other future developments.
- ♦ Impairment of assets.
- ♦ Reduction in reserves and resources.

Mitigation

- ♦ Projects have a clear project delivery framework with a responsible project lead.
- ♦ Delivery against project objectives, timeline and costs are regularly monitored.
- ♦ Project costs are stress tested against cost increases with adequate contingency built into estimates.

Risk movement

This risk has decreased in 2025:

- ♦ Successful start-up of the Jotun FPSO in Norway and ramp-up of the 14 Balder Future wells. FID on Balder Phase VI and first phase of the Balder Next project have been sanctioned.

I Retention of key personnel

The Group may not be able to retain key personnel, and there can be no assurance that it will be able to continue to attract and retain all suitably qualified and competent personnel necessary for the safe and efficient operation and development of its business. Share options previously granted may be out of the money, reducing incentives for employees to remain with the Group.

Change in risk level: No change

Owner: Peter Mann (CEO)

Potential impact

- ♦ Delay to, or cancellation of, projects as a result of lack of appropriately qualified employees to undertake activities.
- ♦ Loss of 'corporate knowledge' through lack of staff retention, leading to inefficiencies, delays and increased cost.

Mitigation

- ♦ The Board seeks to cultivate a safe, respectful working environment where people can thrive.
- ♦ Benchmarking exercise undertaken by management on reward packages to ensure that acquired staff are retained through a strong remuneration culture.
- ♦ Workplace surveys undertaken to ascertain morale and employee concerns and to allow management to swiftly address any issues.
- ♦ Long-term share incentive plans in place are regularly reviewed by the Remuneration Committee.

Risk movement

No change in 2025.

Principal Risks and Risk Management

J Commodity price	Potential impact	Mitigation	Risk movement
<p>The Group's cash flow and results are heavily dependent on oil, natural gas and other commodity prices. These, in turn, are dependent on factors like the impact of climate change concerns, geopolitics (including events such as the Russia-Ukraine and Israel-Palestine conflicts and other unrest in the Middle East impacting shipping activities) and regulatory developments.</p> <p>Change in risk level: Increase Owner: James Thomson (CFO)</p>	<ul style="list-style-type: none"> ◆ Adverse impact on operating cash flow. ◆ Impairment of oil and gas assets. ◆ Inability to meet bond covenants or repay debt. ◆ Restricted access to financing opportunities in case of a sustained low-price environment. 	<ul style="list-style-type: none"> ◆ Oil and gas markets continuously reviewed by the Board to determine whether future hedges are needed. ◆ Necessary contracts in place to undertake hedging activities if required. ◆ Cash flow projections, liquidity analyses and economic models regularly tested for downside price scenarios. ◆ Exercises undertaken to identify cost reduction and rationalisation opportunities to optimise operating cost per barrel (while maintaining safe and compliant operations). 	<p>This risk has increased in 2025:</p> <ul style="list-style-type: none"> ◆ Gas prices experienced higher volatility, especially in the United States and Europe, driven by weather extremes, LNG trade shifts, geopolitical tensions, and storage dynamics. ◆ Oil price experienced swings during 2025 linked to OPEC+ production hikes, geopolitical developments, and trade-policy-driven shocks.
K Liquidity	Potential impact	Mitigation	Risk movement
<p>Adverse changes to production, commodity prices, taxation and surety bond requirements may put pressure on the Group's available liquidity, constraining its options to grow the business or meet obligations to JV partners, suppliers and tax authorities. In extreme downside cases, liquidity pressures may result in minimum liquidity covenants being breached and risk of insolvency.</p> <p>Change in risk level: No change Owner: James Thomson (CFO)</p>	<ul style="list-style-type: none"> ◆ Inability to pay suppliers, contractors and employees as liabilities fall due, leading to reputational damage and withdrawal of services. ◆ Non-payment of taxes as they fall due may result in investigations or stringent penalties charged. ◆ Inability to meet bond covenants or repay debt leading to restructuring, shareholder dilution or insolvency. 	<ul style="list-style-type: none"> ◆ Regular review of the Group's cash forecasts and its covenants to ensure an adequate headroom of cash availability. ◆ Engagement and strong relationships with the bond market, surety bond providers and other potential providers of finance to manage access to liquidity if required. 	<p>No change in 2025:</p> <ul style="list-style-type: none"> ◆ Hybrid bonds linked to Jotun FPSO milestones were cancelled for nil consideration. ◆ Significant cash reserves and undrawn working capital facilities. ◆ The closing payment for the Oman acquisition expected to partially reduce the Group's liquidity.

Principal Risks and Risk Management

L Decommissioning costs and timing

The future costs and timing of decommissioning are a significant estimate; any adverse movement in price, operational issues or reductions in reserves and resource estimates could have a significant impact on the cost and timing of decommissioning. Where decommissioning costs are to be shared as part of a JV, the Group is exposed to the risk of partners not fulfilling their commitments.

Changes to commodity prices, the taxation regime, inflation rates and other factors may mean that the Group is not able to renew its surety bonds in respect of its DSA obligations, resulting in the Group having to cover its obligations fully in cash and restricting the amount of funds available for other opportunities and day-to-day operations. Significant adverse changes to cash flows may result in insufficient resources to meet its decommissioning obligations, exposing the Group to sanctions from regulators.

Change in risk level: No change

Owner: James Thomson (CFO)

Potential impact

- ♦ Reduction in cash flows available for other projects if decommissioning costs materially exceed estimates.
- ♦ Adverse reputational, regulatory and legal impact if decommissioning obligations cannot be fulfilled.

Mitigation

- ♦ In-house decommissioning experience, coupled with focus on delivering asset value to defer abandonment liabilities.
- ♦ DSAs and postings in place for UK assets, which mitigate risk from a regulatory and JV partner perspective.
- ♦ Strong relationships with surety bond providers and confidence that the surety market can continue to provide security for the expected DSA provisions.

Risk movement

- No change in 2025:
- ♦ Underlying nature of decommissioning risks remains unchanged.

M Taxation

Longer-term additional and increased taxes imposed on oil and gas companies by governments, in reaction to so-called 'windfall profits' arising from short-term movements in commodity prices, have led to a higher tax burden. Uncertainty over tax regimes may also hinder future investment decisions while reducing returns from, and profitability of, operations. Should the Dutch tax office rule unfavourably against the Group regarding the Solidarity Contribution Tax, this would have a material impact on the Group's liquidity.

Change in risk level: No change

Owner: James Thomson (CFO)

Potential impact

- ♦ Material adverse impact on liquidity position if adverse finding received with regards to Solidarity Contribution Tax.
- ♦ Retrospective taxation or material changes to tax regimes may render currently economic projects unviable, forcing earlier cessation of production (and reducing overall government tax take), giving rise to asset impairment risk.
- ♦ An increase in jurisdictions with higher tax rates and unpredictable tax regimes may reduce the hopper of available acquisition and expansion opportunities.

Mitigation

- ♦ Engagement with various industry bodies to raise concerns and suggest alternative approaches to proposed taxation policies.
- ♦ Projects and liquidity projections modelled with various tax sensitivities in place.
- ♦ Support and advice of external experts and legal counsel on taxation matters, including the Solidarity Contribution Tax, is regularly obtained for areas where significant uncertainty and judgement exists.
- ♦ Our investment strategy is continuously reviewed, and decisions may be taken to not invest further in, or to withdraw from, jurisdictions with a recent history of significant adverse tax changes, implementation of retrospective taxation, or where the taxation regime proves too burdensome.

Risk movement

- No change in 2025.

This Strategic Report was approved by the Board of Directors and signed on its behalf by:

Andrew Austin
Executive Chairman

25 June 2026

Corporate Governance Report

Board of Directors



Andrew Austin
Executive Chairman

Tenure

Andrew Austin founded Kistos in November 2020 and held the position of Non-Executive Chairman until the admission of Kistos to the Alternative Investment Market (AIM), when he assumed the position of interim CEO. In October 2021, he assumed the position of Executive Chairman following the appointments of Peter Mann and Richard Slape.

Experience

Andrew Austin served as Executive Chairman of RockRose Energy from 2016 until 2020, delivering a 42x return to shareholders through a strategy of counter-cyclical acquisitions of legacy/non-core assets in the UK and Dutch sectors of the North Sea. RockRose Energy was sold to Viaro Energy in August 2020 at a price per share of £18.50, representing a premium to the prevailing share price of 64%. Prior to RockRose Energy, Andrew jointly founded IGas in 2004 and developed it to become the leading onshore hydrocarbon producer in the UK, delivering natural gas and crude oil to Britain's energy market.

External appointments

Austin Capital Limited (Director)
Austin Acquisitions 1 Ltd (Director)
Artisan Ginyard Ltd (Director)



Peter Mann
Chief Executive Officer

Tenure

Appointed October 2021

Experience

Peter Mann was CEO and Managing Director of RockRose Energy from 2017 until 2021, following five years in the UK onshore oil and gas industry. During this period, Peter was responsible for business strategy and implementing a restructuring strategy in the difficult oil price environment at the time. Prior to joining the oil and gas industry, Peter's career included various management roles. He also served in the British Army for six years.

External appointments

Peter Mann does not hold any current external appointments.



James Thomson
Chief Financial Officer

Tenure

Appointed 1 January 2025

Experience

James Thomson was appointed CFO on 1 January 2025 following a transition period with the previous CFO, Richard Slape. He has significant natural resources experience, having previously served as Finance Director of RockRose Energy and latterly in a senior finance role at Anglo American. Prior to that, James was a Partner at PwC and qualified as a chartered accountant in 2007.

External appointments

James Thomson does not hold any current external appointments.

Board of Directors



Richard Benmore
Non-Executive Director

Tenure

Appointed November 2020

Experience

Richard Benmore has over 40 years' experience in the oil and gas industry with Conoco, Oryx Energy, Nimir Petroleum, EnCana, Nexen Petroleum and IGas. Richard has held a variety of roles – starting his career as a petroleum geologist before moving into various commercial, business development and E&P managerial positions. He recently managed Nexen's unconventional projects in the UK and Poland and was a Board member of Nexen Exploration UK. Richard was a Non-Executive Director of RockRose Energy.

External appointments

Richard Benmore does not hold any current external appointments.

Committees

- ◆ Nomination Committee (Chair)



Stephen Pawson
Non-Executive Director

Tenure

Appointed June 2024

Experience

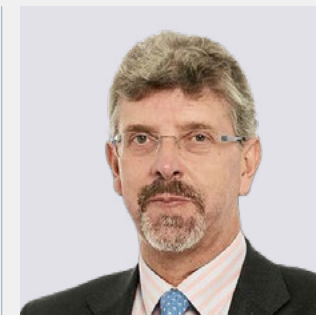
Stephen Pawson is the Non-Executive Director and Chair of the Audit Committee at Kistos. He has worked in the oil and gas E&P sector for 40 years, having spent 10 years with both Phillips Petroleum and ARCO British, fulfilling various financial roles in the UK and overseas. Stephen was instrumental in forming the finance function of RockRose Energy between 2017 and 2019, incorporating several acquisitions. He brings critical insight to the team, offering a strategic, commercial and innovative outlook as well as extensive practical experience managing and implementing change.

External appointments

Evans and Pawson Ltd
Axies Ventures Ltd

Committees

- ◆ Audit and Disclosure Committees (Chair)
- ◆ Remuneration Committee



Alan Booth
Non-Executive Director

Tenure

Appointed November 2020

Experience

Alan Booth has over 40 years of experience in oil and gas exploration. He is currently Executive Chair of Storegga, a company delivering CCS, hydrogen and other subsurface renewable projects in the UK and internationally. Between 2013 and 2018, Alan was a Non-Executive Director of Ophir Energy plc, becoming CEO in May 2018. Previously, Alan was founder and CEO of EnCore Oil plc, an AIM-listed oil and gas exploration company, and was the founder and Director of EnCounter Oil Ltd. Alan holds a BSc in geology from the University of Nottingham and an MSc DIC (Diploma of Imperial College) in petroleum geology from the Royal School of Mines, Imperial College. He is a former President of the UK Offshore Operators Association (UKOOA) and was a Director of the Oil and Gas Independents' Association (OGIA) between 2006 and February 2020.

External appointments

Storegga Limited (Director)

Committees

- ◆ Remuneration Committee (Chair)
- ◆ Audit and Disclosure Committees
- ◆ Nomination Committee

Chairman's Introduction

The Board has established the corporate governance values of the Company and has overall responsibility for setting the Company's strategic aims, defining the business plan and strategy, and managing the Company's financial and operational resources.

Overall supervision, acquisition, divestment and other strategic decisions are considered and determined by the Board. Andrew Austin, in addition to acting as Executive Chairman and in conjunction with the other Executive Directors, is charged with day-to-day responsibility for implementing the Company's strategy. The Executive Directors are supported by the Non-Executive Directors, senior management of the Group, the wider team and external service providers as required.

The Board follows the 2023 Quoted Companies Alliance's Corporate Governance Code (QCA Code) on the basis that it is most suited to the Company's requirements, size, strategy, resources and stage of development.

The Board is united in working to ensure the Company delivers for its shareholders while maintaining high standards of employee welfare, safety and corporate governance, and a commitment to the environment.

Building and maintaining strong relationships with our shareholders is critical to the success of the business. The Board seeks to ensure it engages regularly with investors. In 2025, this included one-to-one meetings with larger investors, attendance at conferences and interviews with the Executive Chairman that were made freely available to all investors online.

As at the date of this document, the Board has adopted the policies and procedures to comply with applicable market abuse legislation, including its Share Dealing Code relating to the dealing in securities of the Company by Directors, Senior Managers and employees.

Signed on behalf of the Board of Directors by:

Andrew Austin
Executive Chairman

25 June 2026

Corporate Governance Statement

Kistos is listed on AIM and complies with obligations under the [AIM Rules for Companies](#). Its shares are traded under the KIST ticker.

This Corporate Governance Report incorporates committee reports from the Audit and Disclosure Committees, the Nomination Committee, the Remuneration Report and the Directors' Report.

Kistos operates within a corporate and regulatory framework commensurate with the scale and scope of its operations. The framework consists of effective Board and committee processes to ensure leadership, strategic direction and operational

effectiveness; effective internal controls both financial and non-financial; and appropriate remuneration and reward policies and procedures.

Kistos has adopted the 2023 edition of the QCA Code. Detailed disclosures, including the Board's application of each of the 10 QCA principles, are available on the Company's website in the [Corporate Governance](#) section.



We set out details of how we meet those governance principles or explain how and why compliance is not achieved in full below:

Governance principle	Application and compliance	Further information
1. Establish a strategy and business.	Kistos' strategy is considered and approved by the Board, along with continuous monitoring of delivery and progress against objectives. Board deliberations and decisions focus on how shareholder value can be increased and delivered in the short to medium term.	See page 17 of the Strategic Report for more on our strategy and business model.
2. Seek to understand and meet shareholder needs and expectations.	The Board considers how its decisions could impact and be received by shareholders and stakeholders. Kistos engages with shareholders at the Annual General Meeting (AGM), after results announcements and following significant operational events or transactions (subject to compliance with legal and regulatory requirements, including Market Abuse Regulations (MAR)). It also regularly presents at investor events. During 2025, representatives of the Board engaged with stakeholders through a combination of online forums and face-to-face meetings.	See pages 17 and 27 in the Strategic Report and page 41 in the Corporate Governance Report on Kistos' relations with shareholders and wider stakeholder engagement.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.	The Board and senior management routinely consider the wider impact of their decisions on bondholders, shareholders, employees, suppliers, regulators, business partners and local communities in which Kistos operates.	See pages on stakeholder engagement, including our Section 172 Statement page 27 and our ESG Strategy.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.	The principal risks and uncertainties and the actions required to mitigate against these have all been identified and assessed by the Board of Directors, members of the Audit Committee and senior management. The Board aims to balance the opportunity for growth in shareholder value against the context of our industry's associated risks. Significant decisions are deliberated by the Board considering the principal risks, any mitigations and overall risk tolerance and appetite. Kistos has a Corporate Risk Register, which is prepared using a bottom-up process and is regularly reviewed and updated to take account of any changes to the business, wider environment and likely impact.	See pages 29 to 35 in the Principal Risks and Risk Management section that outline those risks relevant to Kistos and how those risks are managed across the Group.

■ Corporate Governance Statement

Governance principle	Application and compliance	Further information
5. Maintain the Board as a well-functioning and balanced team led by the Chairman.	<p>The Chair of the Board is Andrew Austin. As the founder and 17.25% shareholder, he is not independent.</p> <p>Of the Non-Executive Directors, Alan Booth and Richard Benmore are shareholders in the Company, and Steve Pawson and Richard Benmore have previously held Board and other roles at IGas and RockRose Energy (companies founded by Andrew Austin).</p> <p>Nonetheless, because they are not financially reliant on Kistos, all Non-Executive Directors are considered independent. This is after taking note of The Investment Association's Principles of Remuneration, which encourages share ownership by Non-Executive Directors, provided they do not receive incentive awards geared to the share price or corporate performance.</p> <p>Given the size of the Board and the Company, the Directors have not considered it appropriate to have a senior independent Director.</p>	See page 42 on the Board composition, meetings held and the work carried out by the Board during the year.
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	<p>The Board, collectively, has significant experience in the North Sea oil and gas exploration, development and production sectors. The Directors have also consummated at least 15 significant acquisitions, including the EDF Gas Storage Acquisition in 2024, and planned and executed three farm-out transactions with energy majors as counterparties. In addition, the Board has significant expertise and experience in dealing with the political and social issues facing the industry at both the local and national governmental levels, in the UK and overseas. Where relevant, Board members are given training on their roles and fiduciary duties as Directors of a listed company. They also have access to internal training materials and resources, and receive updates on key matters from the external statutory auditor at least twice a year.</p> <p>The Board and Company do not have an individual who acts as Company Secretary.</p>	See pages 37 to 38 for details of the Board's biographies.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	The Board does not undergo a formal internal evaluation process, has not engaged a third party to perform an independent review of its effectiveness and has no current plans to do so, as the Executive Chairman considers Board performance to be of an appropriate level.	n/a
8. Promote a corporate culture that is based on ethical values and behaviours.	The Board encourages and promotes a corporate culture based on ethical values and behaviours. It endorses policies consistent with fair, safe and ethical values (such as its Anti-Bribery Statement and Policy and Code of Business Conduct) commensurate with the regulatory environment.	<p>See pages 20 to 26 in Our ESG Activities section.</p> <p>Kistos' Anti-Bribery Statement and Policy is published on our investor website.</p>
9. Maintain governance structures and processes that are fit for purpose and support good decision making by the Board.	The Board is accountable for good governance and maintains control over the Company. Kistos holds regular Board meetings at which financial, operational and other reports are considered and voted on. There is an organisational structure with lines of responsibility and delegation of authority to executive management. Where needed, the Board has access to, and uses, external independent advisers to assist in discharging its duties.	<p>See pages 40 to 42 of the Corporate Governance Report for details of the governance framework.</p> <p>The roles of each Board Committee are set out in their relevant reports.</p>
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	<p>The Board recognises the benefits of engaging with shareholders and stakeholders and, to ensure this happens, meets regularly to update them on Company activities. Although, due to its size, Kistos does not have a formal investor relations department, investor communications are facilitated in conjunction with the Company's NOMAD and IR advisors.</p> <p>In addition, the Company's financial and operational performance is summarised in the Annual Report and the Interim Report. Other timely and market-sensitive updates are provided throughout the year through the Regulatory News Services (RNS), press releases and regular updates to the Company's website.</p>	See pages 40 to 42 outlining the Company's processes on governance and stakeholder engagement.

■ Corporate Governance Statement

Board roles and composition

As of 31 December 2025, the Board comprised the Executive Chairman, Chief Executive Officer, Chief Financial Officer and three Non-Executive Directors (all of whom the Board has judged to be independent).

The minimum qualifications for serving as a member of the Board of Directors of Kistos are that a person demonstrates, by significant accomplishment in their field, an ability to make a meaningful contribution to the Board's oversight of the business and affairs of Kistos and that a person has an impeccable record and reputation for honesty and ethical conduct in both their professional and personal activities.

Executive Directors are expected to commit full-time to matters concerning the Company. Non-Executive Directors are expected to spend at least one day per month on work for the Company, including attendance at each Board meeting and meetings for any committee to which they are appointed.

In addition, any nominees for the position of Director shall be selected based on, among other things, experience, knowledge, skills, expertise, diversity, ability to make independent analytical inquiries, understanding of Kistos' business environment and willingness to devote adequate time and effort to Board responsibilities.

Executive Chairman

The Executive Chairman's role should be to lead the Board and ensure it determines the nature and extent of the risks the Company is willing to take to implement its strategy; make sure the Board receives accurate, timely and clear information, is consulted on all relevant matters, and, in so doing, endeavours to promote appropriate standards of corporate governance; monitor the contribution and performance of Board members; lead on business development and networking opportunities; aim that the Company communicates clearly to the markets; engage in honest and robust discussions with stakeholders, shareholders and advisers; and work closely with the CEO to represent the Company in key strategic and stakeholder relationships.

Chief Executive Officer

The CEO's role is to lead the Group's performance, Executive Directors and senior management; propose strategies, business plans and policies to the Board; implement Board decisions, policies and strategies including M&A; oversee integration of new businesses into the Group; lead the day-to-day running of every part of the business; and lead, motivate and monitor the performance of the Company's executive and senior management team.

Chief Financial Officer

The CFO's role is to lead the Group's financial operations. This includes tracking cash flow and financial planning; evaluating M&A opportunities as well as analysing the Company's financial strengths and weaknesses and proposing corrective actions; ensuring compliance with internal and external financial

reporting; ensuring appropriate stewardship of assets and cash management via appropriate internal controls; and managing the financial actions of the Group.

Non-Executive Director

Non-Executive Directors bring experience and independent judgement to the Board, provide constructive challenge to the Group's strategy and developments, and act as the Chair of one of the Board Committees.

Board objectives and activities

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Board ensures major business risks are actively monitored and managed, going beyond regulatory compliance to be accountable to all the Company's stakeholders.

The Board's responsibilities cover the development of strategy, including exploration, appraisal and development activity; acquisition and divestment policy; the approval of all major capital expenditure and awarding of major contracts; the Group's capital structure; the consideration of significant financing matters, insurance levels, controls and all financial reporting; oversight and review of principal risks and uncertainties; oversight of independent assurance of policies and procedures; Board membership and appointments; Board and senior management remuneration; and key regulatory and corporate governance matters (including ESG policies). The Board is assisted by principal committees outlined here. Each committee is responsible for dealing with matters within its own terms of reference.

Board committees and structure

The Board has four committees:

- ◆ Nomination Committee
- ◆ Audit Committee
- ◆ Disclosure Committee
- ◆ Remuneration Committee

All committees operate under clearly defined terms of reference to ensure proper functioning and effective application of best practice. Committees are required to report back to the Board following a committee meeting.

More information regarding each committee can be found on [pages 43 to 46](#).

Board meetings

Meetings attended

◆ Andrew Austin	4/4
◆ Peter Mann	4/4
◆ James Thomson	4/4
◆ Richard Benmore	4/4
◆ Alan Booth	4/4
◆ Steve Pawson	4/4

Succession planning

The Nomination Committee reviews Board composition with a view to ensuring its members have a combination of skills and experience that fits with the future of the Company and, within these criteria, promotes gender and ethnic diversity.

Remuneration Committee Report

Overview

The Committee comprises only Non-Executive Directors, being chaired by Alan Booth and having Stephen Pawson as its other member. The Committee met once during the year ended 31 December 2025. The Executive Chairman was also invited to attend these meetings. In accordance with the Committee's terms of reference, no Director may participate in discussions relating to their own terms and conditions of service or remuneration.

Summary of the Committee's responsibilities

The Committee's responsibilities include:

- Making recommendations to the Board of Directors on the Company's policy on remuneration of the Executive Chairman, Executive Directors and any other Senior Managers delegated to the Committee to consider;
- Determining, within agreed terms of reference, the remainder of remuneration packages for each of them, including pension arrangements, bonuses, any compensation payments and the implementation of other executive incentive schemes;
- Ensuring contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- Monitoring the level and structure of remuneration for senior management; and
- Reviewing the design of employee share incentive plans for approval by the Board and determining the policy on annual awards to Executive Directors and Senior Managers.

Key areas of focus in the year ended 31 December 2025

The Committee's particular areas of focus during the year were:

- Review of the Executive Chairman's and Executive Directors' salaries and bonus arrangements for the year;
- Agreement of bonuses and bonus principles for senior employees; and
- Completion of the review of the Group's long-term incentive arrangements, including taking independent advice from a Big Four accountancy firm and implementing the refreshed long-term incentive structure under the Kistos Holdings plc Equity Incentive Plan.

Chairman's statement

The Committee is pleased to present its Annual Report on Remuneration for 2025. Our focus is to ensure remuneration supports the long-term success of the Group by setting clear expectations for Executive Directors and senior management.

During the year, the Committee considered outcomes in the context of a very strong period of operational and strategic delivery. This included production at the top end of guidance (8,940 boepd), a 169% reserve replacement ratio driven by the commissioning of the Balder FPSO, progress on Balder Phase VI and Balder Next, continued advancement across the wider Balder programme and effective cost discipline, including the shareholder benefit realised when the Hybrid Bond structure fell away as the Jotun milestone was not met. The Committee also noted the disciplined evaluation of a high volume of M&A opportunities, applying strict value and return criteria – culminating in the

announced Oman acquisition, which is expected to double Group production and nearly double Group 2P reserves on a pro-forma basis. These outcomes were recognised through a year-end performance-related bonus.

Consistent with prior practice, the Committee concluded that, while it maintains a general performance framework, it was not appropriate to set specific targets for 2025. For 2026, the framework focuses on integrating the Oman acquisition, continued delivery across the Balder phases, supporting organic growth in the Greater Laggan Area as operatorship transitions to Serica, and progressing the return-to-service of Hole House alongside wider cost-efficiency and energy-transition initiatives.

As committed in the 2024 Annual Report, the Committee also completed a review of the Group's incentive arrangements. Supported by independent advice from a Big Four accountancy firm, this work assessed market practice and potential alternative structures. Following this review, and in accordance with the Kistos Holdings plc Equity Incentive Plan, the Committee introduced a refreshed long-term incentive structure comprising performance-based Restricted Share Units, assessed over a three-year period against TSR and defined strategic measures, strengthening alignment with shareholders and supporting long-term value creation.

Directors' remuneration policy

The Company's policy is to maintain levels of remuneration sufficient to attract, motivate and retain senior executives of the highest calibre who can deliver growth in shareholder value. Executive Directors' remuneration currently consists of basic salary, benefits, Company

pension contributions and bonuses. The Company aims to strike an appropriate balance between fixed and performance-related rewards so the total remuneration package is structured to align a significant proportion to the achievement of performance targets, reinforcing a clear link between pay and performance.

The performance targets for employees, senior executives and the Executive Directors are intended to be aligned to key business strategy drivers, thereby creating strong alignment of interest between employees, Executive Directors and shareholders.

The Remuneration Committee will continue to review the Company's remuneration policy and make amendments, as and when necessary, to ensure it remains fit for purpose, continues to drive high levels of executive performance and stays both affordable and competitive in the market.

Key activities during the year

- Approving annual share incentive awards granted to employees and senior management.
- Approving bonuses payable to Executive Directors and setting bonus principles for senior employees.
- Completing the review of the Group's long-term incentive arrangements, including taking independent advice from a Big Four accountancy firm and implementing the refreshed long-term incentive structure under the Kistos Holdings plc Equity Incentive Plan.

Remuneration Committee Report

Policy table

Element of reward – Base salary

Purpose and link to strategy	To provide fixed remuneration to: <ul style="list-style-type: none"> • Help recruit and retain key individuals; and • Reflect the individual's experience, role and contribution within the Company.
Operation	The Remuneration Committee considers a number of factors when setting salaries, including: <ul style="list-style-type: none"> • The scope and complexity of the role; • The skills and experience of the individual; • Salary levels for similar roles within the industry; and • Pay elsewhere in the Company.
Performance conditions	None.
Maximum opportunity	The current base salary of the Directors is shown in the table below. Salary increases, if granted, are made with reference to the average increase for the wider Company. The Committee retains discretion to make higher increases in certain circumstances, for example, following an increase in the scope and/or responsibility of the role or the development of the individual in the role, by benchmarking or following the completion of a material transaction.

Element of reward – Other benefits and pension contributions

Purpose and link to strategy	To provide a basic benefits package, to help recruit and retain key individuals.
Operation	The Company provides Executive Directors with medical insurance and death-in-service cover for themselves (and their family, if elected), either through policies directly arranged by the Company or by making additional contributions to Executive Directors if the individual arranges their own cover. The Company makes pension contributions into a defined contribution scheme at a percentage of gross salary for Executive Directors. Where Executive Directors cannot, or do not wish to, receive contributions from the Company into a pension scheme, an equivalent amount net of relevant deductions is payable in cash. The contribution percentage granted by the Company is equal to that provided to other UK employees.
Performance conditions	None.

Element of reward – Annual bonus

Purpose and link to strategy	To incentivise and reward the achievement of annual financial, operational and individual objectives that are key to the delivery of the Company's strategy.
Operation	<ul style="list-style-type: none"> • The Remuneration Committee shall determine, on an annual basis, the level of deferral, if any, of the bonus payment into Company shares. • Maximum bonus levels, if applicable, and the proportion payable are considered in light of market bonus levels for similar roles within the industry sector. • The Remuneration Committee may set targets that require appropriate levels of performance, considering internal and external expectations. • As soon as practicable after the year-end, the Remuneration Committee meets to review performance against objectives, if applicable, and determines amounts payable.
Performance conditions	The award may be based on performance against individual objectives.
Maximum opportunity	No maximum potential bonus has been set.

Element of reward – Long-Term Incentives

Purpose and link to strategy	To align Executive Directors' and senior management's interests with long-term shareholder value creation, support retention, and incentivise sustained performance against the Group's strategic and financial objectives.
Operation	<ul style="list-style-type: none"> • Awards are made under the Kistos Holdings plc 2021 Equity Incentive Plan. • Bonus RSUs vest over two years (one-third after year one; two-thirds after year two). • Performance-based LTIP RSUs vest after three years, subject to performance against TSR and defined strategic measures (further details provided below). • Award structures and levels are reviewed annually by the Committee with reference to role, responsibilities and market practice. <p>A legacy Options scheme remains in place only for awards granted prior to the Committee's 2025 review; these options have a fixed exercise price and vest in three equal annual instalments.</p>
Performance conditions	LTIP RSUs vest based on TSR performance and strategic measures over the three-year performance period. Bonus RSUs and legacy options require continued employment only.
Maximum opportunity	Determined annually by the Committee in line with the Equity Incentive Plan rules and market practice.

Operation of the Long-Term Incentive Plan (LTIP)

Kistos' LTIP awards performance-based Restricted Share Units (RSUs) to Executive Directors and senior management, designed to reward long-term value creation and align executives closely with shareholders. LTIP RSUs vest at the end of a three-year performance period, with vesting outcomes based on a weighted combination of: (i) relative TSR versus an equal-weighted FTSE 350 Oil & Gas comparator/UK peer group, (ii) absolute TSR measured in compound annual growth, and (iii) strategic goals relating to sustainable growth and operational delivery. Threshold and stretch levels are set for each measure, with vesting curves applied between these points and with the Committee retaining discretion to ensure the final outcome appropriately reflects underlying performance.

In addition to LTIP RSUs, the Group operates Bonus RSUs, which form the deferred element of annual bonuses and vest over two years to support retention and sustained performance, and a legacy Options scheme, under which no new grants are made but certain historic awards remain outstanding until their normal vesting and exercise periods. The LTIP framework is supported by standard governance safeguards, including good/bad leaver provisions, change-of-control treatment, and malus and clawback mechanisms covering material misstatement, misconduct, corporate failure, regulatory or risk-management failures, or material underperformance attributable to management. These features ensure the incentive structure is robust, transparent and aligned with shareholder interests.

Remuneration Committee Report

Awards granted to Executive Directors

The following table summarises the RSUs, LTIP RSUs and options that have been granted for the Executive Chairman, CEO and CFO:

Executive	Title	Award Type ¹	Date of grant	Number of awards granted	Vested	As at 31-12-2025
Andrew Austin	Executive Chairman	RSUs	01-03-2025	116,123	-	116,123
		LTIP RSUs	01-03-2025	543,666	-	543,666
		Options ²	01-08-2024	676,923	225,641	451,282
Peter Mann	CEO	RSUs	01-03-2025	120,082	-	120,082
		LTIP RSUs	01-03-2025	475,708	-	475,708
		Options ²	01-08-2024	592,308	197,436	394,872
James Thomson	CFO	RSUs	01-03-2025	15,835	-	15,835
		LTIP RSUs	01-03-2025	407,750	-	407,750
		Options ³	29-11-2024	128,618	-	128,618

1. Bonus RSUs and LTIP RSUs are granted at nil cost under the Equity Incentive Plan.

2. Options granted on 1 August 2024 were issued under the legacy option scheme with an exercise price of £130 per share.

3. Options granted to the CFO on 29 November 2024 were issued under the legacy option scheme (Matched Award) with an exercise price of 94.9p per share.

Annual report on remuneration remit of the Remuneration Committee

The remit of the Remuneration Committee is outlined in the Corporate Governance section.

Current arrangements in financial year (audited)

Executive Directors

Executive Directors are employed with either party being able to give a notice period of 12 months. Directors' emoluments for the year were as follows:

Year ended 31 December 2025						
£	Salary	Benefits in kind	Bonus (cash) ¹	Share options vested ²	Pension/PILOP	Total
Andrew Austin	453,200	30,094	453,200	89,128	38,664 ³	1,064,286
Peter Mann	396,550	4,725	396,550	77,987	39,655	915,467
James Thomson	339,900	2,686	339,900	-	33,990	716,476
Total – Executive Directors	1,189,650	37,505	1,189,650	167,115	112,309	2,696,229

Year ended 31 December 2024						
£	Salary	Benefits in kind	Bonus (cash) ⁴	Share options vested ⁵	Pension/PILOP	Total
Andrew Austin	453,200	30,094	453,200	-	38,664	975,158
Peter Mann	385,000	4,169	356,125	-	38,500	783,794
Richard Slape	330,000	6,110	214,500	-	28,728	579,338
Total – Executive Directors	1,168,200	40,373	1,023,825	-	105,892	2,338,290

Note: Directors' remuneration is presented in the currency of the underlying employment contract, being GBP.

1. Bonuses paid and payable in 2026 comprised the following components:

• A cash bonus payable in respect of 2025 performance, being £453,200 for Andrew Austin, £396,550 for Peter Mann and £339,900 for James Thomson.

2. This represents the value of share options vested during the year, calculated using the market share price at the vesting date.

3. Andrew Austin and James Thomson's pension contributions include pay in lieu of pension.

4. Bonuses paid and payable in 2024 comprised the following components:

• A bonus payable in respect of 2024 performance, including the successful completion of the Kistos Energy Storage Acquisition (being £242,000 for Andrew Austin, £250,250 for Peter Mann and £214,500 for Richard Slape).

• Further bonuses paid in January 2024 being £121,000 for Andrew Austin and £105,875 for Peter Mann, in lieu of any long-term incentive plan being in place.

5. Comparative figures have been restated to reflect the methodology applied in the current year and the UK remuneration reporting practice. No share options vested during 2024.

Remuneration Committee Report

The 2026 annual salaries for the Executive Directors have been agreed by the Committee as increasing to £466,796 for Andrew Austin, £408,447 for Peter Mann and £350,097 for James Thomson.

Non-Executive Directors

Non-Executive Directors are employed under rolling contracts with notice periods of three months, under which they are not entitled to any pension, benefits or bonuses. The 2026 annual salaries for the Non-Executive Directors have been increased to £51,500.

Year ended 31 December 2025						
£	Salary	Benefits in kind	Bonus (cash)	Bonus (shares)	Pension contributions	Total
Richard Benmore	50,000	–	–	–	–	50,000
Alan Booth	50,000	–	–	–	–	50,000
Steve Pawson	50,000	–	–	–	–	50,000
Total – Non-Executive Directors	150,000	–	–	–	–	150,000

Year ended 31 December 2024						
£	Salary	Benefits in kind	Bonus (cash)	Bonus (shares)	Pension contributions	Total
Richard Benmore	40,000	–	–	–	–	40,000
Alan Booth	40,000	–	–	–	–	40,000
Julie Barlow*	28,513	–	–	–	–	28,513
Steve Pawson*	20,000	–	–	–	–	20,000
Total – Non-Executive Directors	128,513	–	–	–	–	128,513

* Steve Pawson succeeded Julie Barlow in July 2024

Directors' interest in ordinary shares

	Shares at 31/12/25	% of total shares in issue at 31/12/25	Shares at 31/12/24	% of total shares in issue at 31/12/24
Andrew Austin	14,295,162	17.23	14,295,162	17.25
Peter Mann	1,264,516	1.52	1,264,516	1.53
James Thomson	64,309	0.08	–	–
Richard Slape ¹	1,182	0.001	129,032	0.15
Richard Benmore	1,132,258	1.36	1,132,258	1.37
Alan Booth	232,258	0.28	232,258	0.28
Steve Pawson	–	–	–	–

1. James Thomson succeeded Richard Slape, assuming the position of Chief Financial Officer and becoming a member of the Board of Directors on 1 January 2025

Alan Booth

Chair, Remuneration Committee

25 June 2026

Nomination Committee Report

Summary of the Committee's responsibilities

The Committee's responsibilities include:

- ◆ Regularly reviewing the size, structure and composition (including the skills, knowledge, experience and diversity) of the Board of Directors, and making recommendations to the Board regarding any changes;
- ◆ Keeping under review the leadership needs of the organisation, at both executive and non-executive levels, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- ◆ Being responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- ◆ Reviewing, annually, the time required from Non-Executive Directors; and
- ◆ Ensuring plans are in place for orderly succession to the Board of Directors and senior management positions, to maintain an appropriate balance of skills and experience within the Group and Board.

Nomination Committee

During the year, the Nomination Committee continued to fulfil its responsibilities as set out in its terms of reference. As there were no Board or Committee changes, no new appointments and no succession planning actions required during the year, the Committee's activities were limited to its routine review of Board and Committee composition. No other matters required consideration in 2025.

Richard Benmore

Chair, Nomination Committee

25 June 2026



Audit and Disclosure Committees' Report

Summary of the Committees' responsibilities

The Audit Committee and Disclosure Committee, although having separate remits, discharge their responsibilities in the same meetings and have the same Directors sitting on both. As such, the overview of both Committees' activities is presented on a combined basis in this report.

The Committees' responsibilities include the following:

- ◆ The Audit Committee reviews reports from management and the Group's auditors relating to the Group's Annual Report and Accounts and interim results announcements. It advises the Board on whether the Annual Report and interim announcements are fair, balanced and understandable, and provide the information necessary for Kistos' stakeholders to assess performance against the Group's strategy. Ultimate responsibility for reviewing and approving the Annual Report and Accounts remains with the Board of Directors.
- ◆ The Audit Committee ensures compliance with accounting standards and the AIM Rules and confirms effective systems of internal financial and non-financial controls (including the management of risk and whistleblowing) are maintained.
- ◆ The Audit Committee reviews external auditors' independence and considers the nature, scope and results of auditors' work and policy on any non-audit services provided by external auditors. The Committee is also responsible for making recommendations to the Board of Directors on the appointment and remuneration of external auditors.

- ◆ The Disclosure Committee enforces the Group's inside information policy, assesses whether information is 'inside information' and resolves queries about its materiality. For instance, the Committee will determine whether an announcement is required in respect of any such inside information and procure that such an announcement is made as soon as possible, in accordance with the provisions of the AIM Rules and UK MAR.
- ◆ The Disclosure Committee operates as part of the Audit Committee and monitors and reports upon the Company's obligations under the Disclosure Guidance and Transparency Rules.

Audit Committee

The Committee comprises only Non-Executive Directors, being chaired by Stephen Pawson and with Alan Booth as its other member. Meetings are aligned with the Group's financial reporting calendar, and the Committee met three times during the year ended 31 December 2025, and again in June 2026.

The Executive Chairman, CEO and CFO are invited to attend each meeting of the Committee and participated in all the meetings during the year. Members of the senior management team are also invited to attend where appropriate. The external auditors attend meetings and meet the Committee without the presence of management at least annually.

Audit Committee membership

Audit Committee meetings attended during 2025 (out of a total possible):

- ◆ Stephen Pawson (Chair) 3/3
- ◆ Alan Booth 3/3

In April 2025, the Committee met primarily to review and approve the 2024 Annual Report and Accounts. In support of this, the Committee received papers from management on significant and judgemental financial reporting issues and considered the appropriateness of the conclusions therein and disclosures made in the financial statements. The Committee also received the audit completion paper from BDO LLP and challenged the external auditor on its approach and findings, considered the effectiveness of the external auditor and reviewed its independence.

In September 2025, the Committee reviewed and approved the 2025 Interim Results announcement.

During the December 2025 meeting, the Committee received the proposed plan for the external audit of the Group's 2025 Annual Report and Accounts by BDO. The Committee also received an update from management concerning internal controls and risk management, compliance, whistleblowing and fraud.

Other matters considered included the review of the Committee's remit, the appropriateness of its resources and training, assessing the external auditor's independence and objectivity, and agreeing the annual audit fees payable to BDO.

Annual Report and financial reporting

With regards to the 2025 Annual Report and Accounts, the areas of focus for the Committee included:

- ◆ The Directors' assessment of going concern and the completeness, accuracy and appropriateness of the disclosure in the financial statements;
- ◆ Impairment tests undertaken, and the results of those tests for the Netherlands, Norway and UK producing assets, intangible exploration assets and goodwill;
- ◆ Taxation matters, including any developments to the Solidarity Contribution Tax liability and appropriate disclosure of this and other unpaid tax liabilities;
- ◆ Consistency of application of accounting policies;
- ◆ Ongoing compliance with relevant financial reporting standards, AIM and legal requirements;
- ◆ The appropriateness of assumptions and judgements for items subject to estimates; and
- ◆ The clarity and completeness of disclosures in the financial statements.

Overall, the Committee focuses on whether, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders and stakeholders to assess the Group's performance, business model and strategy. The Committee and the Board believe this to be the case. The Committee particularly considered the following major financial statement items that require significant judgement and contain key sources of estimation uncertainty in the preparation of the 2025 Annual Report and Accounts.

Audit and Disclosure Committees' Report

Recurring accounting issues

Going concern

The Committee received up-to-date cash flow projections prepared by management for the period ending 31 December 2027, taking into account recent market volatility and the ongoing uncertainties surrounding the Middle East conflict. This analysis considered a range of downside sensitivities linked to the Group's principal risks, including a reasonably plausible decline in commodity prices below the forward curve for a period of time. The Committee concluded it was appropriate to adopt the going concern basis.

Taxes

The Committee noted there had been minimal change to the underlying fact patterns that led to the recognition of the Solidarity Contribution Tax charge in the prior year financial statements, and that, therefore, it remained appropriate to retain the provision on the balance sheet.

Impairment

The Committee received management's memoranda on impairment testing of intangible and tangible assets, and agreed with management that an impairment test was required for the UK Production cash-generating unit (CGU) and Norway Production CGU (due to the requirements under IFRS 3 to perform a test annually where goodwill is allocated to a CGU). They agreed that sufficient impairment triggers (higher than forecast downtime and increased costs on the TAQA-operated P15-D platform) had arisen that required an impairment test of the Netherlands Production CGU. Management presented to the Committee cash flow forecasts, including various risks and sensitivities covering production rates, capital expenditure and commodity prices.

It also examined the discount rate used by management to discount the cash flows to present value and concluded that the rate was appropriate. The Committee challenged management's methodology and agreed that an impairment charge should be recognised against the Netherlands Production CGU, and that the other impairment tests demonstrated that there is no risk of material adjustments of the carrying value of the CGUs that will result in an impairment.

Other financial reporting matters

The Committee considered other disclosures, judgements and areas of estimation that had an impact on the financial statements, including:

- ◆ Non-IFRS measures;
- ◆ Estimation and disclosure of abandonment liabilities;
- ◆ The reserves bases and methodology for unit-of-production depreciation charges; and
- ◆ Events after the balance sheet date.

The Committee agreed with management's treatment in each case.

Stephen Pawson

Chair, Audit and Disclosure Committees

25 June 2026

Directors' Report

The Directors present their report and audited consolidated financial statements of the Group for the year ended 31 December 2025.

Company registration

Kistos Holdings plc is a public company limited by shares, incorporated in England and Wales with registered number 14490676, and is the ultimate parent company of the Kistos Group of companies. Its registered office is 2nd Floor, 3 St James's Square, London SW1Y 4JU.

Principal activities and status

The Group's principal area of activity is the acquisition and operation of companies or businesses in the energy sector, with a focus on upstream oil and gas activities. The Group's operations are currently based in the Netherlands, Norway and the United Kingdom.

Dividends

The Directors did not pay an interim dividend and have not proposed a final dividend.

Future developments

The likely and current future developments of the Group's business are outlined within the Strategic Report.

Research and development

The Group undertakes various research and development studies as part of its continuous evaluation of reservoirs. It does so by improving its internal geological and petrophysical models, production forecasting and other outputs.

Streamlined energy and carbon reporting

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the '2018 Regulations'), the Company is an unquoted company, and therefore the energy use and associated greenhouse gas (GHG) emissions to be considered are those assets located in the UK and UK offshore area within the Group's boundary of reporting. The Group has set the boundary for reporting to be the operational control boundary, which would therefore include only those assets where the Group is the nominated or legal operator of the JV or consortium. As such, energy use and associated GHG emissions for operated assets being the gas storage assets (in the United Kingdom) have been reported in our 2025 ESG activities report on [page 20](#).

Political donations

The Group made no political donations during the year.

Charitable donations

The Group made no charitable donations during the year.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

- Andrew Austin (Executive Chairman)
- Peter Mann (CEO)
- James Thomson (CFO)
- Alan Booth (Non-Executive Director)
- Stephen Pawson (Non-Executive Director)
- Richard Benmore (Non-Executive Director)

Under the Company's Articles of Association, all Directors currently in office retire at the AGM.

Directors' indemnities and insurance

Subject to the conditions set out in the Companies Act 2006, the Company has arranged appropriate Directors' and Officers' insurance to indemnify the Directors and Officers against liability in respect of proceedings brought by third parties. Such provision remains in force at the date of this report.

The Company indemnifies the Directors against actions they undertake or fail to undertake as Directors or Officers of any Group company, to the extent permissible for such indemnities to meet the test of a qualifying third-party indemnity provision as provided for by the Companies Act 2006. The nature and extent of the indemnities are as described in Sections 232–236 of the Company's Articles of Association as adopted on 18 November 2022. These provisions remained in force throughout the year and remain in place at the date of this report.

Substantial shareholdings

As of 24 April 2026, the latest practicable date in compiling this information, in addition to the Directors' interests as set out in the Remuneration Report, the following institutions and individuals held more than 3% of the Company's issued ordinary shares with voting rights:

Holder (Grouped by Parent)	Number	Interest
Schroders	9,273,140	11.16%
Tulip Oil Holding B.V.	8,742,775	10.52%
Rathbone Investment Management	5,882,300	7.08%
Hargreaves Lansdown Asset Management	5,035,373	6.06%
Interactive Brokers Group	4,081,752	4.91%
Dowgate Capital	2,618,282	3.15%

The Company is not a closed company as defined in the Income and Corporation Taxes Act 1988. The Company is incorporated, domiciled and registered in the United Kingdom.

■ Directors' Report

Rights and obligations of ordinary shares

At a General Meeting, every holder of ordinary shares present in person and entitled to vote shall have one vote. Every proxy entitled to vote shall have one vote (unless the proxy is appointed by more than one member, in which case the proxy has one vote for or one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution; or if the proxy has been instructed by one or more shareholders to vote either for or against a resolution and by one or more of those shareholders to use their discretion on how to vote). On a poll, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. Subject to the relevant statutory provisions and the Articles of Association, holders of ordinary shares are entitled to a dividend if declared and paid out of profits available for such purposes. Subject to the relevant statutory provisions and the Articles of Association, on a return of capital on a winding-up, holders of ordinary shares are entitled to participate in such a return. There are no redemption rights in relation to the ordinary shares.

AGM notice

Notice of the forthcoming AGM will be advised separately.

Independent auditors

The Audit Committee continues to review the external auditor's independence and consider the quality, nature, scope and results of its work. The auditor, BDO LLP, has indicated willingness to continue in office, and a resolution that it be reappointed as auditor of the Company will be proposed at the next AGM.

In accordance with the provisions of the Companies Act 2006, each of the Directors confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Information included elsewhere in the Annual Report

The Strategic Report is set out on [pages 6 to 35](#) and includes a comprehensive review of the business and the future developments of the Group.

Other disclosures required by the Companies Act 2006 have been included in the Strategic Report and/or financial statements as follows:

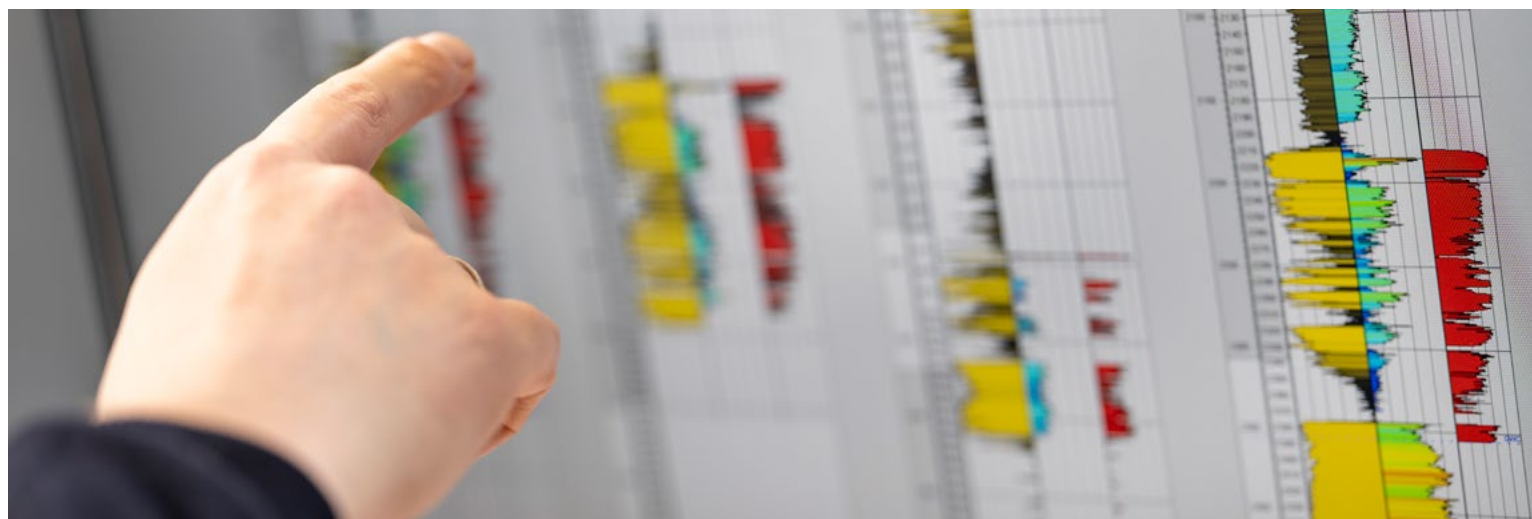
- ◆ [Page 69](#) and note 4.6 to the financial statements – the Group's financial risk management objectives and policies.
- ◆ [Pages 20 to 26](#) – information concerning environmental matters, engagement of employees, policy for employment of disabled people and training thereof, community issues, social matters, human rights, anti-corruption and anti-bribery matters.
- ◆ [Page 27](#) – stakeholder engagement.

- ◆ [Page 26](#) – business conduct, including anti-slavery and the UK Bribery Act.
- ◆ [Page 57](#) and note 1.3 to the financial statements – significant events occurring after the reporting period.
- ◆ [Page 65](#) and note 2.8 to the financial statements – acquisitions during the reporting period.

Details of any long-term incentive schemes can be found within the Remuneration Committee Report.

Corporate governance

The Company's statements on corporate governance can be found in the Corporate Governance Report section above, which forms part of this Directors' report and is incorporated into it by cross-reference.



■ Directors' Report

Going concern

To assess the Group's ability to continue as a going concern, base case cash flow forecasts have been prepared that cover a period to June 2027 (the 'going concern period').

As at 31 December, the Group held cash and term deposits of approximately \$165 million, including around \$47 million of restricted funds. Post year-end, the Group successfully refinanced its existing bonds, putting in place a \$300 million senior secured bond with a four-year tenor. Following agreement with bondholders, the condition relating to completion of the Blocks 3 & 4 acquisition, and therefore the requirement for receipt of the Royal Decree, has been waived. As a result, approximately \$280 million of proceeds from the first tranche are available to refinance the existing outstanding MIME bonds. The remaining \$20 million is expected to be released to fund the acquisition of Block 9, contingent on its completion (which remains subject to outstanding Ministry approval and a subsequent Royal Decree).

The forecasts and projections made in adopting the going concern basis consider forecasts of commodity prices, production rates, operating and G&A expenditure, committed and sanctioned capital expenditure, foreign exchange rates, tax payments and receipts, and debt service obligations. The Group regularly monitors its cash, funding and liquidity position, including compliance with the covenants associated with its external borrowings.

Based on the judgements summarised below, and provided in detail within note 1.2 to the financial statements, these financial statements have been prepared on a going concern basis.

The key assumptions within the base case include:

- ◆ Commodity prices based on conservative internal management price decks that are materially below prevailing forward curves at the assessment date.
- ◆ Production in line with the latest internal and operator-based forecasts.
- ◆ Capital expenditure consistent with approved budgets and operator-provided profiles.
- ◆ Tax payments and rebates in line with enacted legislation and operator submissions, including the expected Norwegian tax rebate of approximately \$37 million in December 2026 (including accrued interest) and potential exposure to historic Dutch solidarity tax (which, despite being classified as current, any related cash outflow would occur outside the going concern period).
- ◆ Obligations under Decommissioning Security Agreements (DSAs) for the GLA fields are satisfied by the purchase of surety bonds and posting of cash collateral during the period covered by the going concern assessment. The assumptions also include the \$17.5 million deposit payable to Vår Energi in June 2026.

The base case forecast indicated that the Group would be able to maintain sufficient liquidity across the going concern period and remain in full compliance with its bond covenants.

As part of the assessment, the Directors also considered other potential indicators of uncertainty, including liquidity shortfalls, covenant breaches, reliance on uncommitted funding, adverse tax exposures, operational shutdown risks and counterparty dependencies. No such indicators were identified.

Based on the assessment performed, the Directors conclude that the Group has sufficient financial resources to continue in operational existence for the foreseeable future, and that no material uncertainties exist that would require disclosure. The financial statements have therefore been prepared on a going concern basis.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards, and the Directors have elected to prepare the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP) (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit of the Group for that period.

In preparing these financial statements, the Directors are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Make judgements and accounting estimates that are reasonable and prudent;

- ◆ State whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and, hence, for taking reasonable steps to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website, including the publication of its Annual Report and financial statements thereon. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

This report was approved by the Board of Directors on 25 June 2026 and signed on its behalf by:

Andrew Austin
Executive Chairman

25 June 2026

Consolidated Financial Statements and Company Financial Statements

Consolidated Financial Statements

Consolidated income statement

\$'000	Note	Year ended 31 December 2025	Year ended 31 December 2024
Revenue	2.1	212,940	216,319
Other operating income		2,810	5,193
Cost of sales		(100,808)	(104,562)
Gross profit		114,942	116,950
Exploration and development expenses	3.6	(3,522)	(1,034)
Abandonment income/(expenses)	2.3	5,225	(3,533)
General and administrative expenses	3.2	(22,964)	(18,731)
Depreciation, amortisation and impairment	2.4, 2.5, 2.6	(103,886)	(134,398)
Operating loss		(10,205)	(40,746)
Interest income	3.5	5,286	6,417
Interest expense	3.5	(35,288)	(34,196)
Other finance income	3.5	31,150	15,003
Other finance costs	3.5	(12,115)	(42,360)
Net finance costs		(10,967)	(55,136)
Loss before tax		(21,172)	(95,882)
Tax credit	6.1	19,354	43,883
Loss for the year		(1,818)	(51,999)
Basic earnings per share (\$)	3.1	(0.02)	(0.63)
Diluted earnings per share (\$)	3.1	(0.02)	(0.63)

Consolidated statement of other comprehensive income

\$'000	Note	Year ended 31 December 2025	Year ended 31 December 2024
Loss for the period		(1,818)	(51,999)
Item that may be reclassified to profit or loss:			
Foreign currency translation differences	5.6	6,209	(3,956)
Total other comprehensive income/(loss)		4,391	(55,955)

Consolidated balance sheet

\$'000	Note	31 December 2025	31 December 2024
Non-current assets			
Goodwill	2.5	55,058	49,215
Intangible assets	2.5	29,667	30,272
Property, plant and equipment	2.4	542,937	489,508
Tax receivable	6.3.1	17,744	-
Deferred tax assets	6.2.2	2,744	1,885
Investment in associates		1,066	1,066
Other long-term receivables		1,268	176
		650,484	572,122
Current assets			
Inventories	4.5	26,685	18,436
Trade and other receivables	4.2	37,532	20,602
Tax receivable	6.3.1	32,467	65,450
Restricted funds	4.1	47,329	29,385
Cash and cash equivalents	4.1	117,324	113,753
		261,337	247,626
Total assets		911,821	819,748
Equity			
Share capital and share premium	5.4	10,168	9,979
Other equity	5.5	5,557	5,557
Other reserves	5.6	(68,647)	71,311
Retained earnings		95,825	(50,088)
Total equity		42,903	36,759
Non-current liabilities			
Abandonment provision	2.3	263,186	251,426
Bond debt	5.1	132,391	245,243
Deferred tax liabilities	6.2.1	171,776	134,389
Other non-current liabilities	4.4	10,440	7,703
		577,793	638,761
Current liabilities			
Trade payables and accruals	4.3	50,080	32,180
Bond debt	5.1	137,390	-
Other current liabilities	4.4	12,797	14,952
Current tax payable	6.3.2	90,858	93,604
Abandonment provision	2.3	-	3,492
		291,125	144,228
Total liabilities		868,918	782,989
Total equity and liabilities		911,821	819,748

Consolidated Financial Statements

Consolidated balance sheet continued

The notes on pages 56 to 77 are an integral part of these financial statements and were approved by the Board of Directors on 25 June 2026.

James Thomson

Chief Financial Officer

Consolidated statement of changes in equity

\$'000	Share capital and share premium (note 5.4)	Other equity (note 5.5)	Other reserves (note 5.6)	Retained earnings	Total equity
At 1 January 2024	9,979	3,897	74,714	1,911	90,501
Loss for the period	–	–	–	(51,999)	(51,999)
Other comprehensive loss	–	–	(3,956)	–	(3,956)
Total comprehensive loss for the period	–	–	(3,956)	(51,999)	(55,955)
Share-based payments	–	–	553	–	553
Issue of warrants (note 5.5)	–	1,660	–	–	1,660
At 31 December 2024	9,979	5,557	71,311	(50,088)	36,759
Loss for the period	–	–	–	(1,818)	(1,818)
Other comprehensive income	–	–	6,209	–	6,209
Total comprehensive income for the period	–	–	6,209	(1,818)	4,391
Shares issued (note 5.4)	189	–	–	–	189
Share-based payments (note 3.4)	–	–	1,564	–	1,564
Capital reduction (note 5.6)	–	–	(147,731)	147,731	–
At 31 December 2025	10,168	5,557	(68,647)	95,825	42,903

Consolidated cash flow statement

\$'000	Note	Year ended 31 December 2025	Year ended 31 December 2024
Cash flows from operating activities:			
Loss for the period after tax		(1,818)	(51,999)
Tax credit	6.1	(19,354)	(43,883)
Net finance costs	3.5	10,967	55,136
Depreciation, amortisation and impairment	2.4, 2.5, 2.6	103,886	134,398
Non-cash exploration expense	3.6	1,381	–
Non-cash abandonment expense	2.3	8,369	–
Share-based payment expense	3.4	2,849	553
Income tax paid		(24,403)	(72,175)
Income tax received		73,775	80,713
Interest income received		2,196	6,008
Abandonment costs paid	2.3	(4,205)	(6,933)
Decrease in trade and other receivables		3,153	4,856
Decrease in trade and other payables		(3,681)	(9,975)
(Increase)/decrease in inventories		(5,744)	6,494
Movement in other working capital items		(15)	317
Net cash flow generated from operating activities		147,356	103,510
Cash flows from investing activities:			
Payments to acquire tangible and intangible fixed assets		(121,532)	(143,814)
Consideration paid for Gas Storage Acquisition, net of cash acquired		–	(22,073)
Investment in Spiralix		–	(1,000)
Oman acquisition – deposit		(7,500)	–
Transfer to restricted funds		(14,920)	(29,385)
Net cash flow used in investing activities		(143,952)	(196,272)
Cash flows from financing activities:			
Interest paid		(5,918)	(5,773)
Proceed from issue of shares	5.4	189	–
Drawdown on credit facility		3,250	–
Lease repayments and other financing cash flows		(976)	(412)
Other		(2,332)	(2,823)
Net cash flow used in financing activities		(5,787)	(9,008)
Decrease in cash and cash equivalents		(2,383)	(101,770)
Cash and cash equivalents at start of period	4.1	113,753	214,974
Effects of foreign exchange rate changes		5,954	549
Cash and cash equivalents at end of period	4.1	117,324	113,753

Notes to the Consolidated Financial Statements

Section 1: General information and basis of preparation

Kistos Holdings plc (the 'Company') is a public company, limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales under the Companies Act 2006 (registered company number 14490676). The nature of the Company and its consolidated subsidiaries' (together, the 'Group') operations and principal activity is the exploration, development and production of gas and other hydrocarbon reserves principally in the North Sea and creating value for its shareholders through the acquisition and management of companies or businesses in the energy sector.

1.1 Basis of preparation and consolidation

The financial statements have been prepared under the historical cost convention in accordance with UK-adopted International Accounting Standards, in conformity with the requirements of the Companies Act 2006 and in accordance with the requirements of the Alternative Investment Market (AIM) Rules.

These financial statements represent results from continuing operations, there being no discontinued operations in the periods presented.

The accounting period of these consolidated financial statements is the calendar year 2025, which ended at the balance sheet date of 31 December 2025. The comparative period is the calendar year 2024, ending at the balance sheet date of 31 December 2024.

1.2 Going concern

The Directors are required to consider the availability of resources to meet the Group's liabilities for a period of at least 12 months, and for the purpose of this assessment, to the end of June 2027 'going concern period'. As at 31 December, the Group held cash and term deposits of c.\$165 million, including c.\$47 million of restricted funds. Post year-end, the Group successfully refinanced its existing bonds putting in place a \$300 million senior secured bond with a four-year tenor. Following agreement with bondholders, the condition relating to completion of the Blocks 3 & 4 acquisition, and therefore the requirement for receipt of the Royal Decree, has been waived. As a result, approximately \$280 million of proceeds from the first tranche are available to refinance the existing outstanding MIME bonds. The remaining \$20 million is expected to be released to fund the acquisition of Block 9, contingent on its completion (which remains subject to outstanding Ministry approval and a subsequent Royal Decree).

In forming their assessment, the Directors have considered the detailed Going Concern analysis prepared by management. This assessment is based on a comprehensive cash flow forecast covering the period to June 2027 and incorporates the Group's current cash position, committed

funding arrangements, forecast operating cash flows, capital expenditure, tax payments and debt service obligations. The Group regularly monitors its cash, funding and liquidity position, including compliance with the covenants associated with its external borrowings. Near-term projections and forecasts are updated frequently. For the year ended 31 December 2025, no indicators of material uncertainty have been identified. The Group strengthened its financial position through the refinancing of its bonds in May 2026, extending maturities to 2030 with no amortisation during the going concern period. This refinancing significantly enhanced balance-sheet resilience and removed short-term maturity pressures.

The base case forecast assumes the following:

- Commodity prices based on conservative internal management price decks that are materially below prevailing forward curves at the assessment date.
- Production in line with latest internal and operator-based forecasts.
- Capital expenditure consistent with approved budgets and operator-provided profiles.
- Tax payments and rebates in line with enacted legislation and operator submissions, including the expected Norwegian tax rebate of c.\$37 million in December 2026 (including accrued interest). The Directors have also considered the potential exposure to historic Dutch solidarity tax. As set out in the Group's assessment and despite being classified as current, any review or assessment by the Dutch tax authorities is not expected to commence until 2028 at the earliest, and any related cash outflow would occur outside the going concern period. Therefore, this matter does not represent an event or condition that could cast significant doubt on the Group's ability to continue as a going concern.
- Obligations under Decommissioning Security Agreements (DSAs) for the Greater Laggan Area (GLA) fields are satisfied by the purchase of surety bonds and posting of cash collateral during the period covered by the going concern assessment. The assumptions also include the \$17.5 million deposit payable to Vår Energi in June 2026.

The Directors have also considered other potential indicators of uncertainty, including liquidity shortfalls, covenant breaches, reliance on uncommitted funding, adverse tax exposures, operational shutdown risks and counterparty dependencies. No such indicators were identified. The Group maintains substantial liquidity headroom throughout the assessment period and is forecast to remain in full compliance with its bond covenants.

Given the absence of any events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, detailed downside sensitivity analysis has not been prepared or disclosed. Management has, however, considered downside risks qualitatively and concluded that the Group would retain adequate liquidity even under adverse but plausible conditions.

Notes to the Consolidated Financial Statements

Based on the assessment performed, the Directors conclude that the Group has sufficient financial resources to continue in operational existence for the foreseeable future, and that no material uncertainties exist that would require disclosure. The financial statements have therefore been prepared on a going concern basis.

1.3 Significant event and change in the period

The financial performance and position of the Group were significantly affected by the following event and change during the period:

- The Group has entered into a binding agreement to acquire a 5% working interest in Block 9 and a 20% working interest in Blocks 3 & 4 from Mitsui E&P Middle East B.V., both located onshore in the Sultanate of Oman. The total consideration for the acquisition is \$148 million. During the financial year, the Company paid \$37 million of this consideration, consisting of a refundable \$7.5 million prepayment made directly to the seller, with the remaining \$29.5 million held in trust and recognised as restricted funds. Ministerial approvals have been obtained in respect of Blocks 3 & 4, with completion now subject to publication of the Royal Decree and expected shortly thereafter. In respect of Block 9, ministerial approval remains outstanding and, given differences in licence terms, the longer approval timeframe is not unexpected, with completion expected in the second half of 2026.

1.4 Foreign currencies and translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the functional currency). Transactions in currencies other than the functional currency are translated to the entity's functional currency at the foreign exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

All UK-incorporated entities in the Group, including Kistos Holdings plc, have a functional currency of pounds Sterling (GBP). All Dutch-incorporated entities have a functional currency of Euros (EUR). Norwegian-incorporated entities have a functional currency of NOK.

1.5 Material accounting policies

Information concerning the Group's accounting policies is now disclosed in the relevant section of the financial statements if one or more of the following apply:

- There has been a change in accounting policies during the period;
- An accounting policy has been chosen from a set of alternatives under IFRS;
- An accounting policy has been derived using the general guidance in IAS 8 (in the absence of specific IFRS requirements);
- An accounting policy requires the application of significant judgement or assumptions; or
- The accounting requirements for a transaction or event are complex.

The Group has applied its accounting policies consistently throughout the current and prior periods. A minor modification has been made to the presentation of certain line items in the financial statements:

- On the consolidated income statement, 'Depreciation and amortisation' and 'Impairment' are now presented on the same line.

1.6 New and amended accounting standards adopted by the Group

The Group has applied the following new accounting standard for the first time in the reporting period ended 31 December 2025:

- IAS 21 'Lack of Exchangeability' (Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates).

The adoption of the above amendment has not had any material impact on the disclosures or on the amounts reported in the financial statements, nor is it expected to significantly affect future periods.

1.7 New and amended accounting standards not yet adopted

A number of other new and amended accounting standards and interpretations have been published that are not mandatory for the reporting period ended 31 December 2025, nor have they been early adopted. These standards and interpretations are not expected to have a material impact on the consolidated financial statements except for IFRS 18, which is effective for annual reporting periods beginning on or after 1 January 2027 and introduces new presentation requirements for the statement of profit and loss. The Group has not yet performed a detailed assessment of the potential impact of IFRS 18, but will evaluate its impact prior to the standard becoming effective.

1.8 Accounting judgements and major sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effects on the amounts recognised in the financial statements are:

Notes to the Consolidated Financial Statements

- The identification of impairment indicators for assets (note 2.6);
- Deferral of Hole House facility decommissioning by 20 years following the final investment decision to recommission the facility in September 2025 (note 2.3); and
- Uncertain tax positions (note 6.4).

The assumptions concerning the future, and other major sources of estimation uncertainty at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are:

- Estimated future cash flows from assets used as a basis for impairment testing for fixed assets and goodwill (note 2.6);
- Estimated quantity of hydrocarbon reserves and contingent resources (section 2); and
- The estimated cost for abandonment provisions (note 2.3). The Group has performed a sensitivity analysis of reasonable possible changes in the significant assumptions. A 1% change in the discount rate would result in an impact of \$31 million on the provision for asset retirement obligation.

Section 2: Gas and oil operations

Critical judgements and key sources of estimation uncertainty applicable to this section as a whole

Key source of estimation uncertainty – estimation of reserves and contingent resources

Reserves and contingent resources are those hydrocarbons that can be economically extracted from the Group's licence interests. The Group's reserves and contingent resources have been estimated based on information compiled by operators of the licence interests and other qualified persons, and updated and refined by the Group's internal experts and external contractors. These estimates use standard recognised evaluation techniques and include geological and reservoir information (as updated from data obtained through operation of a field), capital expenditure, operating costs and decommissioning estimates. These inputs are validated where possible against analogue reservoirs, and actual historical reservoir and production performance.

Changes to reserves estimates may significantly impact the financial position and performance of the Group. This could include a significant change in the depreciation charge for fixed assets, the timing (and carrying value) of abandonment provisions, the results of any impairment testing performed, and the recognition and carrying value of any deferred tax assets.

2.1 Revenue

Accounting policy

Revenue from contracts with customers is measured based on the transaction price specified in a contract with the customer, being based on quoted market prices for the gas or liquids. All revenue is measured at a point in time, being that point at which the Group meets its promise to transfer control of a quantity of gas or liquids to a customer. For gas, control is transferred once the hydrocarbons pass a specified delivery point in a pipeline. For liquids sales, control is transferred in accordance with the incoterms specified in the contract.

Revenue from backout compensation, arising from the third-party Victory field tie-in since October 2025, is recognised when hydrocarbon volumes are transferred to the Shipper at the Re-delivery Point, representing the Group's lost production entitlement. Settlement may occur in kind or in cash, both treated as consideration for the transfer of hydrocarbons. The transaction price is measured using the contractually agreed market-based formula. Revenue is recognised when control passes to the Shipper, irrespective of whether settlement is volumetric or monetary as both are economically equivalent transfers of goods.

Revenue of gas storage is derived from leasing out cavity storage volume to a third-party commodity trading partner. The gas storage trading arrangement has been assessed as meeting the definition of an operating lease under IFRS 16.

	Year ended 31 December 2025			
	Netherlands	Norway	UK	Total
\$'000				
Sales of liquids	–	104,719	7,939	112,658
Sales of natural gas	27,162	1,766	54,008	82,936
Backout hydrocarbons sales	–	–	6,095	6,095
Gas trades	–	–	11,251	11,251
Total revenue from contracts with customers	27,162	106,485	79,293	212,940

	Year ended 31 December 2024			
	Netherlands	Norway	UK	Total
\$'000				
Sales of liquids	–	87,874	10,353	98,227
Sales of natural gas	45,236	–	66,176	111,412
Gas trades	–	–	6,680	6,680
Total revenue from contracts with customers	45,236	87,874	83,209	216,319

Notes to the Consolidated Financial Statements

Revenue of \$192 million was derived from a single external customer, representing 89% of the Group's total revenue. Of this amount, \$165 million was in Norway and the UK (excluding Kistos Storage) segments, and \$27 million was recognised in the Netherlands.

In the prior period, revenue of \$202 million was derived from a single external customer, representing 91% of the Group's total revenue. Of this amount, \$157 million was in Norway and UK (excluding Kistos Storage) segments and \$45 million was recognised in the Netherlands.

2.2 Segmental information

2.2.1 Segments and principal activities

The performance of the Group is monitored by the Executive Directors (comprising the Executive Chairman, Chief Executive Officer and Chief Financial Officer) on a geographical basis. For the period ended 31 December 2025, there are three (31 December 2024: three) reportable segments identified for the Group's business:

- ◆ Norway: Comprising the production and sales of oil and gas from interests in the Balder and Ringhorne Øst fields offshore Norway.
- ◆ The UK: Comprising the production and sale of gas and other hydrocarbons from the Group's interest in the GLA, backout hydrocarbons sales, the costs associated with the exploration, appraisal and development of other licences in the UK North Sea, and the UK gas storage assets trading revenue. This segment also includes UK-based head office overheads and certain corporate costs.
- ◆ The Netherlands: Comprising the production and sale of gas from the Q10-A field, and the costs associated with exploration, appraisal and development of other Dutch licences.

The key measure of performance used by the Executive Directors to review segment profit and loss is Adjusted EBITDA (note 2.2.2). They also receive disaggregated information concerning revenue, income tax charge and capital expenditure by segment on a regular basis. Information about other income statement measures, and the quantum of total assets and liabilities by segment, is not regularly provided to the Executive Directors. Transactions between segments are measured on the same basis as transactions with third parties and eliminate on consolidation.

2.2.2 Adjusted EBITDA

The Executive Directors use Adjusted EBITDA as a measure of profit or loss to assess the performance of the operating segments. Adjusted EBITDA is a non-IFRS measure, which management believes is a useful metric as it provides additional useful information on performance and trends. Adjusted EBITDA is not defined in IFRS or other accounting standards and therefore may not be comparable with similarly described or defined measures reported by other companies. It is not intended to be a substitute for, or superior to, any nearest equivalent IFRS measure.

Adjusted EBITDA excludes the effects of significant items of income and expenditure that may have an impact on the quality of earnings, such as impairment charges, other non-cash charges such

as depreciation and share-based payment expense, transaction costs, changes in contingent consideration relating to business acquisitions and development expenditure. A reconciliation of Adjusted EBITDA by segment to operating loss, the nearest equivalent IFRS measure, is presented below.

\$'000	Note	Year ended 31 December 2025	Year ended 31 December 2024
Norway Adjusted EBITDA		65,349	42,696
UK Adjusted EBITDA		28,308	28,034
Netherlands Adjusted EBITDA		7,644	28,169
Corporate and other		(4,711)	(3,575)
Group Adjusted EBITDA		96,590	95,324
Development expenses		(31)	(213)
Share-based payment expense	3.4	(2,849)	(560)
Depreciation and amortisation	2.4, 2.5	(89,469)	(99,923)
Impairments	2.6	(14,417)	(34,475)
Transaction costs		(29)	(899)
Operating loss		(10,205)	(40,746)

Transaction costs in the current period relate to the acquisition of interests in Block 9 and Blocks 3 & 4 in Oman. Transaction costs in the prior period include amounts relating to the acquisition of the EDF storage assets.

2.2.3 Other segmental and geographical disclosures

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Income tax credit by segment:		
Netherlands	(18,346)	8,900
Norway	(5,463)	(33,057)
UK	(16,258)	(10,199)
Unallocated and consolidation adjustments	20,713	(9,527)
Total	(19,354)	(43,883)

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Impairment charges by segment:		
Netherlands	14,356	34,095
UK	61	380
Total	14,417	34,475

Notes to the Consolidated Financial Statements

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Non-current assets (other than financial instruments and deferred tax assets) by geographical region:		
Norway	459,099	349,947
UK	159,794	193,042
Netherlands	8,769	26,005
Total	627,662	568,994

Revenue by segment is presented in note 2.1. The amount of inter-segment revenue was not material.

2.3 Abandonment provision

Source of estimation uncertainty – estimate of abandonment provisions

Decommissioning costs are uncertain, and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the expected cessation of production date of the related asset, the emergence of new technology or experiences at other assets. The expected timing, work scope, amount of expenditure and risk weighting may also change. Therefore, significant estimates and assumptions are made in determining the abandonment provision balance. The estimated decommissioning costs, and inflation and discount rates applied to derive the amounts recognised on the balance sheet are reviewed at least annually, and the results of this review are then assessed alongside estimates from operators (where the Group is a non-operating partner in an arrangement).

Accounting policy

An abandonment provision for decommissioning is recognised when the related facilities or wells are installed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related oil and gas asset or gas storage assets. Where the Group acts as operator in a joint operation, only the Group's share of abandonment liabilities is recognised on the balance sheet. The provision recognised is the estimated cost of abandonment at the time of undertaking the work, discounted to its net present value, and is reassessed typically annually. Abandonment costs expected to be incurred within 12 months of the balance sheet date (and thus classified as current liabilities) are not discounted.

Changes in the estimated timing of abandonment or abandonment cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. Where the related item of property, plant and equipment has been fully impaired, the corresponding adjustment is recognised in profit and loss.

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Opening balance	254,918	235,887
Acquisitions	–	41,802
Accretion expense	11,418	9,066
Changes in estimates to provisions	(18,956)	7,762
Utilisation	(4,205)	(6,933)
Effect of change to discount rate	(6,335)	(17,786)
Foreign exchange differences	26,346	(14,880)
Closing balance	263,186	254,918
Of which:		
Current	–	3,492
Non-current	263,186	251,426
Total	263,186	254,918

Abandonment provisions primarily include:

- In the Netherlands, the Group's share of the estimated costs is based on abandoning the producing Q10-A wells, decommissioning the associated infrastructure and the plugging and abandoning of the currently suspended Q11-B well. The removal and restoration of certain onshore pipelines and corresponding land from historic assets was completed during 2025, and no obligations remain. Abandonment of the producing wells and infrastructure is expected to take place between three and five years from the balance sheet date, with the wells being a single campaign in 2028 and the infrastructure following thereafter, with a most likely date of 2029.
- In the UK Production segment, the Group's share of the estimated costs relates to plugging and abandoning the producing and suspended Laggan, Tormore, Edradour and Glenlivet wells, removal of the associated subsea infrastructure, and demolition of the Shetland Gas Plant (SGP) and restoration of the land upon which the plant is constructed. Abandonment is expected to take place between five and 14 years from the balance sheet date, subject to production and commodity price forecasts and level of use of the SGP by third parties.
- In Norway, the provisions cover plugging and abandonment of drilled wells on the Ringhorne platform and those that are tied back to the Balder and Jotun vessels, as well as the removal of the Balder floating production unit (FPU), Jotun floating production, storage and offloading unit (FPSO) and Ringhorne platform. Abandonment is expected to take place within three years in the case of the Balder FPU and certain wells, while the remaining assets are expected to be abandoned after the mid- to late-2040s.
- In the UK Storage segment, the key work required for decommissioning is the rebrining of gas storage caverns, and return to the freeholder and removal of the plant assets. Abandonment is expected to take place in approximately 20 years' time, including Hole House after the final investment decision taken in September 2025 to proceed with returning the facility to service.

Notes to the Consolidated Financial Statements

Abandonment provisions are initially estimated in nominal terms, based on management's assessment of publicly available economic forecasts and determined using inflation rates of 2.0% to 2.30% (2024: 2.0% to 2.5%) and a discount rate of 2.5% to 5.2% (2024: 2.6% to 5.1%). The changes in estimates to provisions arise primarily as a result of the deferral of the Hole House facility decommissioning to 20 years following the final investment decision to return the facility to service. In addition, the abandonment of the GLA wells and facilities has been deferred, consistent with the revised cessation of production date following the inclusion of the third-party Victory tieback.

An abandonment gain of \$5.2 million was recognised in the income statement during the year. The gain arose in the Storage business following the final investment decision to defer the decommissioning plan by approximately 20 years. The deferral resulted in a reassessment of the associated decommissioning provision and an \$8.4 million reduction in the estimated liability. As the related asset was acquired at nil cost, the reduction was recognised immediately within abandonment expense in the income statement. This was partially offset by \$3.2 million of operational abandonment costs incurred in Norway during the year. In the prior year, the Group recognised \$3.5 million of abandonment expense, primarily relating to operational abandonment costs incurred in Norway.

The Group has in issue £61 million (\$82 million) of surety bonds and an amount of £12 million (\$16 million) held in a separate bank account (restricted funds) as at 31 December 2025 to cover its obligations under DSAs for the GLA fields and infrastructure. The amount of the bonds required is reassessed each year, changing in line with estimated post-tax cash flows from the assets, revisions to the abandonment cost, inflation rates, discount rates and other inputs defined in the DSAs.

The Group is obliged to deposit to Vår Energi a post-tax amount of \$12.7 million (plus interest accruing at SOFR +3% from the effective date of 1 January 2022, payable in June 2026 as per a revised agreement with Vår Energi. Based on current estimates of interest rates, the amount to be deposited is anticipated to be approximately \$17.5 million. This amount will be repaid upon decommissioning of the fields.

2.4 Property, plant and equipment

Significant judgement – assessment of capitalised borrowing costs

For longer-term upstream development projects, judgement is applied in determining when substantially all the activities necessary to prepare assets for their intended use are complete. This judgement impacts when the Group ceases capitalisation of borrowing costs in accordance with IAS 23 Borrowing costs. Due to the nature of these projects, in particular where the Group does not operate the assets or fields in question, it can be difficult to separately identify the costs attributable to developed reserves (which are ready for their intended use) from those costs attributable to undeveloped reserves.

The Norwegian assets were acquired in May 2023 for a consideration of \$4 million, including \$218 million of borrowings acquired as part of the acquisition. Management has judged that these fields included in the fair value of oil and gas assets acquired had commenced production and that substantially all activities necessary to prepare the assets for their intended use were complete prior to the date of acquisition. As a result, no borrowing costs have been capitalised in respect of these fields post-acquisition. Capital expenditures incurred subsequent to the date of acquisition have been funded through the Group's operating cash flows and existing cash balances rather than borrowings.

Accounting policy

All field development costs are capitalised as property, plant and equipment. Property, plant and equipment related to production activities are depreciated typically on the unit of production method, with the exception of the Group's interest in the SGP, which is depreciated on a straight-line basis to the estimated cessation of production date of the related gas fields. Where a sidetrack from an original well is drilled, the costs of the original well are estimated and written off to the income statement. The cost of ordinary maintenance and repairs are expensed as incurred, whereas costs for improving and upgrading production facilities are added to the acquisition costs and depreciated together with the related asset.

All expenditure carried within each field is depreciated from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of reserves or resources at the end of the period plus the production in the period, generally on a field-by-field basis or by a group of fields that are reliant on common infrastructure. For larger ongoing development projects where both production and significant capital expenditure are ongoing, the unit of production ratio is calculated by reference to total expected project costs and total field 2P reserves. For other projects, where there is no currently approved Final Investment Decision (FID) in place to access 2P reserves, the unit of production ratio is calculated by reference to the net book value of assets attributable to the field(s) and total 1P reserves. Reserves used as the basis for unit of production depreciation may not be the same as reserves used by management for other internal and external reporting purposes.

For the GLA assets, the tie-in of the third-party Victory field into SGP resulted in the GLA wells being switched to a single flowline, adversely impacting reservoir pressure and production performance. In anticipation of this, the host parties entered into an agreement with the operator of Victory, under which the hosts are kept whole for any backout and are compensated in kind (or cash-valued) as if they continued to have access to both flowlines and could produce unencumbered. The backout volumes received under this arrangement from October 2025 represent a production entitlement and constitute consumption of the depletable reserves. Accordingly, these volumes are included in total units of production for the purpose of calculating depreciation under the unit-of-production method.

Notes to the Consolidated Financial Statements

Storage assets, other than land, cushion gas and properties under construction, are depreciated on a straight-line basis over 20 years to their residual value. Assets under construction are carried at cost and transferred to the storage facilities class once available for use.

Cushion gas is capitalised and depreciated over the same 20-year life. However, no depreciation is charged where cushion gas is fully recoverable upon decommissioning, unless the residual value falls below cost.

\$'000	Freehold land	Oil and gas assets	Gas storage facilities and other	Total
Cost				
At 1 January 2024	–	739,849	2,483	742,332
Acquisition of business (note 2.8)	2,091	2,578	73,202	77,871
Additions	–	146,258	731	146,989
Disposals and decommissioning	–	(9,119)	(5,146)	(14,265)
Foreign exchange differences and other movements	2	(64,113)	291	(63,820)
At 31 December 2024	2,093	815,453	71,561	889,107
Additions	–	115,493	16	115,509
Transfer from E&E (note 2.5)	–	4,373	–	4,373
Disposals and decommissioning	–	(16,804)	(4,362)	(21,166)
Foreign exchange differences and other movements	170	106,259	4,204	110,633
At 31 December 2025	2,263	1,024,774	71,419	1,098,456
Accumulated depreciation and impairment				
At 1 January 2024	–	(286,171)	(875)	(287,046)
Depreciation charge for the period	–	(97,466)	(1,757)	(99,223)
Impairment (note 2.6)	–	(25,982)	–	(25,982)
Accumulated depreciation on disposals	–	–	60	60
Foreign exchange differences and other movements	–	18,053	(5,461)	12,592
At 31 December 2024	–	(391,566)	(8,033)	(399,599)
Depreciation charge for the period	–	(88,059)	(1,271)	(89,330)
Impairment (note 2.6)	–	(14,356)	–	(14,356)
Foreign exchange differences and other movements	–	(51,965)	(269)	(52,234)
At 31 December 2025	–	(545,946)	(9,573)	(555,519)
Net book value at 31 December 2024	2,093	423,887	63,528	489,508
Net book value at 31 December 2025	2,263	478,828	61,846	542,937

Due to the nature of the Group's oil and gas development projects, it is not practical to ascertain the carrying amount of expenditure that is under construction.

The 'Other' category includes office and IT equipment, including assets (primarily office leases) held as right-of-use assets (note 5.3).

2.5 Intangible assets and goodwill

Accounting policy

The Group adopts the successful efforts method of accounting for exploration and evaluation costs. Costs incurred before a licence is awarded or obtained are expensed in the period. All licence acquisition, exploration and evaluation costs and directly attributable G&A costs are subsequently capitalised by well, field or exploration area, as appropriate. These costs are 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 indications of impairment.

Specific indicators that would result in an immediate impairment include relinquishment of a licence and a sub-commercial drilling result. In such circumstances, subsequent expenditure on those licences is also recognised as an impairment in the income statement.

\$'000	Goodwill	Exploration and evaluation assets	Other intangible assets	Total
Cost				
At 1 January 2024	58,058	129,600	754	188,412
Additions	–	354	318	672
Foreign exchange differences	(5,089)	(5,494)	(55)	(10,638)
At 31 December 2024	52,969	124,460	1,017	178,446
Additions	–	1,508	355	1,863
Transfer to PP&E (note 2.4)	–	(4,373)	–	(4,373)
Exploration cost expensed	–	(1,381)	–	(1,381)
Foreign exchange differences	6,132	13,033	97	19,262
At 31 December 2025	59,101	133,247	1,469	193,817
Accumulated amortisation and impairment				
At 1 January 2024	(3,819)	(95,534)	(229)	(99,582)
Amortisation for the period	–	(400)	(300)	(700)
Impairment (note 2.6)	–	(8,312)	(181)	(8,493)
Foreign exchange differences and other movements	65	9,742	9	9,816
At 31 December 2024	(3,754)	(94,504)	(701)	(98,959)
Amortisation for the period	–	–	(139)	(139)
Impairment (note 2.6)	–	(9)	(52)	(61)
Foreign exchange differences and other movements	(289)	(9,572)	(72)	(9,933)

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\$'000	Goodwill	Exploration and evaluation assets	Other intangible assets	Total
At 31 December 2025	(4,043)	(104,085)	(964)	(109,092)
Net book value at 31 December 2024	49,215	29,956	316	79,487
Net book value at 31 December 2025	55,058	29,162	505	84,725

The Group's interests in oil and gas licences are outlined in note 2.7.

2.6 Impairment of assets and goodwill

Critical judgement – identification of impairment indicators

Under IAS 36, the Group is required to consider if there are any indicators of impairment for property, plant and equipment. The judgement as to whether there are any indicators of impairment takes into consideration a number of internal and external factors, including changes in estimated reserves, significant adverse changes to production versus previous estimates made by management, changes in estimated future oil and gas prices, changes in estimated future capital and operating expenditure to develop and produce commercial reserves, and adverse changes in applicable tax regimes. Where indicators are present and an impairment test is required, the calculation of the recoverable amount requires estimation of its value in use (VIU) and/or fair value less costs of disposal (FVL COD), using discounted cash flow models or other approaches. These assessments are performed on a cash-generating unit (CGU) basis, unless a lower level is deemed appropriate.

The judgement as to whether there are any indicators of impairment for intangible exploration assets is made by reference to, among other factors, the indicators outlined in IFRS 6, including the lack of planned or budgeted substantive expenditure on a licence, a lack of commercially viable reserves discovered, and other factors that indicate that the carrying amount of the intangible asset is unlikely to be recovered in full from successful development or by sale.

Key source of estimation uncertainty – estimated future cash flows used in impairment testing

In performing impairment tests, management uses discounted cash flow projections to estimate the FVL COD of an asset's or CGU's recoverable amount. These forecasts include estimates of future production rates of gas and oil products, commodity prices and operating costs, and are thus subject to significant risk and uncertainty. Changes to external factors and internal developments and plans can significantly impact these projections, which could lead to additional impairments or reversals in future periods. Where applicable, a sensitivity analysis to the key estimates and assumptions is outlined below.

2.6.1 Netherlands segment impairment test

Production in 2025 was adversely impacted by a longer-than-planned shutdown of the TAQA-operated P15-D platform (98 vs 35 days planned). Together with the Q10-A1 well, which stopped production early in 2025 and the current plan to cease production at the end of 2027, management considered there to be impairment indicators for the Netherlands Production CGU. The CGU currently contains five producing wells at the Q10-A gas field, the Q10-A platform and associated infrastructure.

Kistos continues to evaluate opportunities together with the operator of the P15-D platform to extend cessation of production out to the 2030s; however, no further progress has been made, and management views the possibility of achieving a material extension as highly unlikely.

The recoverable amount was determined on a FVL COD basis, using a discounted cash flow approach in line with how market participants would value the asset (and corresponding to how the Group would value similar assets), with the estimate therefore being classified as Level 3 in the fair value hierarchy due to a number of unobservable inputs used in the estimate.

The key assumptions used in the valuation were as follows:

- ♦ TTF gas prices based on forward curve data;
- ♦ Gas production forecasts based on internal reservoir modelling until cessation of production in 2027;
- ♦ Operating expenditure based on forecasts and information provided by the operator of the P15-D platform in the P15 Hub model, comprising the main component of operating costs; and
- ♦ A nominal post-tax discount rate of 7%.

Costs of disposal were considered to be immaterial for the purposes of the impairment test. The recoverable amount of the CGU was estimated to be \$7 million, giving rise to an impairment charge of \$14 million recognised against oil and gas assets.

Sensitivity analysis indicates that a reasonably possible decrease of 10% in TTF gas prices, together with a 1% increase in the post-tax discount rate, would result in an increase in impairment by \$2 million.

UK segment impairment test

The UK Production CGU, comprising the Group's working interest in the producing Laggan, Tormore, Edradour and Glenlivet fields and the SGP, is required to be tested for impairment annually as goodwill allocated to the CGU (being \$8.9 million) was acquired in a business combination.

The recoverable amount was determined on a FVL COD basis, using a discounted cash flow approach in line with how market participants would value the asset (and corresponding to how the Group would value similar assets), with the estimate therefore being classified as Level 3 in the fair value hierarchy due to a number of unobservable inputs used in the estimate. Costs of disposal were considered to be immaterial for the purposes of the impairment test.

Notes to the Consolidated Financial Statements

The key assumptions used in the valuation were as follows:

- ◆ National Balancing Point (NBP) gas prices based on forward curve data;
- ◆ Production and cost estimates forecast by the asset operator, with the Victory field successfully coming online late September 2025, utilising the spare capacity at SGP, reducing the share of operating cost and extending the cut-off date of the asset to the end of 2029; and
- ◆ A nominal post-tax discount rate of 8%.

The impairment assessment did not result in the recognition of impairment losses.

Management considers a 10% change in the oil and gas prices and a 1% increase in the post-tax discount rate to be reasonable possibilities for the purpose of sensitivity analysis. Based on the sensitivities performed, there is no risk of a material adjustment to the carrying value of the CGUs, because a reasonable change in key assumptions used to determine the recoverable amount would not result in an impairment.

Within the UK Exploration CGU, there is impairment of \$0.1 million for the Benriach licence, reflecting minor residual costs following the exploration well drilled during 2023, which was classified as sub-commercial. No impairment triggers were identified in respect of the gas storage CGU at the period end and accordingly no impairment test has been performed. This conclusion is supported following the FID taken in September 2025 to Hole House return-to-service project, which is expected to increase the working gas capacity of the facility by 63%.

2.6.2 Norway segment impairment test

The Group has two Norway production CGUs, being Balder and Ringhorne, which together comprise the Group's working interests in the Balder and Ringhorne fields, the Ringhorne Øst Unit, and the Group's share of the Balder FPU, Ringhorne platform and Jotun FPSO. Each of these CGUs is required to be tested annually for impairment, as goodwill acquired in a business combination has been allocated to the Norway production CGUs (total goodwill of \$46.1 million).

The recoverable amount of each CGU was determined on a FVLCOD basis, using a discounted cash flow approach in line with how market participants would value the asset (and corresponding to how the Group would value similar assets), with the estimate therefore being classified as Level 3 in the fair value hierarchy due to a number of unobservable inputs used in the estimate. Costs of disposal were considered to be immaterial for the purposes of the impairment test.

The key assumptions used in the valuation were as follows:

- ◆ Oil prices based on available market data;
- ◆ Production and cost estimates reflecting the operator's view of the field and development project as at 31 December 2025, as reflected in the 2026 Work Programme and Budget (which was approved by both Kistos and Vår Energi) and the operator's longer-term Revised National Budget (RNB) submission; and
- ◆ A nominal post-tax discount rate of 7%.

The impairment assessment for both the Balder CGU and the Ringhorne CGU did not result in the recognition of impairment losses.

Management considers a 10% change in the oil and gas prices and a 1% increase in the post-tax discount rate to be reasonable possibilities for the purpose of sensitivity analysis. Based on the sensitivities performed of each CGU, there is no risk of a material adjustment to the carrying value as reasonable change in key assumptions would not result in an impairment for either CGU.

2.7 Joint arrangements and licence interests

Accounting policy

The Group is engaged in oil and gas exploration, development and production through unincorporated joint arrangements; these are classified as joint operations in accordance with IFRS 11. Where the Group is a non-operated partner, it accounts for its proportionate net share of the assets, liabilities, revenue and expenses of these joint operations, with amounts billed by operators to the Group also recognised within trade payables. Where the Group acts as operator to the joint operation, the net amount of the liabilities is presented on the Group's balance sheet, with amounts billed to the partners in respect of recovery of costs paid on behalf of the joint operation recognised within receivables.

The Group has the following interests in joint arrangements at the balance sheet date that management has assessed as being joint operations.

The operator of the licences held by Kistos Energy Limited is TotalEnergies E&P UK Limited. The operator of the licences held by Kistos Energy (Norway) AS is Vår Energi ASA.

Except where otherwise noted, the interest and status of licences are the same as at the end of the prior period.

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Field or licence	Country	Licence holder	Licence type	Status	Interest at 31 December 2025
M10a & M11 ¹	Netherlands	Kistos NL1 B.V.	Exploration	Operated	60%
Q07	Netherlands	Kistos NL2 B.V.	Production	Operated	60%
Q10-A	Netherlands	Kistos NL2 B.V.	Production	Operated	60%
Q10-B	Netherlands	Kistos NL2 B.V.	Exploration	Operated	60%
Q11	Netherlands	Kistos NL2 B.V.	Exploration	Operated	60%
P911, P1159, P1195, P1453 ² and P1678 (Laggan, Tormore, Edradour and Glenlivet)	UK	Kistos Energy Limited	Production	Non-operated	20%
P2411 and P1453 ² (Benriach)	UK	Kistos Energy Limited	Exploration	Non-operated	25%
P2683 (Ballechin)	UK	Kistos Energy Limited	Exploration	Non-operated	33%
PL001	Norway	Kistos Energy (Norway) AS	Production	Non-operated	10%
PL027 ³	Norway	Kistos Energy (Norway) AS	Production	Non-operated	10%
PL027C	Norway	Kistos Energy (Norway) AS	Production	Non-operated	10%
PL027HS	Norway	Kistos Energy (Norway) AS	Production	Non-operated	10%
PL028	Norway	Kistos Energy (Norway) AS	Production	Non-operated	10%
PL028S	Norway	Kistos Energy (Norway) AS	Production	Non-operated	10%

1. Following successful appeal against non-renewal (decision received in July 2024), the licence was re-awarded to Kistos retroactively from 30 June 2022.

2. Licence P1453 is split into the portion including and excluding the Benriach area.

3. Licence 027 comprises Balder and Ringhorne Øst fields. Kistos' share of the Ringhorne Øst unit is 7.4%.

2.8 Acquisitions

Accounting policy

The Group accounts for asset acquisitions using the asset acquisition accounting method when the acquired set of activities and assets do not meet the definition of a business.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group.

Any contingent consideration is measured at fair value at the date of acquisition and discounted to present value if the consideration is expected to be settled more than 12 months from the balance sheet date. If an obligation to pay contingent consideration meets the definition of equity, it is not remeasured, and any subsequent settlement is accounted for within equity. (The existence of a contingent settlement provision in an equity instrument issued as consideration for a business combination is not considered to preclude the fixed-for-fixed criteria of IAS 32.) Otherwise, contingent consideration is remeasured at fair value at each reporting date, and subsequent changes in the fair value are recognised in profit or loss presented in a separate line on the face of the income statement.

On 23 April 2024, the Group acquired 100% of EDF Energy (Gas Storage) Limited (now Kistos Energy Storage Limited) for cash consideration of £25 million, subject to closing working capital adjustments. No contingent or deferred consideration was included.

The acquisition comprised two onshore UK gas storage facilities, Hill Top and Hole House, with a combined current working gas storage capacity of up to 21.2 million therms.

The transaction was accounted for as an asset acquisition rather than a business combination under IFRS 3, as the acquired entity did not have the ability to trade gas, did not hold a gas shipping licence and did not include substantive processes capable of generating outputs.

Accordingly, the acquired assets and liabilities were recognised at cost and allocated based on their relative fair values at the acquisition date. Transaction costs were immaterial and expensed as incurred.

The acquisition consideration and assets and liabilities recognised after purchase price allocation are as follows:

\$'000	At acquisition
Consideration:	
Cash	31,120
Working capital adjustment	(4,047)
Total consideration	27,073
Net assets acquired:	
Property, plant and equipment	75,777
Freehold land	2,091
Inventory	4,369
Cash and cash equivalents	5,003
Net working capital	(12,003)
Lease liability	(6,362)
Abandonment provisions	(41,802)
Total net assets acquired	27,073

Notes to the Consolidated Financial Statements

2.9 Commitments

The Group had outstanding contractual capital commitments at the reporting dates as follows:

\$'000	31 December 2025	31 December 2024
Contractual commitments to acquire property, plant and equipment	73,224	64,121
Contractual commitments on intangible assets (including commitments on exploration assets)	1,701	1,647
Total	74,925	65,768

All outstanding commitments in the table above are expected to be settled during 2026, these are predominantly related to Norway.

Section 3: Income statement

3.1 Earnings per share

	Year ended 31 December 2025	Year ended 31 December 2024
Consolidated loss for the period attributable to shareholders of the Group (\$'000)	(1,818)	(51,999)
Weighted average number of shares	82,890,666	82,863,743
Shares issued to satisfy employee share options		-
Potential dilutive effect of:		
Employee share options	188,636	-
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	83,079,302	82,863,743
Basic earnings per share (\$)	(0.02)	(0.63)
Diluted earnings per share (\$)	(0.02)	(0.63)

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of relevant potentially dilutive shares to ordinary shares. It is assumed that any proceeds obtained on the exercise of any options granted under share-based payment plans (see note 3.4) at the average price during the period. Where the impact of converted shares would be anti-dilutive, these are excluded from the calculation of diluted earnings. The warrants were out-of-money, and none of them were exercised.

3.2 General and administrative expenses

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Wages and salaries	6,932	6,522
Other staff costs	5,586	4,087
Salary and related expenditure	12,518	10,609
Non-salary expenditure	7,127	6,448
Other general and administrative costs	3,319	1,674
Total general and administrative expenses	22,964	18,731

3.3 Employee benefit expenses

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Wages and salaries	6,932	6,522
Social security and pension costs	1,965	1,783
Share-based payment expense (note 3.4)	2,849	560
Total employee benefit expenses	11,746	8,865

At 31 December 2025, the Group employed 53 people (31 December 2024: 52).

The monthly average number of employees in the Group, excluding Non-Executive Directors, is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Technical	24	17
Legal and support	5	3
Management	21	27
Total	50	47

Notes to the Consolidated Financial Statements

3.4 Share-based payment arrangements

The Group has in place Restricted Share Unit (RSU), share appreciation right (SAR) and share option (Options) schemes for certain employees across its subsidiaries. The share appreciation right scheme is cash settled, while the other two are equity settled. The total charge in respect of share-based payments was \$2.8 million (2024: \$0.6 million), of which \$1.6 million is equity settled (2024: \$0.1 million).

The total number of outstanding shares granted under share-based payment plans at 31 December 2025 was 5,339,445 (31 December 2024: 2,842,396). The closing share price of the Group's Ordinary Shares at 31 December 2025 was 180p.

The following table illustrates the movement on share-based awards, in units, during the year:

	Bonus RSUs	Bonus SARs	LTIP RSUs	LTIP SARs	Options	Total
At 1 January 2024	-	-	-	-	33,209	33,209
Granted	-	1,152,999	-	-	2,303,954	3,456,953
Exercised	-	-	-	-	-	-
Forfeited	-	(7,766)	-	-	(640,000)	(647,766)
At 31 December 2024	-	1,145,233	-	-	1,697,163	2,842,396
Granted	367,685	303,746	1,691,639	428,672	-	2,791,742
Exercised	-	(187,001)	-	-	(107,692)	(294,693) ¹
Forfeited	-	-	-	-	-	-
At 31 December 2025	367,685	1,261,978	1,691,639	428,672	1,589,471	5,339,445

¹ The weighted average exercise price (WAEF) of units exercised during 2025 was £1.30.

Long-Term Incentive Plan (LTIP) RSUs award in 2025

In March 2025, the Company granted Performance-Based Restricted Share Unit (LTIP RSU) at nil cost to the executive directors and certain employees within the Group. The shares that are subject to the award shall be eligible to vest on the third anniversary of the commencement date being 1 January 2025. The vesting is dependent on continued employment and achievement of performance conditions against certain Total Shareholder Return (TSR) and strategic targets, tested over a three-year performance period from the commencement date.

LTIP SARs award in 2025

In March 2025, the Company granted Performance-Based Share Appreciation Rights (LTIP SARs) to certain employees within the Group with issue cost of £0.10 per share. The shares that are subject to the award shall be eligible to vest on the third anniversary of the commencement date being 1 January 2025. The vesting is dependent on continued employment and achievement of performance conditions against certain TSR and strategic targets, tested over a three-year performance period from the commencement date.

Bonus RSUs and SARs awards in 2025

In March 2025, the Company granted Bonus RSU at nil cost and SAR with issue cost of £0.10 to the executive directors and certain employees within the Group with a commencement date of 1 January 2025. The RSU and SAR awards vest over a two-year period, one-third vesting on the first anniversary of the commencement date and the remaining two-thirds on the second anniversary of the commencement date.

The Company calculates the value of share-based compensation using a Black-Scholes option pricing model (or other appropriate model for those options subject to certain market conditions) to estimate the fair value of share-based awards at the date of grant. For cash-settled share-based payments, the fair value is remeasured at each reporting date.

The estimated fair value of the awards is amortised to expense over the vesting period.

3.5 Interest and other net finance costs

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Bank interest income	2,196	6,008
Interest on tax receivables	2,934	409
Other interest income	156	-
Total interest income	5,286	6,417
Bond interest	(30,603)	(29,474)
Other interest expense	(249)	(600)
Interest on tax	(2,104)	(1,299)
Surety bond interest	(2,332)	(2,823)
Total interest expenses	(35,288)	(34,196)
Remeasurement gain on Hybrid Bond (note 5.1)	730	15,003
Foreign exchange gains on bond debt	30,420	-
Total other finance income	31,150	15,003
Accretion expense on abandonment provisions and other liabilities (note 2.3)	(11,418)	(9,066)
Accretion expense on lease liabilities	(458)	(132)
Warrant recognition	-	(1,660)
Foreign exchange losses on bond debt	-	(26,118)
Other foreign exchange losses	(239)	(5,384)
Total other finance costs	(12,115)	(42,360)
Total net finance costs	(10,967)	(55,136)

3.6 Exploration and development expenses

This comprises \$1.4 million of exploration and evaluation expenditure written off following the decision not to progress certain projects in Norway (note 2.5) and an additional \$2.1 million of other exploration cost incurred in Norway and Netherlands during the year. In the prior year, exploration cost was \$0.8 million incurred in Norway and Netherlands.

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Section 4: Working capital

4.1 Restricted funds and cash and cash equivalents

As at 31 December 2025, the cash and cash equivalents balance was \$117.3 million (2024: \$113.8 million).

As at 31 December 2025, restricted funds comprised \$47.3 million (2024: \$29.4 million) held in designated bank accounts. These balances are restricted to provide security for letters of credit issued in respect of surety bonds, cash collateral in relation to the storage contract with NGT, and other operational requirements. In addition, restricted funds include an escrow deposit held in connection with the business acquisition in Oman, which will remain in escrow until completion of the transaction. The use of funds is restricted by virtue of contractual restrictions with a third party.

4.2 Trade and other receivables

\$'000	31 December 2025	31 December 2024
Trade receivables	3,624	349
Accrued income	15,521	11,861
Receivables due from joint operation partner	-	858
Other receivables and cash overcalls	37	1,242
Prepayments – ordinary business	8,177	4,939
Prepayment – Oman acquisition	7,500	-
VAT receivable	2,673	1,353
Total trade and other receivables	37,532	20,602

Accrued income represents amounts due in respect of hydrocarbon sales and gas storage capacity revenue that had not been invoiced at the balance sheet date. All hydrocarbon sales accrued income had been invoiced and collected in full within one month of the corresponding reporting date. Certain amounts relating to gas storage capacity revenue are contractually due to be collected in the second quarter of 2026.

Prior year other receivables included a pension-related financial asset, which has been reclassified in the current year to other long-term receivables to better reflect its nature.

Due to the short-term nature of trade and other receivables, their carrying amount is considered to be the same as their fair value. No expected credit loss (ECL) has been recognised against trade receivables as it is considered to be immaterial.

4.3 Trade payables and accruals

\$'000	31 December 2025	31 December 2024
Trade payables	8,220	4,427
Payables to joint operators	3,825	1,359
Accruals	38,035	26,394
Total trade payables and accruals	50,080	32,180

Trade payables are unsecured and generally paid within 30 days. Accrued expenses are also unsecured and represent estimates of expenses incurred but where no invoice has yet been received, and amounts accrued by joint operators but not yet billed. The carrying value of trade payables and other accrued expenses is considered to be fair value given their short-term nature.

4.4 Other liabilities

Accounting policy

Over/under lift: lifting or offtake arrangements for oil and gas produced in certain fields are such that each participant may not receive its share of the overall production in each period. The difference between cumulative entitlement and cumulative production less stock is 'underlift' or 'overlift'. Overlift is valued at production cost, whereas underlift is valued at the lower of production cost and sales value.

\$'000	31 December 2025	31 December 2024
Bond interest payable	1,246	1,153
Salary and other payroll-related liabilities	663	1,294
Lease liabilities	314	970
VAT payable	1,479	223
Short-term employees' benefit liabilities	529	-
Overlift	1,663	6,971
Credit facility	3,250	-
Other	3,653	4,341
Other liabilities – current	12,797	14,952
Long-term employee benefit liabilities	1,190	328
Pension financial liability	1,063	-
Lease liabilities	8,187	7,375
Other liabilities – non-current	10,440	7,703

Prior-year current liabilities included pension liabilities of \$0.8 million. In the current year, these have been reclassified to non-current liabilities to better reflect their nature.

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4.5 Inventory

Accounting policy

Liquids inventory (comprising crude oil and natural gas liquids) is held at the lower of cost and net realisable value. The cost of liquids inventory is the cost of production, including direct labour and materials, depreciation and a portion of operating costs and other overheads allocated based on the ratio of liquids to gas production, determined on a weighted average cost basis. Net realisable value of liquids inventory is based on the market price of equivalent liquids at the balance sheet date, adjusted if the sale of inventories after that date gives additional evidence about its net realisable value. The cost of liquids inventory is expensed in the period in which the related revenue is recognised.

For spares and supplies inventories, cost is determined on a specific identification basis, including the cost of direct materials and (where applicable) direct labour and a proportion of overhead expenses. Items are classified as spares and supplies inventory where they are either standard parts, easily resalable or available for use on non-specific campaigns, and within property, plant and equipment or intangible exploration and evaluation assets where they are specialised parts intended for specific projects. Write-downs to estimated net realisable value are made for slow-moving, damaged or obsolete items, typically based on the ageing of stock.

\$'000	31 December 2025	31 December 2024
Spares and supplies	17,063	12,185
Crude oil and natural gas liquids	9,622	6,251
Total inventory	26,685	18,436

The amount of inventory expensed in the current period was \$6.2 million (2024: \$10.4 million recognised as expense). The movement in inventory net realisable value provisions amounted to \$0.3 income (2024: \$0.1 million charge).

4.6 Financial instruments and financial risk management

Accounting policy

Where a financial instrument, such as the Hybrid Bond, contains both a compound instrument and contingent settlement provisions, the entire instrument is measured as a financial liability and not separated.

Gains or losses arising from changes to the remeasurement of the Hybrid Bond are recognised within 'Other finance income' in the income statement.

4.6.1 Financial risk management objectives

The Group is exposed to a variety of risks, including commodity price risk, interest rate risk, credit risk, foreign currency risk and liquidity risk. The use of derivative financial instruments is governed by the Group's policies approved by the Kistos Board. Compliance with policies and exposure limits is monitored and reviewed internally on a regular basis. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

4.6.2 Financial assets and liabilities carried at fair value

At 31 December 2025, the financial assets and liabilities are carried at their carrying values, unless otherwise noted.

4.6.3 Risk management framework

The Kistos Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Kistos Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, but also to monitor risks and adherence to limits. Risk management policies and systems are reviewed when needed to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

4.6.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group has been assessed as comprising foreign exchange risk, interest rate risk and other commodity price risk.

Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates within the Netherlands, the UK and Norway and is therefore exposed to foreign exchange risk. Most of the Group's exposure to currency risk arises in Norway, where revenue receipts and bond debt are denominated in USD, whereas operating costs, tax receivables, working capital financing and the majority of capital expenditure is denominated in the local functional currency of NOK. Entities within the Group undertake transactions in currencies other than their functional currency, which gives rise to transactional currency risk. The Group manages this risk to an extent by holding certain amounts of cash in currencies other than the entity's functional currency to act as an

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economic hedge against foreign exchange movements; however, the Group does not currently have a formal currency risk management policy or enter into any currency hedges.

As at 31 December 2025, 10% of the Group's cash and cash equivalents was held in USD (31 December 2024: 3%).

A 10% strengthening of USD relative to NOK at 31 December 2025 would have adversely impacted equity and profit and loss by approximately \$20 million, with a corresponding 10% weakening positively impacting equity and profit and loss by approximately \$20 million. This analysis assumes that all other variables, in particular interest rates, remain constant, and ignores any impact of forecast sales and/or expenses. The exposure to other foreign currency movements is not material.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate movements through its cash and cash equivalents deposits that earn interest at variable interest rates. There is no interest rate exposure on the Group's borrowings as they carry fixed rates of interest (note 5.1).

For the period ended 31 December 2025, it is estimated that a 1% increase in interest rates would have increased the Group's profit after tax by approximately \$0.7 million, and a 1% decrease would have reduced the Group's profit after tax by approximately \$0.7 million. This sensitivity has been calculated only based on the average cash balances held and estimating an effective tax rate on interest income across the Group. The impact on equity would be the same as the impact on profit after tax.

Other price risks – commodity price risk

Commodity risk predominantly arises from the sale of natural gas and crude oil from the Group's interests in oil and gas licences, as the price realised from the sale of natural gas and crude oil is determined primarily by reference to quoted market prices on the day and/or month of delivery.

As at 31 December 2025, the Group had no commodity price hedging arrangements in place.

The Group enters into other commodity contracts (such as purchases of carbon emission allowances, fuel and chemicals) in the normal course of business, which are not derivatives and are recognised at cost when the transactions occur.

4.6.5 Credit risk

Credit risk is the risk that the Group will suffer a financial loss as a result of another party failing to discharge an obligation and predominantly arises from cash and other liquid investments deposited with banks and financial institutions, receivables from the sale of natural gas and other hydrocarbons, and receivables outstanding from its joint operation partners.

The Group has policies that cover the management of credit risk, including review of counterparty credit limits and specific transaction approvals. The Group's oil and gas sales are made to

international oil market participants, including the oil majors, trading houses and refineries. Joint operators are international major oil and gas market participants and entities wholly owned by the Dutch state. Material counterparty evaluations are conducted utilising an international credit rating agency and financial assessments. Where considered appropriate, security in the form of trade finance instruments from financial institutions with appropriate credit ratings, such as letters of credit, guarantees and credit insurance, are obtained to mitigate the risks.

The Group held cash and cash equivalents of \$117 million as at 31 December 2025 (2024: \$114 million). As at 31 December 2025, over 99% of the Group's cash and cash equivalents (2024: over 99%) are held with bank and financial institution counterparties that have an investment-grade credit rating, and as such, the Group considers that its cash and cash equivalents have low credit risk.

The carrying values of cash and cash equivalents and trade and other receivables (excluding prepayments) represent the Group's maximum exposure to credit risk at year-end, as the Group has not recognised an allowance for credit losses in the current or prior period. The Group has no material financial assets that are past due.

4.6.6 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Group manages its liquidity risk using both short- and long-term cash flow projections, supplemented by debt financing plans and active portfolio management. Ultimate responsibility for liquidity risk management rests with the Kistos Board, which has established an appropriate liquidity risk management framework covering the Group's short-, medium- and long-term funding and liquidity management requirements.

Cash forecasts are regularly produced, and sensitivities run for different scenarios, including, but not limited to, proposed acquisitions and/or disposals, changes in commodity prices, different production rates from the Group's producing assets and delays to development projects. In addition to the Group's operating cash flows, portfolio management opportunities are reviewed to potentially enhance the financial capability and flexibility of the Group.

The Group's financial liabilities comprise trade payables (note 4.3), other liabilities (note 4.4) and bond debt (note 5.1). The maturity analysis of financial liabilities is shown in note 4.7.

The Group has in issue £61 million (\$82 million) of surety bonds and an amount of £12 million (\$16 million) held in a separate bank account (restricted funds) as at 31 December 2025 to cover its obligations under DSAs for the GLA fields and infrastructure. The amount of the bonds required is re-assessed each year, changing in line with estimated post-tax cash flows from the assets, revisions to the abandonment cost, inflation rates, discount rates and other inputs defined in the DSAs. Should the Group be in default under the DSAs, resulting in the bond provider being required to pay out on those bonds, the Group would be required to indemnify the providers by paying cash to cover their liability. If the surety market were to deteriorate such that the Group is unable to renew its bonds,

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then the Group would be required to satisfy its DSA obligations by transferring an equivalent amount of its cash into trust.

The Group is obliged to deposit to Vår Energi a post-tax amount of \$12.7 million (plus interest accruing at SOFR +3%), payable in June 2026 as per a revised agreement with Vår Energi. Based on current estimates of interest rates, the amount to be deposited is anticipated to be approximately \$17.5 million. This amount will be repaid upon decommissioning of the fields.

The Group can tap \$60 million facility on its existing bonds. Also, it has access to a committed credit facility of \$30 million, which remained fully undrawn at the year-end.

4.7 Maturity analysis of financial liabilities

The maturity analysis of contractual undiscounted cash flows for non-derivative financial liabilities is as follows:

\$'000	Within 3 months	3 months to 1 year	1–5 years	More than 5 years	Total
Bond debt	1,479	4,555	319,790	–	325,824
Trade payables, accruals and other financial liabilities	37,379	–	–	–	37,379
Lease liabilities	243	727	1,764	32,527	35,261
At 31 December 2024	39,101	5,282	321,554	32,527	398,464
Bond debt	1,558	147,212	171,020	–	319,790
Trade payables, accruals and other financial liabilities	59,125	–	–	–	59,125
Lease liabilities	255	734	1,287	34,762	37,038
At 31 December 2025	60,938	147,946	172,307	34,762	415,953

Where cash flows are denominated in foreign currencies, the prevailing spot rate at the end of the period has been used to translate into the presentational currency.

The 2024 comparatives have been restated to reflect contractual undiscounted cash flows for lease liabilities. Previously, these amounts were presented on a discounted basis.

Section 5: Capital and debt

5.1 Bond debt

(a) Borrowing facilities

The Group has in issue bond debt as follows:

Bond	Issuer	Currency	Coupon rate	Maturity date	31 December 2025 Face value (issued currency)	31 December 2024 Face value (issued currency)
KENO01	KENAS	USD	10.25% ¹	November 2027	\$141,982,239	\$128,782,094
KENO02	KENAS	USD	9.75% ²	September 2026	\$138,507,561	\$131,468,434
Hybrid Bond	KENAS	USD	n/a	March 2083 ³	–	\$45,000,000

1. Interest payable wholly in kind via issuance of new bonds annually in December.

2. Interest payable partly in cash (4.5%) quarterly and partly in kind via issuance of new bonds (5.25%) quarterly.

3. All outstanding Hybrid Bonds have been cancelled due to no crude oil being lifted from the Jotun FPSO by 31 May 2025.

(b) Carrying amounts

\$'000	31 December 2025	31 December 2024
Bond – KENO02	137,390	–
Current borrowings*	137,390	–
Bond – KENO01	132,391	115,131
Bond – KENO02	–	129,382
Hybrid Bond	–	730
Non-current borrowings	132,391	245,243

* Please refer to note 7.5 for information on refinancing.

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Significant judgement – accounting treatment of Hybrid Bond

Included within the bond debt acquired is the Hybrid Bond, payment of which was contingent on an operational milestone being met, being the offload of 500,000 barrels (gross) of Balder crude oil from the Jotun FPSO. The Hybrid Bond would have been settled in full (\$45 million) if the milestone had been met by 31 December 2024. This would have declined to \$30 million if the milestone was met between 1 January 2025 and 28 February 2025, and to \$15 million if the milestone was met between 1 March 2025 and 31 May 2025. Given that the milestone had not been met by 31 May 2025, the Hybrid Bond has been cancelled in its entirety, and certain bondholders have been issued 1.8 million warrants exercisable into ordinary shares of Kistos Holdings plc at a price of 385 pence each, exercisable between 30 June 2025 and 18 April 2028. Simultaneously, 1.4 million of the 5.5 million warrants originally issued to the vendor as consideration for the Mime Acquisition have been cancelled.

The Hybrid Bond was a financial liability and was measured at amortised cost. At each measurement date, the carrying value was re-estimated based on expected future cash flows that took into account the expectation and timing of the milestones being met. Any remeasurement was recorded in profit or loss within finance costs. The fair value of warrants was estimated using a Black-Scholes model and the Group's share price at the acquisition date, adjusted for the estimated probability of issuance (note 2.8).

The minimum liquidity covenant of \$10 million applicable to the KENO01 and KENO02 bonds from 1 January 2024 until first oil from the Jotun FPSO has ceased to apply. This covenant was released with effect from 19 October 2025, following the Balder Ringhorne licences achieving 90 consecutive days of oil production at an average daily production rate of 75,000 barrels of oil per day.

The Hybrid Bond debt with a face value of \$45 million, linked to production milestones on the Jotun FPSO, was fully cancelled for nil consideration on 28 May 2025 as the operational milestone wasn't met. In exchange, bondholders were allocated and received a specified number of warrants over Kistos shares, exercisable at a price of 385 pence per share.

The Group has call options to redeem its bonds as follows:

Bond	Call price	Period of call option
KENO01 ¹	100%	From full discharge/redemption of KENO02 until maturity
KENO02 ¹	100%	Anytime until maturity
Hybrid Bond ¹	100%	From full discharge/redemption of both KENO01 and KENO02 until maturity

¹ Must be called in full, not in part.

5.2 Reconciliation of liabilities arising from financing activities

\$'000	Bond debt	Bond interest payable	Other liabilities	Total
At 1 January 2024	237,936	1,071	1,004	240,011
Financing cash flows	–	(5,773)	(412)	(6,185)
Non-cash movements:				
Acquisitions	–	–	7,873	7,873
Issue of new bonds via payment-in-kind interest	19,144	(19,144)	–	–
Interest expense and amortisation of bond costs	3,166	25,086	(132)	28,120
Remeasurement of Hybrid Bond	(15,003)	–	–	(15,003)
Foreign exchange differences	–	(87)	12	(75)
At 31 December 2024	245,243	1,153	8,345	254,741
Financing cash flows	–	(5,918)	(976)	(6,894)
Non-cash movements:				
Additions	–	–	14	14
Issue of new bonds via payment-in-kind interest	19,800	(19,800)	–	–
Interest expense and amortisation of bond costs	5,468	25,666	458	31,592
Remeasurement of Hybrid Bond	(730)	–	–	(730)
Foreign exchange differences	–	145	660	805
At 31 December 2025	269,781	1,246	8,501	279,528

The 2024 comparatives have been restated to better present reconciliation elements of bond liabilities.

5.3 Leases

Lease liabilities are included within 'Other liabilities' on the balance sheet, and right-of-use assets are included within the 'Other' category of property, plant and equipment. The carrying value of right-of-use assets at 31 December 2025 was \$5.0 million (31 December 2024: \$5.2 million). The depreciation charge on right-of-use assets, cash outflow for leases and expenses relating to low-value and short-term leases was not material in either period presented.

5.4 Share capital and premium

\$'000	Number '000	Share capital and premium \$'000
At 1 January 2024	82,864	9,979
At 31 December 2024	82,864	9,979
Shares issued	108	189
At 31 December 2025	82,972	10,168

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Ordinary shares have a nominal value of £0.10 per share. The Group's policy is to manage a strong capital base so as to manage investor, creditor and market confidence, and to sustain the growth of the business. Management monitors its return on capital. There are currently no covenants related to the equity of the Group.

Following approval by the Group's shareholders at the Annual General Meeting in June 2022 and subsequent sanction by the Court in October 2022, the full balance of the merger reserve in Kistos plc was allotted to share premium by means of a bonus share issue and cancellation. A capital reduction was then undertaken to reduce the share premium account of Kistos plc by \$48 million, with the corresponding credit to retained earnings. These transactions were undertaken in order to increase the distributable reserves of Kistos plc, the parent company of the consolidated Group at the time.

In December 2022, the Group's shareholders and the High Court of Justice of England and Wales sanctioned a scheme of arrangement whereby Kistos Holdings plc, a newly incorporated entity, became the new ultimate parent company of the Group, with shareholders receiving one Kistos Holdings plc share for each Kistos plc share held.

The share premium reserve represented amounts paid up on ordinary shares in excess of their nominal value. Following the capital reorganisation, the share premium account reflects that of Kistos Holdings plc, which is nil.

During 2025, 107,692 ordinary shares were issued to satisfy awards under the Company's share-based incentive schemes.

5.5 Other equity

Other equity comprises the warrants reserve, which arose on completion of the Mime acquisition. During the year, 1.4 million of the 5.5 million warrants originally issued to the vendor as part of the consideration were cancelled. Furthermore, 1.8 million warrants were issued to certain Hybrid Bond holders following the bond's full cancellation (refer to note 5.1). As at 31 December 2025, 5.9 million warrants are outstanding. The warrants allow the holder to subscribe to shares in Kistos Holdings plc at an exercise price of £3.85 per share. The warrants reserve was adjusted by \$1.7 million in 2024 to reflect the warrants issued to the bondholders, given they meet the definition of equity.

Upon issue, the warrants were measured at fair value using a Black-Scholes option pricing model, adjusted for probability of issuance, and are not subsequently remeasured.

5.6 Other reserves

Accounting policy

Where a capital reorganisation takes place resulting in a newly incorporated entity acquiring the existing Group, the new entity does not meet the definition of a business and the transaction is therefore outside the scope of IFRS 3. In such a transaction, the substance of the Group has not changed; therefore, the consolidated financial statements of the new entity are presented using the balances and values from the consolidated financial statements from the previous entity. The net assets of the new Group remain the same as the existing Group.

The movements in ordinary shares and other transactions impacting share capital, share premium and the merger and capital reorganisation reserve are as follows:

\$'000	Merger reserve	Capital reorganisation reserve	Translation reserve	Share-based payment reserve	Total
At 1 January 2024	147,731	(65,422)	(8,324)	729	74,714
Other comprehensive income	-	-	(3,956)	-	(3,956)
Transactions with owners:					
Equity-settled share-based payments	-	-	-	553	553
At 31 December 2024	147,731	(65,422)	(12,280)	1,282	71,311
Other comprehensive income	-	-	6,209	-	6,209
Transactions with owners:					
Equity-settled share-based payments	-	-	-	1,564	1,564
Capital reduction	(147,731)	-	-	-	(147,731)
At 31 December 2025	-	(65,422)	(6,071)	2,846	(68,647)

The merger reserve originally represented the difference between the value of shares in Kistos plc, issued as part of the total consideration for the acquisition of Kistos NL1, and the nominal value per share. Following the capital reorganisation and the creation of Kistos Holdings plc as the new parent entity of the Group, the merger reserve represented the merger reserve of Kistos Holdings plc, being the difference between the amount at which the investment in Kistos plc was recorded and the aggregate nominal value of the shares in Kistos Holdings plc issued.

Following approval by the Group's shareholders at the Annual General Meeting in June 2025 and subsequent sanction by the Court in August 2025, the full balance of the merger reserve in Kistos Holding plc was allotted to share capital by means of a bonus share issue and cancellation. Subsequently, the merger reserve was transferred in full to retained earnings. The capital reduction resulted in a reclassification within equity, with no impact on total equity or cash flows.

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

The share-based payment reserve is used to record the grant-date fair value of restricted share units and share options issued to employees of the Group. Corresponding entry to the share-based payment reserve, along with cash-settled grants, are reflected in share-based payment expense (note 3.4).

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Section 6: Tax

6.1 Tax credit for the period

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Current tax:		
Current tax credit for current year	(38,909)	(47,292)
Prior period adjustments for current tax	79	4,201
Total current tax credit	(38,830)	(43,091)
Deferred tax:		
Origination and reversal of temporary differences	19,476	(4,655)
Change in rates	-	3,935
Adjustments in respect of prior periods	-	(72)
Total deferred tax charge/(credit)	19,476	(792)
Total tax credit	(19,354)	(43,883)

The income tax credit for the period can be reconciled to the accounting profit or loss as follows:

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Loss before tax	19,354	(95,882)
Income tax credit calculated at the domestic tax rate applicable to each entity's activities	8,850	55,226
Investment allowances and other enhanced deductions	75	3,388
Income and expenditure not taxable or deductible	(3,443)	(8,507)
Different tax rates	3,207	(1,766)
Deferred tax not provided and losses not recognised	2,126	7,611
Impact of Energy Profits Levy in the UK	5,809	(3,756)
Adjustments in respect of prior periods	(79)	(4,127)
Other	2,809	(4,186)
Tax credit	19,354	43,883
Effective tax rate	91.4%	45.8%

The applicable domestic tax rates for the Group's activities are as follows:

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Netherlands	50%	50%
Norway	78%	78%
United Kingdom	78%	78%
United Kingdom (non-ring fence activity)	25%	25%

6.2 Deferred tax

6.2.1 Deferred tax liabilities

The movement in the deferred tax liability account is as follows:

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Deferred tax liability at beginning of period	134,389	144,146
Charge/(credit) to income statement	21,646	(1,058)
Foreign exchange differences	15,741	(8,699)
Deferred tax liability at end of period	171,776	134,389

Deferred tax liabilities primarily comprise temporary differences arising on fixed assets.

6.2.2 Deferred tax assets

\$'000	Provisions	Fixed assets and other	Total
At 1 January 2024	3,914	(1,781)	2,133
Charge to income statement	(245)	(21)	(266)
Foreign exchange differences	(229)	247	18
At 31 December 2024	3,440	(1,555)	1,885
Credit/(charge) to income statement	7,700	(5,530)	2,170
Foreign exchange differences	597	(1,908)	(1,311)
At 31 December 2025	11,737	(8,993)	2,744

Accumulated UK non-ring fence tax losses of \$31.1 million (2024: \$24 million) have not been recognised due to the uncertainty of where future UK non-ring fence profits may arise from. There is cumulative interest expense restricted of \$8.8 million for which no deferred tax asset was recognised. State Profit Share (SPS) losses of \$63.4 million (2024: \$61 million) in the Netherlands have not been recognised due to the uncertainty of future profits arising in the entity holding those losses. These losses can be carried forward indefinitely, subject to the entity continuing to hold a production licence.

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6.2.3 Changes to tax rates

The tax regime, which applies to the exploration for, and production of, oil and gas in the UK and is thus applicable to Kistos Energy Ltd, currently comprises the Ring Fence Corporation Tax (RFCT) and the Supplementary Charge (SC). The current rates for the RFCT and the SC are set at 30.0% and 10.0%, respectively.

In addition, the Energy Profits Levy (EPL) regime, which took effect from 26 May 2022, introduced a further 25.0% charge on UK oil and gas profits and was revised upwards to 35.0% with effect from 1 January 2023.

On 1 November 2024, the following two changes were made to the EPL regime, which became law, effective from that date under the Provisional Collection of Taxes Act (PCOTA):

- The levy rate was increased to 38.0%; and
- The 29.0% uplift available for certain categories of CAPEX, which resulted in a 129.0% offset against taxable income, was removed, hence the relief is now restricted to 100.0%. However, decarbonisation expenditures will continue to qualify for uplift, but the rate of relief has been reduced from 180.0% to 166.0%.

These changes have been reflected in the calculation of the current and deferred EPL for Kistos Energy Ltd.

The Energy Security Investment Mechanism (ESIM), which was legislated on 24 May 2024, provides that the EPL will permanently be disapplied if average oil and gas prices are both at or below the ESIM price threshold for two consecutive quarters.

The period for which the EPL regime applies has been extended from 31 March 2028 to 31 March 2030 in the Finance Act 2025.

The Autumn Budget delivered on 26 November 2025 announced a replacement mechanism for the EPL regime, being the Oil & Gas Price Mechanism (OGPM), which is expected to be legislated in the Finance Bill 2026–2027, with a draft legislation expected to be available during mid-2026. The OGPM is intended to replace the EPL once it falls away, which will be 31 March 2030, unless the ESIM triggers early abolition.

Any potential impact of the OGPM on Kistos Group will have to be assessed once draft legislation becomes available.

The main rate of corporation tax in the UK is 25%, and this rate was applied to the calculation of tax balances in the companies that are not subject to the ring fence tax regime in the UK.

6.3 Current tax

6.3.1 Tax receivable

The Group recognised a current tax asset of \$32.5 million (2024: \$65.5 million), comprising tax losses in Norway that are expected to be refunded to the Group in December 2026. This amount accrues repayment interest from 1 January 2026 at the applicable statutory rate (currently 4.0%).

The balance also includes refundable State Profit Share in the Netherlands that had resulted from losses in 2025 partially offset by profit from 2022. This is expected to be received in June 2027.

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Norway	32,467	65,450
Tax receivable – current	32,467	65,450
Netherlands	17,744	–
Tax receivable – non-current	17,744	–

6.3.2 Current tax liabilities

The Group has current tax liabilities by segment as follows:

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Netherlands	56,148	59,803
United Kingdom	34,710	33,801
Total	90,858	93,604

All current tax liabilities relate to taxation of oil and gas activities and are anticipated to be settled within one year of the balance sheet date, except \$55 million (2024: \$49 million) relating to the Solidarity Contribution Tax (note 6.4) in the Netherlands, for which the timing of settlement is uncertain.

Late or underpaid tax accrues interest at a rate of 6.25% (2024: 6.0%) in the UK and 6.5% (2024: 7.5%) in the Netherlands. \$2.1 million of interest on short tax payment was charged in the current period (2024: \$1.3 million).

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6.4 Uncertain tax positions

Significant judgement – recognition of Solidarity Contribution Tax provision

In October 2022, the EU member states adopted Council Regulation (EU) 1854/2022, which required EU member states to introduce a Solidarity Contribution Tax for companies active in the oil, gas, coal and refinery sectors. The Dutch implementation of this solidarity contribution was legislated by a retrospective 33% tax on 'surplus profits' realised during 2022, defined as taxable profit exceeding 120% of the average taxable profit of the four previous financial years. Companies in scope are those realising at least 75% of their turnover through the production of oil and natural gas, coal mining activities, refining of petroleum or coke oven products.

The Group believes that there is an argument that Kistos NL2 B.V. is out of scope of the regulations as, in its opinion, less than 75% of its turnover under Dutch GAAP (the relevant measure for Dutch taxation purposes) was derived from the production of petroleum or natural gas, coal mining, petroleum refining, or coke oven products. Furthermore, the Group understands the implementation of the tax, including its retrospective nature, is subject to legal challenges by other parties and certain EU member states. However, as there is no history or precedent for this tax being audited or collected by the Dutch tax authorities, the Directors, having taken all facts and circumstances into account, applied IFRIC 23, Uncertainty over Income Tax Treatments, and made a provision of \$55 million (2024: \$49 million) relating to the Solidarity Contribution Tax within the current tax charge for the prior period. This is the single most likely amount of the charge if it becomes payable. The Group filed its return in respect of the Solidarity Contribution Tax in May 2024 (which was by the relevant deadline for submission), with its returns stating a nil balance to be paid (for the reasons outlined above). As at the date of approval of these financial statements, the Group had not received any correspondence from the Belastingdienst (Dutch Tax Authority) concerning the Solidarity Contribution Tax.

The Group is aware that Solidarity Contribution Tax is subject to legal challenges on the grounds of, inter alia, the legality of its implementation into Dutch law, the nature of retrospective application and its specific application to oil and gas producers in the Netherlands. While the Group is not directly involved in these challenges, it will closely monitor developments and any outcome. Should the Belastingdienst make an adverse ruling against the Group and determine that the Group was grossly negligent or undertook wilful misconduct in submitting a nil return, non-filing or late filing of the tax return (or did not pay an amount indicated in the tax return) then material fines or penalties could apply. Late payment interest would also be incurred from 31 May 2024 until the date of final payment – the current rate of interest applicable being 6.5%.

Accounting policy

Where the Group takes positions in tax returns in which the applicable tax regulation is subject to interpretation, it considers whether it is probable that the relevant tax authority will accept that uncertain tax treatment. The Group also considers the range of potential penalties, interest or other charges that may arise from the late payment of taxes. The Group measures its tax liabilities (and related penalties, interest and other charges) based on either the most likely amount if the outcomes are binary, or the expected value if there is a range of possible outcomes.

Section 7: Other disclosures

7.1 Related party transactions

Details of transactions between the Group and other related parties are disclosed below.

7.1.1 Compensation of Directors and key management personnel

Key management personnel are considered to comprise the Directors of Kistos Holdings plc.

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Short-term employee benefits	4,372	3,030
Post-employment benefits	148	136
Total Executive Directors' remuneration	4,520	3,166

Short-term employee benefits include \$1.6 million of bonuses payable that were unpaid at year-end and are included within 'Other liabilities' on the balance sheet.

In the event of a change in control of the Group, the Group is committed to pay the Executive Chairman, CEO and CFO an amount equivalent to 100% of their cash compensation received in the 12 months prior to a change of control being announced.

No termination benefits were recognised in respect of the Directors. Share-based payment expenses of \$1.2 million (2024: \$0.3 million) were recognised in respect of the Directors. Further information regarding Directors' remuneration is provided in the Remuneration Report.

The highest-paid Director had total remuneration for the period of \$1.8 million (2024: \$1.3 million).

Total Executive and Non-Executive Directors' remuneration for the period of \$4.7 million (2024: \$3.3 million).

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7.1.2 Loans to key management personnel

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
At start of the period	250	256
Repayment	(264)	
Foreign exchange movements	14	(6)
At end of the period	-	250

Loans to key management personnel are unsecured and interest-free. No expected credit loss or impairment expense was recognised in the current or prior period. The loan was fully repaid by a related party during the current period.

There was no other related party transaction, either in the current period or in the prior period.

7.2 Contingencies

As part of the acquisition of Tulip Oil in 2021, the following contingent payments could be made to the vendor should certain events occur and/or milestones be achieved:

- Up to a maximum of €75 million relating to Vlieland Oil (now Orion), triggered at FID and payable upon first hydrocarbons based on the net reserves at time of sanction.
- Up to a maximum of €75 million relating to M10a and M11, triggered at FID and payable upon first gas, based on US\$3/boe of sanctioned reserves.

Based on management's current assessments and the current status of the projects and developments above, the contingent considerations above remain unrecognised on the balance sheet.

The Group is obliged to deposit to Vår Energi a post-tax amount of \$12.7 million (plus interest accruing at SOFR +3%), payable in June 2026 as per a revised agreement with Vår Energi. Based on current estimates of interest rates, the amount to be deposited is anticipated to be approximately \$17.5 million. This amount will be repaid upon decommissioning of the fields.

Contingencies arising from uncertain tax positions are disclosed in note 6.4.

7.3 Assets pledged as security

As at 31 December 2025, the carrying value of assets pledged as security under the Group's bond debt (note 5.1) comprised \$6.7 million of inventory, \$10.0 million of accounts receivables and \$33.9 million of cash. In addition, the bond terms grant security over the Group's Norwegian operating assets, which had a combined carrying value in the consolidated financial statements at 31 December 2025 of \$413 million.

7.4 Auditor's remuneration

The Group (including its overseas subsidiaries) obtained the following services from the Company's auditors and its associates in respect of the financial years below:

\$'000	Fees for audit of the 2025 accounts	Fees for audit of the 2024 accounts
Audit fees:		
Audit of the consolidated financial statements	440	434
Audit of the financial statements of the subsidiaries	292	277
Total audit fees	732	711
Non-audit fees:		
Other assurance services	7	10
Total non-audit fees	7	10
Total	739	721

In addition to the agreed audit fee for the 2024 audit, \$40 thousand was incurred in respect of additional audit procedures performed.

7.5 Subsequent events

On 9 December 2025, the Group signed a binding agreement to acquire working interests in onshore Oman from Mitsui E&P Middle East B.V. for \$148 million (effective 1 January 2025). The acquisition adds 25.6 MMboe of net 2P reserves and is expected to contribute 9,000–10,000 boepd of net production in 2026 (approximately 91% liquids). Ministerial approvals have been obtained in respect of Blocks 3 & 4, with completion now subject to publication of the Royal Decree and expected shortly thereafter. In respect of Block 9, ministerial approval remains outstanding and, given differences in licence terms, the longer approval timeframe is not unexpected, with completion expected in the second half of 2026.

On 1 May 2026, Kistos Holdings plc announced the pricing of a \$300 million issue of senior secured bonds at par, with a maturity of four years and a coupon of 9.875% per annum. Net proceeds are intended to be used to redeem in full the Group's existing KEN001 and KEN002 bonds. Following agreement with bondholders, the condition relating to completion of the Blocks 3 & 4 acquisition, and therefore the requirement for receipt of the Royal Decree, has been waived. As a result, approximately \$280 million of proceeds from the first tranche are available to refinance the Group's existing bonds, with the remaining \$20 million expected to be released on completion of Block 9.

Company Financial Statements

Company balance sheet as at 31 December 2025

£'000	Note	31 December 2025	31 December 2024
Non-current assets			
Investments in subsidiaries and associate	C	84,438	92,524
		84,438	92,524
Current assets			
Cash and cash equivalents		95	470
Other receivables		7	29
Total assets		84,540	93,023
Equity			
Share capital and share premium	D	8,426	8,286
Warrants reserve	D	4,502	4,502
Merger reserve	D	-	122,641
Share-based payment reserve	D	2,382	1,206
Retained earnings/(accumulated loss)		68,146	(45,085)
Total equity		83,456	91,550
Current liabilities			
Trade creditors		28	43
Amounts payable to Group undertakings		1,056	1,168
Share-based payment – liability		-	262
Total liabilities		1,084	1,473
Total equity and liabilities		84,540	93,023

The notes on pages 79 to 80 are an integral part of these financial statements.

The loss of the Company for the period was £9.4 million (2024: £44.9 million loss).

Company statement of changes in equity

£'000	Share capital and share premium	Merger reserve	Share-based payment reserve	Warrants reserve	Retained earnings	Total equity
At 1 January 2024	8,286	122,641	716	4,502	(186)	135,959
Loss for the period	-	-	-	-	(44,899)	(44,899)
Share-based payments	-	-	490	-	-	490
At 31 December 2024	8,286	122,641	1,206	4,502	(45,085)	91,550
Loss for the period	-	-	-	-	(9,410)	(9,410)
Shares issued	140	-	-	-	-	140
Share-based payments	-	-	1,176	-	-	1,176
Capital reduction and transfer of merger reserve to retained earnings	-	(122,641)	-	-	122,641	-
At 31 December 2025	8,426	-	2,382	4,502	68,146	83,456

Notes to the Company Financial Statements

A: General

These company financial statements and the consolidated financial statements together constitute the statutory financial statements of Kistos Holdings plc ('the Company'). The financial information of the Company is included in the consolidated financial statements above.

B: Basis of preparation

The financial statements of Kistos Holdings plc for the period ended 31 December 2025 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements have been prepared under the historical cost convention, except for share warrants, which have been initially measured at fair value.

The Company has minimal trading activity, and therefore its going concern assessment has been performed as part of the going concern assessment of the Group (see note 1.2 to the consolidated financial statements).

The Company has taken advantage of the exemption provided by Section 408 of the Companies Act 2006 not to publish its individual income statement and related notes, and has also taken advantage of the following disclosure exemptions under FRS 101:

- ◆ The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined), as equivalent disclosures, are included within the consolidated financial statements.
- ◆ The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations provided that equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
- ◆ The requirements of IFRS 7 Financial Instruments: Disclosures, as equivalent disclosures are included in the consolidated financial statements.
- ◆ The requirement in paragraph 38 of IAS 1 to present comparative information in respect of:
 - Paragraph 79(a)(iv) of IAS 1 (a reconciliation of the number of shares outstanding at the beginning and end of the period);
 - Paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - Paragraph 118(e) of IAS 38 Intangible Assets.

- ◆ The following paragraphs of IAS 1 Presentation of Financial Statements:
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134–136 (capital management disclosures).
- ◆ The requirements of IAS 7 Statement of Cash Flows.
- ◆ The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- ◆ Paragraph 17 of IAS 24 Related Party Disclosures (key management compensation), and the other requirements of that standard to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary that is a party to the transaction is wholly owned by such a member.

These financial statements have been presented in GBP, being the functional currency of the Company. All amounts are presented rounded to the nearest thousand GBP, unless otherwise stated.

Material accounting policies

The Company's material accounting policies are aligned with the Group accounting policies as set out within the Group financial statements above, with the addition of the following:

- ◆ Investments in subsidiaries: Subsidiaries are carried at cost, less provision for impairment.

C: Investments in subsidiaries and associate

£'000	
At 1 January 2024	136,332
Impairment	(44,560)
Capital contribution relating to share-based payments	752
At 31 December 2024	92,524
Impairment	(9,000)
Capital contribution relating to share-based payments	914
At 31 December 2025	84,438

Recoverable amount was determined based on fair value less costs of disposal ('FVLCD'), using discounted cash flow models derived from the underlying assets held within the subsidiaries (see note 2.6). The valuation incorporated assumptions that market participants would apply in pricing the

Notes to the Company Financial Statements

assets, including forecast commodity prices, production profiles, operating and capital expenditures, reserves estimates and discount rates. As the valuation relied on significant unobservable inputs, the fair value measurement was classified within Level 3 of the fair value hierarchy.

The impairment assessment concluded that the recoverable amount of certain investments was below their carrying amount at the reporting date. Accordingly, an impairment charge of £9 million was recognised against the carrying value of these investments.

In the prior year, the Group's market capitalisation was identified as an indicator of impairment, and the recoverable amount was determined using the Group's impairment models.

The subsidiaries of the Company as at 31 December 2025 are set out below. All subsidiaries have share capital comprising solely of ordinary shares.

Name of subsidiary	Principal activity	Place of incorporation and operation	Registered office	Proportion of ownership interest and voting power held
Kistos plc*	Provision of head office and administrative services	London, United Kingdom	2nd Floor 3 St James's Square London SW1Y 4JU	100%
Kistos Energy Limited	Offshore exploration and production of hydrocarbon volumes	London, United Kingdom	2nd Floor 3 St James's Square London SW1Y 4JU	100%
Kistos Finance Limited*	Dormant company	London, United Kingdom	2nd Floor 3 St James's Square London SW1Y 4JU	100%
Kistos NL1 B.V.	Onshore and offshore exploration and production of hydrocarbon volumes	The Hague, Netherlands	Schenkade 50 2595 AR Den Haag The Netherlands	100%
Kistos NL2 B.V.	Offshore exploration and production of hydrocarbon volumes	The Hague, Netherlands	Schenkade 50 2595 AR Den Haag The Netherlands	100%
Kistos Energy (Norway) AS	Offshore exploration and production of hydrocarbon volumes	Lysaker, Norway	Strandveien 50 1366 Lysaker, Norway	100%
Kistos Energy Storage Ltd	Onshore gas storage	London, United Kingdom	2nd Floor 3 St James's Square London SW1Y 4JU	100%
Kistos Energy Middle East Limited	Onshore and offshore exploration and production of hydrocarbon volumes	London, United Kingdom	2nd Floor 3 St James's Square London SW1Y 4JU	100%

* Held directly by the Company.

Kistos plc, Kistos Finance Limited, Kistos Energy Limited, Kistos Energy Storage Ltd and Kistos Energy Middle East Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of their individual accounts by virtue of section 479A of the Companies Act 2006 as the Company has given a guarantee under section 479C of that Act in respect of the financial year ended 31 December 2025.

D: Capital and reserves

Share capital and share premium

Ordinary shares have a nominal value of £0.10 per share. Holders of ordinary shares are entitled to participate in dividends and the proceeds of the Company in the event of winding up in proportion to the number of and amounts paid on shares held. The Company does not have a limit to its authorised share capital.

During 2025, 107,692 ordinary shares were issued to satisfy awards under the Company's share-based incentive schemes (note 5.4).

The share premium represented amounts paid up on ordinary shares in excess of their nominal value.

Merger reserve

The merger reserve arose following the acquisition of Kistos plc by the Company in December 2022, and represents an unrealised profit from the investment in the subsidiary and is therefore not a distributable reserve.

Following approval by the Company's shareholders at the Annual General Meeting in June 2025 and subsequent sanction by the Court in August 2025, the full balance of the merger reserve was allotted to share capital by means of a bonus share issue and cancellation. Subsequently, the merger reserve was transferred in full to retained earnings. The capital reduction resulted in a reclassification within equity, with no impact on total equity or cash flows.

Share-based payment reserve

Following the capital reorganisation, the amendment of share options granted originally by Kistos plc was considered to be a new award of options by the Company, and the options were remeasured at a new grant date (being the date of the acquisition of Kistos plc by the Company). A description of the terms and conditions of the share-based payment arrangements, including vesting requirements and number of options outstanding, is disclosed in note 3.4 to the consolidated financial statements.

Warrants reserve

This reserve arose on completion of the Mime Acquisition by the Company's immediate subsidiary, Kistos plc. During the year, 1.4 million of the 5.5 million warrants originally issued to the vendor as part of the consideration were cancelled. Furthermore, 1.8 million warrants were issued to certain Hybrid Bond holders following the bond's full cancellation (refer to note 5.1 to the Group financial statements). As at 31 December 2025, 5.9 million warrants are outstanding. Each warrant entitles the holder to subscribe for ordinary shares in Kistos Holdings plc at an exercise price of £3.85 per share.

The warrants were measured on acquisition at fair value using an option pricing model and are not subsequently remeasured.

Independent Auditor's Report to the Members of Kistos Holdings plc

Report on the audit of the financial statements

Opinion

In our opinion:

- 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 and the Group's cash flows 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Kistos Holdings Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise of the following:

Group	Parent Company
Consolidated income statement	Company balance sheet
Consolidated statement of other comprehensive income	Company statement of changes in equity
Consolidated balance sheet	Notes to the Company Financial Statements and material accounting policy information
Consolidated statement of changes in equity	
Consolidated cash flow statement	
Notes to the consolidated financial statements and material accounting policy information	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 remain independent of the Group and the Parent Company 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 entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained the Director's going concern paper and associated cash flow forecasts in respect of their assessment of going concern and challenged the key underlying judgements and assumptions. In doing so we compared commodity prices used in the forecast to prevailing forward curves, and production levels, operating and capital expenditures to internal and operator forecasts as well as recent performance trends.
- We considered the appropriateness of the Directors judgement that Decommissioning Security Agreement (DSA) obligations will continue to be covered by surety bonds and not require covering in cash.
- We considered the appropriateness of the Directors' judgement that if it is determined that solidarity tax is payable, the payments would fall outside of the going concern period despite being classified as a current liability. This included reviewing legal and tax advice received by the Group and through consulting with our own tax experts.
- We verified the opening cash position used in the cash flow forecast by agreeing it to bank account balances.
- We performed checks on the arithmetical accuracy of the cash flow forecasts approved by the Directors.

Independent Auditor's Report to the Members of Kistos Holdings plc

- ◆ We formed our own assessment of risks and uncertainties that could impact the Group and Parent Company's going status. This was based on evidence obtained in other audited areas as applicable and our knowledge of the industry. We ran sensitivities including a reverse stress test to assess their impact on the Group and Parent Company's going status.
- ◆ We reviewed the financial statement disclosures regarding going concern to satisfy ourselves that the disclosures are appropriate and consistent with the Directors' going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters		2025	2024
	Carrying value of non-current assets		Yes
Materiality	<i>Group financial statements as a whole</i> \$9.1m (2024: \$10.6m) based on 1.0% (2024: 1.3%) of total consolidated assets (2024: total consolidated assets).		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

As part of performing our Group audit, we have determined the components in scope as follows:

- ◆ Kistos Holdings Plc;
- ◆ Kistos Plc;
- ◆ Kistos Energy Limited;
- ◆ Kistos Energy Norway AS;
- ◆ Kistos NL; and
- ◆ Kistos Energy Storage Limited.

These components were selected based on geographical location and separately identifiable information that enables the group auditor to plan and perform audit procedures for the purposes of the group audit.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- ◆ procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls; and
- ◆ specific audit procedures.

Independent Auditor's Report to the Members of Kistos Holdings plc

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component	Component name	Entities included	Group audit scope
1	Kistos Holdings Plc	Kistos Holdings Plc	Statutory audit and procedures on the entire financial information of the component.
2	Kistos Plc	Kistos Plc	Specific audit procedures.
3	Kistos Energy Limited	Kistos Energy Limited	Procedures on the entire financial information of the component.
4	Kistos Energy Norway AS	Kistos Energy Norway AS	Procedures on the entire financial information of the component.
5	Kistos NL	Kistos NL 1 B.V; and Kistos NL 2 B.V	Procedures on the entire financial information of the component.
6	Kistos Energy Storage Limited	Kistos Energy Storage Limited	Procedures on the entire financial information of the component.

Locations

Kistos Holdings Plc's operations are spread over a number of different geographical locations. We visited 2 out of a total of 4 locations. Our teams conducted procedures in Kistos Holdings Plc 's locations in UK and Norway.

In addition, our teams worked remotely, holding calls and video conferences with Kistos Holdings Plc, and with digital information obtained from Kistos Holdings Plc.

Changes from the prior year

There have been no significant changes to the Group audit scope from the prior year.

Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We issued our group audit instructions to component auditors on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, reviewing component auditor documentation remotely and evaluating the appropriateness of the audit procedures performed and the results thereof.

How Climate change affected the scope of our audit

The Group has determined the following climate change and energy transition risks:

- ◆ Changes in laws, regulations, policies, obligations and social attitudes relating to the transition to a lower carbon economy could lead to higher costs or reduced demand and prices for oil and gas, impacting Group profitability.
- ◆ Sources of debt and equity finance may become more expensive or restricted as investors diversify away from oil and gas-based investments.
- ◆ Climate change may result in an increase in the frequency of severe adverse weather conditions.

Our audit effort in considering the impact of climate change on the financial statements was focused on:

- ◆ Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- ◆ Review of the minutes of Board and Audit Committee meeting and other papers related to climate change; and
- ◆ Evaluating management's assessment of the impact of climate change and energy transition risk as disclosed on page 31.

We challenged the extent to which climate risks have been reflected, where appropriate, in management's judgements and estimates in relation to impairment assessments and decommissioning liabilities.

The management disclosures on page 19 to 24 form part of the strategic report. Our responsibilities in relation to these disclosures are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated. 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 Kistos Holdings plc

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, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit responded to the risk
<p>Impairment testing of the carrying value of producing assets</p> <p>Group: Refer to notes 2.6 for details of the accounting policy and critical accounting estimates and judgements relating to this key audit matter.</p>	<p>The Group recognised an impairment charge of \$14m relating to the production assets in the Netherlands.</p> <p>Under IAS 36, management is required to carry out an assessment at least annually for any indicators of impairment on tangible assets. Where impairment indicators are identified impairment tests are required to be performed. In addition, Goodwill is required to be tested annually for impairment.</p> <p>Given the materiality of the carrying value of the oil and gas producing assets in the context of the Group's balance sheet, coupled with the judgements, and estimates involved in estimating if the carrying value is supportable, we have considered this to be a key audit matter.</p> <p>Our audit testing over impairment testing of carrying value of oil and gas assets (property, plant and equipment, intangible assets, goodwill and related deferred tax) included:</p> <ul style="list-style-type: none"> ◆ We obtained and reviewed managements impairment trigger assessments to determine the assets over which impairment tests were required to be performed. ◆ For assets that required impairment testing, we obtained management's impairment models and tested the mathematical accuracy of each impairment model. ◆ We engaged our internal valuation experts to recalculate the discount rates applied in the impairment models. ◆ We engaged our own external auditor experts to review the reasonableness of the reserves figures used in Management's impairment model for all the producing CGUs. ◆ We obtained and challenged the key estimates used in the models. In doing so we compared commodity prices used in the forecast to prevailing forward curves at the year-end date and operating and capital expenditures to internal and operator forecasts as well as recent performance trends. ◆ We performed sensitivities on key inputs to the model where appropriate. ◆ We reviewed the financial statements disclosures regarding any impairment assumptions and sensitivities to check such disclosures are appropriate and in accordance with the accounting framework. <p>Key observations:</p> <p>Based on the procedures performed, we found the judgement and estimates made by Management regarding the determination of the recoverable amount of the producing oil & gas assets to be reasonable.</p>

■ Independent Auditor's Report to the Members of Kistos Holdings plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Group financial statements		
	2025	2024
Materiality	\$9.1m	\$10.6m
Basis for determining materiality	1.0% of total assets	1.3% of total assets
Rationale for the benchmark applied	Materiality has been based on total assets. While the Group is revenue generating, its strategy is to identify new reserves and resources and does so through development and acquisitions. Since the Group continues to expand and explore new oil and gas fields, we consider total assets to be one of the principal considerations for users of the financial statements.	
Performance materiality	\$5.7m	\$6.8m
Basis for determining performance materiality	62.5% (2024: 65%) of materiality	
Rationale for the percentage applied for performance materiality	We considered several factors, including the expected total value of known and likely misstatements and our knowledge of the Group and Parent Company's internal controls.	

Parent Company financial statements

	2025	2024
Materiality	£1.1m	£1.2m
Basis for determining materiality	1.3% of total assets	1.3% of total assets
Rationale for the benchmark applied	Materiality has been based on total assets because Kistos Holdings plc is a holding company with minimal trading activity. As a result, we consider total assets to be one of the principal considerations for users of the financial statements.	
Performance materiality	£0.8m	£0.7m
Basis for determining performance materiality	75% (2024: 65%) of materiality	
Rationale for the percentage applied for performance materiality	We considered several factors, including the expected total value of known and likely misstatements and our knowledge of the Group and Parent Company's internal controls.	

Component performance materiality

Apart from the Parent Company whose materiality and performance materiality are set out above, for the purposes of our Group audit opinion, we set performance materiality for each component of the Group, based on a percentage of between 40% and 70% (2024: 40% and 75%) of Group performance materiality dependent on a number of factors including relative size of component, history of misstatement and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from \$2.2m to \$4.0m (2024: \$1.9m to \$4.2m).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of \$0.4m (2024: \$0.3m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Independent Auditor's Report to the Members of Kistos Holdings plc

Other information

The Directors are responsible for the other information. The other information comprises the information included in the 'Annual Report and Accounts' other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> ◆ 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. <p>In light of the knowledge and understanding of the Group and 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.</p>
Matters on which we are required to report by exception	<p>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:</p> <ul style="list-style-type: none"> ◆ 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 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, 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's and the 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.

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.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- ◆ Our understanding of the Group and the industry in which it operates;
- ◆ Discussion with management and those charged with governance, including the Audit Committee; and
- ◆ Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

■ Independent Auditor's Report to the Members of Kistos Holdings plc

We considered the significant laws and regulations to be the applicable accounting framework, Companies Act, tax legislation, AIM Listing Rules, UK oil and gas legislation, the Dutch Mining Act, the Norwegian Petroleum Tax Act, and the QCA corporate governance code.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the tax and decommissioning legislation.

Our procedures in respect of the above included:

- ◆ Enquires of management whether there were any litigations and claims;
- ◆ Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- ◆ Review of correspondences with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- ◆ Review of financial statement disclosures and agreeing to supporting documentation;
- ◆ Involvement of tax specialists in the audit; and
- ◆ Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- ◆ Enquiry with management and those charged with governance, including the Audit Committee regarding any known or suspected instances of fraud;
- ◆ Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- ◆ Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- ◆ Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- ◆ Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- ◆ Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the area's most susceptible to fraud to be management override of controls, revenue recognition and management bias regarding the following key accounting estimates and judgements:

- ◆ Impairment of non-current assets; and
- ◆ Valuation of Abandonment Provision.

Our procedures in respect of the above included:

- ◆ Testing the appropriateness of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- ◆ Performing a detailed review of the Group's year end adjusting entries and agreeing to supporting documentation any that appear unusual in nature or amount;
- ◆ Performing a detailed review of the Group's consolidation entries and, investigating any that appear unusual in nature or amount by inspecting corroborative evidence;
- ◆ Testing 100% of revenue transactions to supporting documentation to address the existence and accuracy assertions;
- ◆ Engaging our own external auditor experts to review the completeness and appropriateness of the Abandonment Provision and the reasonableness of the reserves and resources figures used in Management's impairment testing; and
- ◆ Assessing significant estimates and judgements made by management, and challenging Management on the appropriateness of these estimates and judgements for bias, specifically around the key audit matters as discussed above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component auditors who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Acloque (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

BDO LLP is a limited liability partnership registered in England and Wales
(with registered number OC305127).

Additional Information

The background of the page is a deep blue color. It features a complex, abstract pattern of small, light blue dots arranged in a grid that undulates across the page, creating a sense of depth and movement. The dots are more densely packed in some areas and more sparse in others, following the contours of the wavy pattern. The overall effect is a modern, digital aesthetic.

Appendix A: Glossary

2C	contingent resources
2P	proved plus probable resources
Adjusted operating costs	operating costs per the income statement less accounting movements in inventory
Average realised sales price	calculated as revenue divided by volumes sold for the period
bbl	barrel
bcf	billion cubic feet
boe	barrels of oil equivalent
boepd	barrels of oil equivalent produced per day
CGU	cash-generating unit
CIT	(Dutch) Corporate Income Tax
Company	Kistos Holdings plc
DSA	Decommissioning Security Agreement
E&P	exploration and production
EBN	Energie Beheer Nederland
EIR	effective interest rate
FID	Final Investment Decision
FPSO	floating production storage and offloading vessel
FPU	floating production unit
G&A	general and administrative expenditure
Gas Storage Acquisition	the acquisition of the entire share capital of EDF Energy (Gas Storage) Limited from EDF Energy (Thermal Generation) Limited in April 2024
GLA	Greater Laggan Area
GLA Acquisition	the acquisition, in July 2022, of a 20% working interest in the P911, P1159, P1195, P1453 and P1678 licences, producing gas fields and associated infrastructure alongside various interests in certain other exploration licences, including a 25% interest in the Benriach prospect in licence P2411, from TotalEnergies E&P UK Limited
Group	Kistos Holdings plc and its subsidiaries
JV	joint venture
kbbl	thousand barrels
kboe	thousand barrels of oil equivalent

kboepd	thousand barrels of oil equivalent produced per day
KENAS	Kistos Energy (Norway) AS
Mime	Mime Petroleum AS
Mime Acquisition	the acquisition, in May 2023, of the entire share capital of, and voting interests in, Mime Petroleum AS (Mime) from Mime Petroleum S.à.r.l., a company incorporated and operating in Norway
MMboe	million barrels of oil equivalent
MMBtu	million British thermal units
MT	metric ton
MWh	megawatt hour
NCS	Norwegian Continental Shelf
nm³	normal cubic metre
NSTA	North Sea Transition Authority
RNB	Norwegian Revised National Budget
ROU	right of use
scf	standard cubic feet
SGP	Shetland Gas Plant
sm³	standard cubic metre
Solidarity Contribution Tax	a tax levied by the Dutch Government, following the adoption of Council Regulation (EU) 1854/2022, which required EU member states to introduce a 'solidarity contribution' for companies active in the oil, gas, coal and refinery sectors. The Dutch implementation of this solidarity contribution has been legislated by a retrospective 33% tax on 'excess profit' realised during 2022, with 'excess profit' defined as that profit exceeding 120% of the average profit of the four previous financial years. Companies in scope are those realising at least 75% of their turnover through the production of oil and natural gas, mining activities, refining of petroleum or coke oven products.
SPS	(Dutch) State Profit Share tax

Appendix B: Non-IFRS Measures

B1: Adjusted net debt

Adjusted net debt is a measure that management believes is useful as it provides an indicator of the Group's overall liquidity. It is defined as restricted funds and cash and cash equivalents, prepayment for new acquisition and tax receivables less the face value of outstanding bond debt, excluding the Hybrid Bond, which, in management's view, represents contingent consideration rather than bond debt due to the payment triggers associated with it.

\$'000	Note	31 December 2025	31 December 2024
Cash and cash equivalent and restricted funds	4.1	164,653	143,138
Tax receivable – current	6.3.1	32,467	65,450
Prepayment – Oman acquisition	4.2	7,500	-
Face value of bond debt (excluding Hybrid Bond)	5.1	(280,490)	(260,251)
Net debt		(75,870)	(51,663)

B2: Adjusted operating costs and unit opex

Adjusted operating costs are operating costs per the income statement less accounting movements in inventory, which are primarily those operating costs capitalised into liquids inventory as produced and expensed to the income statement only when the related product is sold.

\$'000	Year ended 31 December 2025	Year ended 31 December 2024
Production costs	100,808	104,562
Accounting movements in inventory	8,621	(8,331)
UK Storage segment operating costs	(16,116)	(10,872)
Adjusted operating costs	93,313	85,359
Total production (kboe)	3,263	2,947
Unit opex	\$29/boe	\$29/boe

Appendix C: Conversion Factors

The conversion factors below have been used by management in the presentation of certain disclosures in the Annual Report on a consistent basis.

37.3 scf of gas in 1 nm³ of gas

5,561 scf of gas in 1 boe

149.2 nm³ of gas in 1 boe

1.7 MWh of gas in 1 boe

34.12 therms of gas in 1 MWh of gas

7 MT of natural gas liquids in 1 boe

Exact conversions of volumes of gas to barrels of oil equivalent (boe), volume of gas to energy (therms or MWh) and volumes of natural gas liquids to boe are dependent on the calorific value of gas and exact composition of natural gas liquids, and therefore can change on a daily basis and may be different from those conversion factors used by other companies.

General Information

Directors

Andrew Austin – Executive Chairman

Peter Mann – Chief Executive Officer

Richard Benmore – Non-Executive Director

Alan Booth – Non-Executive Director

Stephen Pawson – Non-Executive Director

James Thomson – Chief Financial Officer
(appointed 1 January 2025)

Company secretary

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