ENERGYPATHWAYS PLC

REGISTERED NUMBER: 13201653

ANNUAL REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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COMPANY INFORMATION

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Chairman's Statement

I am very pleased to be writing to EnergyPathways plc shareholders following a year in which the Company has made significant progress in advancing its flagship Marram Energy Storage Hub project, MESH, and in which the strategic importance of our proposition has become increasingly clear.

2025 was an eventful year, both for EnergyPathways and for the UK energy market in general. The year was characterised by continued focus on energy security, the affordability of energy, the transition to Net Zero, and the critical role that Long Duration Energy Storage must play if the UK is to integrate increasing volumes of renewable power while maintaining reliable and affordable supply. Against this backdrop, the Board believes that EnergyPathways has continued to position MESH as a pragmatic, commercially focused and nationally important energy infrastructure project.

Financial Results

The Group incurred a loss for the year of £1,659,501 compared to a loss of £1,203,671 for the year ended 31 December 2024. Losses mainly arose from expenses in connection with staff remuneration, technical and other consultancy fees, the costs of being an AIM quoted company, project development costs and general administration expenses.

Net assets of the Group at 31 December 2025 amounted to £2,486,631 (2024: £1,266,509). The gross proceeds raised through direct subscriptions, placings and the exercise of options and warrants during the year ended 31 December 2025 amounted to £2,639,592 before expenses (2024: £1,565,245 before expenses). Cash at year end was £1,092,759 (31 December 2024: £857,650).

Strategic progress during the year

During the year, the Company continued to build on the strategic pivot made in 2024, when we announced MESH as a fully integrated energy storage hub, designed to combine natural gas storage, hydrogen storage, compressed air energy storage, low-carbon power generation and associated industrial opportunities in the East Irish Sea and Barrow-in-Furness.

In February 2025, following pre-FEED work undertaken with strategic partners, the Company announced the selected technical design for the initial phase of MESH. This work reinforced the Board's belief that MESH is capable of repurposing existing late-life gas infrastructure, utilising the energy resources of the North West of England and the East Irish Sea, and providing a practical route to delivering low-emission energy storage at scale.

The Company also continued to progress the hybrid compressed air energy storage component of MESH. Long Duration Energy Storage is increasingly recognised as a vital missing element in the UK's energy system. Wind power is being curtailed at considerable cost to consumers, while the electricity grid continues to require reliable, flexible and dispatchable power when renewable output is low. We believe MESH can help address these challenges in a commercially disciplined manner, by storing surplus energy and making it available when it is most needed.

During the period, the Company strengthened its technical and delivery capability. Zenith Energy Ltd was engaged for well engineering while the Company also continued to develop its relationships with tier-one partners and specialist engineering groups, including Siemens Energy, Costain, Wood, Hazer and KBR. These relationships are important not only because of the capabilities they bring to the project, but also because they demonstrate the increasing recognition of MESH as a serious and scalable energy infrastructure opportunity.

The Major Announcement of 2025

Much of 2025 was focused on an application to Government in relation to Section 35 of the Planning Act 2008 which empowers the Secretary of State to direct that a project be treated as a Nationally Significant Infrastructure Project (NSIP). This allows the development to bypass standard local planning routes and be fast-tracked through the centralised Development Consent Order (DCO) process. The Company's key milestone during the year was the decision in September of the Secretary of State for Energy Security and Net Zero that the major elements of MESH, specifically the Company's Long Duration Energy Storage (LDES), should be treated as a development of national significance. **This was a landmark moment for EnergyPathways**. It recognised the scale, strategic relevance and potential national importance of the MESH project. The Board believes this decision was a strong endorsement of the Company's whole-system approach to energy storage, energy security, decarbonisation and regional industrial development.

Following this confirmation, the Company continued to refine and expand the scope of MESH. In November 2025, the Company submitted an expanded Gas Storage Licence application covering the natural gas and hydrogen storage elements of MESH. This application covered an area with potential for up to 60 salt caverns for natural gas and hydrogen storage, representing an almost fourfold increase in the area being targeted for salt cavern development. This was an important step in aligning the licence area with the scale of opportunity that the Board believes exists in the East Irish Sea.

Business outlook

The need for MESH has, in the Board's view, become increasingly compelling. The UK continues to require greater energy storage capacity, more flexible low-carbon power, improved resilience to international gas price volatility and a practical means of reducing the cost burden of renewable curtailment. We believe MESH can make a material contribution to each of these challenges.

The Company's strategy remains aligned with the key strands of UK energy policy: decarbonisation, energy security, electrification, reutilisation of existing infrastructure, protection of the environment and industrial growth. Importantly, our approach remains pragmatic and commercial. We believe the energy transition must be delivered in a way that is technically credible, financeable and capable of reducing, rather than increasing, pressure on consumers.

Post year-end progress

In the period following the financial year end, the Company has made further significant progress. Costain completed a first phase of engineering studies for the MESH onshore facilities at Barrow-in-Furness, shortlisting potential sites for further evaluation and front-end engineering and design. Shortly afterwards, the Company announced that pre-FEED studies with Siemens Energy had confirmed the economic viability of the MESH compressed air Long Duration Energy Storage project and that FEED had been launched, supported by a £15 million financing agreement. These developments represent important practical steps towards moving MESH from concept and pre-FEED into the next phase of engineering and delivery.

Most importantly, in the period following the financial year end, the North Sea Transition Authority (NSTA) offered a Gas Storage Licence to EnergyPathways Irish Sea Limited in connection with the MESH project. The offer was accepted. **This is another major milestone for the Company** and materially advances the Company's plans to develop large-scale natural gas and hydrogen storage as part of the wider MESH integrated energy system.

The award of the Gas Storage Licence is especially significant because gas storage remains a fundamental component of national energy resilience. The planned MESH gas storage facility is intended to strengthen the UK's energy security, reduce over-dependence on expensive imports and provide high-deliverability storage capable of supporting the grid when it is most needed. Alongside the Company's compressed air energy storage project, hydrogen production plans and sustainable industrial opportunities in Barrow-in-Furness, the licence strengthens the Board's belief that MESH can become one of the UK's most important integrated energy storage projects.

In the period following the financial year end, the Company also entered into a collaboration agreement with Associated British Ports (ABP) to evaluate ABP's Port of Barrow as the location for MESH onshore facilities. This relationship further highlights the potential of MESH not only as an energy security project, but also as a catalyst for investment, employment and sustainable industrial growth in Barrow-in-Furness.

On 28 April 2026 the Company announced a £15 million financing agreement, comprised of a £5 million Loan Note and a £10 million 'At-The-Market' Equity Placing Facility.

The Board was also pleased, in the period following the financial year end, to strengthen the Company's advisory and governance capability through the appointment of Martyn Millwood Hargrave as Chief Scientific Adviser and Alison Flower as an Independent Non-Executive Director.

Martyn Millwood Hargrave is a geoscientist, business entrepreneur and strategic adviser with over 40 years of experience across subsurface technology, energy systems and industrial innovation. He is the founder and former CEO of Ikon Science, a global subsurface software company acquired by Constellation Software in 2025. He is currently a Visiting Professor in Earth Sciences at the University of Oxford and a Senior Associate at Oxford Net Zero. His experience spans global hydrocarbon exploration and production, carbon capture and storage, hydrogen, geothermal energy, nuclear waste disposal, and greenhouse gas removal. He has advised governments, regulators, and industry bodies on technically complex and strategically significant projects.

Alison Flower brings over 30 years of global energy sector and policy experience. Most recently, she served for six years (2019–2025) as the Senior Energy Advisor at the UK Foreign, Commonwealth and Development Office, focusing on energy security and transition diplomacy. She previously held senior leadership roles at BG Group, is a Fellow of the UK Energy Institute, and serves as an Ambassador for POWERful Women. Her dual background in both government strategy and commercial market strategy will provide critical insight as EnergyPathways advances the MESH energy storage project

Their combined experience in subsurface systems, energy policy, energy security, hydrogen, industrial decarbonisation and strategic minerals will be highly valuable as the Company progresses MESH towards development consent, financing and ultimately Final Investment Decision.

The Board believes that the recent award of the Gas Storage Licence, together with the confirmation of MESH as a project of national significance, the launch of FEED for the compressed air energy storage project, the £15 million financing agreement, and the growing group of tier-one strategic partners, place EnergyPathways in a very strong position.

We remain focused on converting this momentum into shareholder value. The Company will now work at pace to advance engineering, consenting, financing and commercial discussions with the objective of progressing MESH towards Final Investment Decision and, in due course, into operation. We believe MESH has the potential to deliver material benefits for shareholders, consumers, the UK energy system and the wider economy.

Our Stakeholders and our Ethos

The Company's stakeholders are as important as its shareholders. They are His Majesty's Government, the people of the North West of England, and indeed the people of Britain. What EnergyPathways aims to do should not be political and the Company seeks to be as apolitical as possible. This Government and previous ones are right to have recognised that the upstream oil and gas industry in the United Kingdom is in decline, and we believe the UK should manage that decline in a way that maximises the country's remaining hydrocarbon resources through the development of LDES and utilisation of gas storage. Technically, and operationally, we aim to challenge what might be called "received opinion" or "the *status quo*". This is not driven by any sort of partisanship, and we certainly don't subscribe to "disruptive capitalism". Quite the opposite, we aim to facilitate economic growth, lower the cost of electricity, create new jobs and industrial opportunity in a commercial and entrepreneurial manner. EnergyPathways is a facilitator not a disruptor.

Board and team

In making this statement, I would like to pay my respects and offer my high regard to the team in Aberdeen, where, as I write, we are now establishing our formal operational base. The project management, operational, technical and commercial skills of this team are of the highest order, their skills honed in the UK's highly successful oil and gas industry. This team will be responsible for a number of industry 'firsts', with which we will all be proud to have been involved.

As the Company has grown and the scale of MESH has increased, the Board has remained focused on ensuring that EnergyPathways has the right blend of technical, financial, commercial and governance expertise. During the year and subsequently, the Company has continued to strengthen the team supporting MESH and to develop the relationships necessary to move the project through engineering, consenting, financing and commercialisation.

I would like to thank our executive team, technical advisers, project partners and my fellow Directors for their service and wise counsel during the year. MESH is a complex and ambitious project, and the progress made reflects a very considerable effort by a small but highly capable team.

I should of course also pay tribute to the indefatigable leadership of our CEO, Ben Clube, without whom, I believe we can say, with certainty, none of what we have achieved so far, would have happened.

Finally, I would like to thank our shareholders for their continued support. The Company has made considerable progress during the year and, particularly in the period following the financial year end, has achieved milestones that materially de-risk and enhance the MESH opportunity. We look forward to the next stage of EnergyPathways' development with confidence and enthusiasm.

Mark Steeves
Chairman
29 June 2026

CEO's Report

MESH and its potential to reshape the UK's energy future

The past year has brought the UK's energy and climate challenge into sharp focus. As the national debate over net zero has intensified, so too has the recognition that the UK's economic growth, industrial competitiveness and household prosperity all depend on having an abundance of cheap and reliable energy.

For the UK, the central issue is not whether we can build a cleaner energy system, but whether it delivers affordable energy.

The UK's net-zero policy agenda, has at its core, a transition to use electricity rather than oil and gas. Despite more than half of the UK's electricity coming from renewables last year, electricity use has grown slowly. Electricity still only accounts for 17% of the UK's total energy consumption - no higher than it was two decades ago.

The reason electrification has not happened is simple - our electricity prices are too high. In fact, they are some of the highest in the world. The UK's ambition of becoming a clean energy superpower, with an economy to match, depends heavily on it reducing electricity prices.

The reason our electricity bills are so high is principally due to two interrelated factors. Firstly, we are heavily reliant on expensive gas-fired power when renewable power is in short supply, and it is setting the market price for all our electricity. Secondly, the UK is wasting much of the intermittent renewable energy it is generating due to the supply/demand imbalance caused by the fact that wind is intermittent.

The UK desperately needs a solution to help lower its electricity bills. It needs a solution that can harness the nation's abundant renewable power generated efficiently so that it can then be used to replace expensive gas power. The answer lies in long-duration storage.

It is against this backdrop that EnergyPathways is bringing forward its MESH project, and I am pleased that the level of interest in and support for its development has been overwhelmingly positive and has continued to grow throughout the year.

MESH's classification as a project of "national significance" in September 2025 by the Rt Hon Ed Miliband MP, Secretary of State for Energy Security & Net Zero, was a major milestone for EnergyPathways and a strong message of confidence in the strategic arguments for MESH and, a further recognition of the benefit that low cost Long Duration Energy Storage ("LDES"), such as MESH, offers the UK's future energy system.

Since then, the Government's message of confidence in EnergyPathways and its MESH project has been backed up with the award of a Gas Storage Licence by the Government regulator, the North Sea Transition Authority. The Licence area, in the East Irish Sea, holds massive potential, and we estimate the offshore construction of up to 60 large-scale energy storage caverns.

MESH is expected to be the UK's largest LDES project by some stretch. It also has the potential to be scaled up many times just within the Licence. The prospect of providing up to 3 GW of flexible power alone would be enough to power almost a third of the UK's households.

We are now working towards a Final Investment Decision (FID), planned for 2028 for the first phase of the MESH storage project, with operations commencing in 2031.

In addition to providing large-scale integrated energy storage, MESH has the potential to develop new hydrogen industries, producing synthetic graphite, ammonia and other high-value hydrogen products, thereby supporting the UK's industrial growth strategies, in particular within the UK defence and nuclear industries.

It is for all these reasons that the UK Government, with ministerial support, has encouraged us to progress the MESH project and why we have been successful in garnering a consortium of experienced Tier 1 companies to work with us, including Siemens Energy, Wood, Costain, KBR-Hazer and more recently ABP.

We have also received the support of Team Barrow, a UK Government-led initiative that involves BAE Systems, Westmorland & Furness Council and the Department of Housing, Communities and Local Government. Team Barrow is spearheading the town's development and future economic growth.

The economic benefits of MESH are significant. Its ability to generate sustained flexible power over multiple days at a fraction of the cost of gas power generation is a game-changer in lowering the UK's electricity prices. It can also shore up the country's energy security as well as support net-zero objectives.

We have achieved much over the past 12 months, but we know there is still important work ahead, including consents, licences, technical and engineering studies and financing. The direction of travel, however, is firmly with us. MESH has a major contribution to make to the UK, and as CEO, I am excited to be leading a strong and experienced team capable of bringing this project into commercial operation by 2031 and building on our groundbreaking technology solution.

Looking ahead, the next 12 months will be critical. We will enter MESH into the LDES Cap and Floor second window, begin the Development Consent Order process, seek additional licences from the North Sea Transition Authority, finalise commercial agreements with supply chain partners and secure new growth opportunities. The value prize is enormous and into the billions of pounds: with the continued support of our current and future shareholders and stakeholders, MESH can help reshape and strengthen the UK's energy future while unlocking considerable value for our shareholders.

I am often asked why MESH is needed, how it will fit within the UK's energy system and its benefits compared to other energy sources. I trust that the addendum below *MESH: its role in reshaping the UK's energy future* outlines its significant value potential.

Ben Clube
Chief Executive Officer

29 June 2026

MESH: its role in reshaping the UK's energy future

The UK is a global leader in renewable energy, and last year it reached a significant milestone with more than half of its electricity coming from renewable sources.

However, a central challenge facing the future development of the UK's future energy system is the high price of our energy. Our growth and prosperity depend on having an abundance of cheap, reliable energy.

Fundamental questions are being asked of Government, industry and regulators on measures to strengthen energy security, the pace of grid connections, the role of North Sea oil and gas and even the UK's commitment to Net Zero.

The UK's ambition of becoming a clean energy superpower depends on reducing electricity prices. The UK desperately needs a solution to help lower its electricity bills – a solution that can harness the nation's abundant and growing levels of intermittent renewable power in a cost-effective way, so it can then be used to replace the expensive gas power that currently dominates the energy prices in our system.

The answer lies in large-scale energy storage ("LDES").

Electricity is central to our economic future…

The UK is undertaking one of the most profound transformations of its energy system since the Industrial Revolution. The policy path chosen to deliver our legislated Net Zero ambition is a massive transition away from the oil and gas that we use.

In its place we plan to use homegrown electricity to power our homes, our transport networks and our industries. And this electricity is to be largely sourced from new homegrown renewable power. That journey has barely begun. Today, electricity accounts for just around 17% of the UK's energy consumption – the same share as 2 decades ago. The Government aims for that figure to be close to 70% by 2050.

But electricity must be affordable for a successful transition…

For UK households and businesses to transition away from fossil fuels and use electricity instead of oil and gas, the price of our electricity will need to be affordable.

Renewables can generate cheap electricity. However, despite almost two decades of subsidies to increase our renewable capacity, this is not translating into lowering our electricity bills which are still on the rise.

There is an urgency to reverse this trend.

Natural gas still dominates the UK energy market…

The first part of the problem that the UK faces is that it is heavily dependent on natural gas. The UK almost always turns to gas-fired power stations to balance its grid and keep the lights on when intermittent renewables supply falls short in meeting demand.

Our over-dependence on gas generation matters, because it is gas that ultimately determines the market price of the UK's electricity. Last year, gas set the UK's electricity prices almost 98% of the time.

As a result, even when abundant cheap renewable power could be available, UK homes and business are paying prices for their electricity set by gas power generation, and the cost of our supply of gas power has been going up.

Running gas power as a back-up system is inefficient…

The role of gas power generation in the Uk's energy system has fundamentally shifted in how it is used. Gas power generators have moved from a constant "always on" baseload supply, to a flexible back up supply for renewable power.

This has led to a noticeable drop in capacity factors across the 30 GWs of the UK's combined cycle gas turbine fleet, which have plummeted from around 80% in 2000 to around 29% today.

Low-capacity factors make for very inefficient gas-fired power generation and higher costs of electricity generation. This, combined with the imposition of new carbon emission levies, means that gas power generators, now need higher wholesale electricity prices to recoup running costs. The cost of gas-fired power has already more than doubled since 2010.

Gas power costs are expected to increase further as unabated gas power is further squeezed out of the market. The UK Government's Clean Power 2030 plan targets that gas will only generate 5% of power, yet it aims to retain 30 GW of gas power generating capacity to ensure security of electricity supply. Government estimates for the cost of electricity for new build gas-fired power in this scenario are as much as £410/MWh.

The UK's over-reliance on an inefficient and shadow system of gas power generators to back up its renewables is resulting in all our electricity bills rising. Displacing gas power generation with a cheaper source of dispatchable flexible power will be key to bringing down our electricity bills.

The UK is using expensive gas imports….

Compounding this problem is the fact that as domestic North Sea production declines, the UK is becoming increasingly reliant on expensive imported LNG.

Having once been self-sufficient in gas, the UK now imports about half of its required gas, and by 2030 it will be importing up to 90% of its peak winter gas demand. This means our gas prices, and by association our electricity prices, are increasingly exposed to global energy markets.

Recent geopolitical events have demonstrated this risk. The Ukraine and Iran conflicts have driven sharp increases in gas prices and the UK has been forced to compete with Europe and Asia to secure scarce LNG shipments.

The UK's gas prices experience greater volatility and large price hikes compared to continental Europe when global gas markets tighten. This is because European countries can turn to other energy supply options. Some can rely on nuclear, many can turn up coal, but most importantly, many maintain large-scale gas storage to provide supply to buffer against high priced global supplies.

The UK's lack of storage makes it more vulnerable to global gas price hikes…

Many major oil and gas importing nations use storage to help shield their economies from global energy price shocks and seasonal demand variations. The European Union and China for example have invested heavily in gas storage which respectively have more than 80 days and 40 days of gas storage capacity. Despite pressure to act 15 years ago, the UK's meagre capacity has declined to only around six days.

This leaves the UK relying more heavily on "just-in-time" gas imports and having less ability to buffer the effects of global price volatility. In addition, it loses the ability to store low priced gas which is commonly available during summer months.

An increase in capacity for gas storage in the UK can play an important role in reducing gas price volatility and consumers would benefit from resulting lower electricity prices.

Reducing the tight grip that expensive gas power generation has on our electricity bills is a key factor to having more affordable electricity. Without the ability to store gas which can be turned into flexible electricity, the price of all our electricity will be highly exposed to global gas price hikes.

Ultimately however, the UK needs to find an alternative but lower cost source of flexible power to displace expensive gas power generation.

Our wasted renewable energy is low-cost energy….

As more wind and solar farms come online, the UK is generating electricity which our grid cannot absorb. Many of our largest offshore and onshore wind farms are located in Scotland and the North of England but our grid simply does not have the capacity to transport this power to where it is needed. To address this, the grid operator is having to pay wind generators to switch off. In 2025, wind generators were paid close to £400 million to switch off supply.

At the same time, the UK spent more than £1 billion firing up expensive gas-powered generation to balance the system. In total, around 10 terawatt-hours of renewable electricity was wasted - enough to power approximately 3.6 million homes for a whole year.

According to NESO – the system operator, the added cost on consumer electricity bills for wasted power and to balance the grid is set to reach £8bn by 2030.

If all the renewable capacity is built as planned, by 2035 the UK's generating capacity will double from current levels and the challenge of excess power will become even greater. This is being reflected in the number of negative pricing periods – a signal of market oversupply – which has been rising fast. The energy consultancy, Aurora Energy Research, forecasts negative pricing periods to rise from around 2% of the year in 2024, to as much as 23% by 2030.

Without the ability to store all this future excess electricity being generated, much of the UK's renewable power will be wasted and the cost of this will be added to consumer bills.

The huge costs involved in expanding the UK's grid….

With the UK's renewables capacity typically built in more remote and dispersed locations, the UK grid simply does not have the capacity to transport this power to where it is needed in the major demand centres ie England.

To address this, the UK has embarked on a huge expansion and re-wiring of the grid. The bill for this network expansion over the next decade is estimated to be £60 billion, and the cost is being recouped via higher network charges added to electricity bills.

E.ON estimates non-generation costs could reach a staggering £200/MWh by 2031. Back in 2006, when the grid was more centralised and relied on base load generators close to demand centres, this cost was as little as £25/MWh.

Transporting electricity is an expensive task. On a unit of energy basis, the cost of the infrastructure to transport energy as electricity is about 10 times greater than transporting gas. That cost goes up as power is transported intermittently whilst the infrastructure is only occasionally used. This means that, while the generating cost of new renewables may be delivering lower generation costs relative to gas power generation, the added network charges look certain to more than offset these savings.

This reveals another key role for energy storage. It is a critical tool for network operators in optimising the overall expenditure needed to re-wire our grid: storage can smooth out supply, strengthen network stability and reliability as well as maximise the usage of infrastructure assets.

Existing storage strategy is expensive and ineffective…

Currently, vast sums are being invested in BESS (Battery Energy Storage Systems). To date, the UK has installed around 6.5 GW [1]of battery storage capacity, and a further 60GW of capacity has been consented. However, BESS is short duration in nature and will be an expensive solution to harness excess wind power and optimise network costs for bill payers.

The UK's battery fleet, principally Lithium-ion batteries, have an average duration of supply of just 1.5 to 2 hours. They are not effective at harnessing excess renewable power over more than very short periods. Whilst batteries have their part to play in our energy future, they are not ideally equipped to handle wind that typically can blow for days on end and therefore address extended wind droughts (known as "dunkenflaute" events in Europe).

In short, batteries are really being used to tackle within day demand variations and not the changes in the weather that drive the UK's renewable supply.

LDES is the UK's solution to lowering energy bills…

The UK needs cost-effective energy storage capable of delivering power for days, not hours, so it can displace the expensive gas power generation it relies upon to backup renewables. LDES, like our MESH project, is the missing piece needed to fix the UK's broken energy system.

EnergyPathways plans to power the UK using a network of up to 60 giant offshore caverns filled with compressed air. Each cavern will be around the size of four St Paul's Cathedrals. Under the EnergyPathways' MESH project scheme, excess electricity from the UK's wind and solar farms would be used to pump compressed air into giant caverns excavated below the East Irish Sea. The air, compressed 100-fold, would then be released during power shortages, for example on windless or cloudy days, to spin generators.

The caverns would be excavated into a kilometre thick layer of salt below the East Irish Sea. The key benefit is that their sheer size would provides the capacity to supply power for up to a week at a time – far longer than batteries.

MESH will be able to harness the vast amounts of renewable energy that is increasingly being wasted and costing consumers billions of pounds per year. By using this surplus renewable power, MESH's turbines can generate electricity at around half the cost of power from the UK's fleet of backup gas-fired power stations.

The MESH project, when expanded, could potentially supply up to 3GW of affordable flexible clean power - this would be enough power to supply almost a third of the UK's homes and significantly reduce the need for expensive gas power generation.

EnergyPathways's MESH compressed air energy storage ("CAES") project will be the UK's largest LDES facility. With 55 GWh of storage capacity, it will be significantly larger than any of the battery and pumped hydro projects currently in the Government's Clean Power 2030 pipeline.

Once operational in late 2031, MESH will act as a giant electricity shock absorber for the national grid that can harness the vast amounts of excess renewable power that the UK is wasting.

[1] Stacking up the storage: where the UK battery market stands in 2025 | RenewableUK EnergyPulse

Importantly, EnergyPathways' LDES solution is a more cost-effective storage solution than other forms of long duration storage. The estimated unit storage capacity cost for the MESH CAES facility is £22,000/MWh, compared with around £70,000/MWh for UK pumped hydro and approximately £430,000/MWh for BESS.

MESH Project…an infrastructure project of "National Significance"

The importance of MESH in the future UK energy landscape has already been recognised by the Government when it was designated by the Secretary of State for Energy Security & Net Zero, Rt Hon Ed Miliband MP, as an infrastructure project of "National Significance" – in September 2025. MESH's ability to time-shift excess electricity and soak up negative pricing at scale over multiple days is a gamechanger solution to the UK's future state electricity system. By developing a fully integrated energy storage hub, combining large-scale LDES along with gas storage and hydrogen storage, MESH can put real downward pressure on electricity bills while shoring up energy security and decarbonising the UK's energy future.

MESH Project…with massive scale up potential as a strategic asset class

The scale of costs of wasted wind power, using inefficient gas power generation is running into the tens of billions of pounds each year. The growth opportunity for long duration energy storage is huge.

Even though MESH will be the largest LDES project in the UK, it alone will just be a start to solving the UK's problem of rising electricity bills. The market is huge.

Our MESH system has been designed as a modular system so it can be readily scaled up and be deployed in other locations to harness the UK's wasted renewable energy.

Within EnergyPathways' licence area in the East Irish Sea – already home to some of the UK's largest offshore windfarms, we can potentially develop 2-3 GW of LDES low carbon dispatchable and flexible power. Enough to supply up to a third of UK homes.

Looking forward….

LDES, ith multi-day duration capability, is now recognised as a much-needed solution to address the challenges of the UK's energy transition.

In summary, our MESH project will cost effectively, harness the UK's wasted energy and store that excess power to deploy when it's really needed and in doing so displace expensive gas power generation twhich is setting electricity prices.

MESH will have a material impact on lowering electricity prices. Additional benefits will be reducing reliance on high emission gas power generation and the strengthening of UK energy security by reducing dependence on expensive gas imports.

With the introduction of hydrogen, we can further decarbonise the MESH system so it will produce flexible power with 5% of the emissions than that generated by gas power. This is not just cleaner, it is also cheaper. Our estimated cost of generating electricity from MESH is estimated at ~£70-90 per megawatt-hour, compared with gas power which looks set to increase to more than £150.

A further significant aspect of MESH is that we believe this project requires little to no subsidy to be developed and can be a major breakthrough to reshaping and strengthening the UK's future energy system. The team at EnergyPathways, and our valued partners, are excited to be making MESH a world-leading energy project.

Board of Directors

Mr. Mark Steeves – Chairman and Non-Executive Director

Mark has over 40 years' experience across the energy services sector, spanning supply boat operations, equipment procurement, turnkey engineering (particularly tanker operations and single point moorings), insurance and investment banking. He is an experienced non-executive director, having served as Chairman of Aquis-listed VSA Capital Group PLC (2019–2025), a partner at Partner Capital Ltd (2011–2018), and a consultant to African Development Corporation (2010–2015). Mark has a long-standing association with the Geological Society of London, co-founding its Business Forum in 2011 and chairing events on energy transition, investor relations, diversity and ethical investing and held senior roles at HSBC's insurance broking business and Aminex plc.

Mr. Benedict "Ben" Clube - Chief Executive Officer and Director

Ben Clube is the founder of EnergyPathways. He has over 30 years' commercial, finance and operations upstream experience. Previously founder and director of clean energy company EnergyCapture Limited, As a director at FAR Ltd he was responsible for building the Africa business, breakthrough M&A and commercial deals, leading to world class oil discoveries offshore Senegal. He was previously a Vice President Finance at BHP Petroleum with leadership roles in numerous international development and gas commercialisation projects in UKCS, Australia, USA, Africa, Asia.

Mr. Max Williams – Finance Director and Director

Max Williams is a Chartered Accountant with over 30 years' experience in listed natural resources companies. He served as Finance Director of Aminex PLC, where he oversaw group and joint venture finances across multiple jurisdictions for over 25 years and also acted as Company Secretary. Since 2019, he has been Finance Director and Company Secretary of Great Western Mining Corporation PLC, listed on AIM and Euronext Growth, with operations in Nevada, USA.

Mr. Graeme Marks – Asset Manager and Director

Graeme Marks has over 30 years of upstream experience, primarily with Shell. A geologist by background, he led technical, new business development and M&A gas commercialisation projects across the UKCS, Norway, Russia, Kazakhstan, Iraq and the UAE, as well as global unconventional gas plays. During his time at Shell, Graeme developed a deep understanding of the undeveloped gas potential of the East Irish Sea. He is a Chartered Geologist, a Fellow of the Geological Society of London and a member of AIPN.

Mr. Horacio Carvalho – Non-Executive Director

Horacio has over 40 years' experience developing projects across energy, cleantech, renewables and other sustainable sectors. He currently holds a number of board positions, including CEO of Climate Change Ventures Limited, which provides financial services to climate-related businesses, as well as Hydrogen Ventures Limited, a UK-based green hydrogen developer, and Resero Gas Ltd, a UK-based LNG terminal developer and operator. Previously, Horacio founded and led General des Eaux, a Portugal-based water processing and supply company serving 25,000 households, and has experience across waste recycling, carbon credit and biodiesel trading.

Mrs Alison Flower – Non-Executive Director

Alison has over 30 years of experience in the oil and gas industry and energy policy. She recently served as a Senior Energy Advisor at the Foreign Commonwealth and Development Office, advising on energy security, energy transition policy and lead missions on decarbonisation and clean energy. Previously, she held leadership positions at BG Group, where she worked with the Board and Executive to influenced capital allocation, market strategies and contributed to global LNG growth. Alison shaped investment decisions across over 30 fiscal regimes, delivered major gas, oil and LNG projects. She holds an MBA and degree in Economics. She is Chair of Energy Institute Benevolent Fund, a Fellow of the Energy Institute, Ambassador for POWERful Women, Trustee of Henley Youth Festival and a leading Executive Coach.

Directors' Strategic Report for the Period Ended 31 December 2025

The Directors present their Strategic Report of EnergyPathways plc (the "Company" or "EnergyPathways", and collectively with its Subsidiary Companies, the "Group") for the year ended 31 December 2025.

Objectives

EnergyPathways is developing low emissions energy solutions to satisfy the growing demand for home-grown clean energy for the UK as it transitions to Net Zero.

Our initial focus is to develop the 100% owned and operated Marram Energy Storage Hub ("MESH") Project. MESH is a proposed new large-scale energy storage facility that is expected to provide a secure and dependable supply of low-carbon flexible power, natural gas and green hydrogen for the UK market for over 20 years.

Our medium-term focus is to innovate and integrate emerging technologies and existing energy systems with the undeveloped gas resources of the East Irish Sea to support the UK's clean-energy transitions by providing the UK with energy security. Potential energy solutions include gas to power, flexible power generation, gas storage, hydrogen production and compressed air storage.

Strategy and Business Model

The Group is targeting lower emission energy solutions that provide affordable reliable energy to the UK market. The initial focus is to develop the 100% owned and operated Marram Energy Storage Hub ("MESH") project. MESH which has potential to integrate new technologies and energy systems (such as gas to power, renewables, CCS, compressed air and hydrogen) in support of the pathway to develop a lower carbon economy. MESH is a new large scale energy storage facility that is expected to provide a secure and dependable supply of natural gas, green hydrogen and compressed air energy for the UK market for over 20 years. MESH has been designed as a fully decarbonised and electrified zero emission facility that is to be powered by the renewable wind farms of the UK Irish Sea region. EnergyPathways aims to play a leading role in supporting the UK's energy transition and development of a hydrogen economy.

Operational Review and Outlook

A full review of the operations, financial position and outlook are set out in the Chairman's Statement.

Key Performance Indicators

Success for EnergyPathways will be the successful development of its maiden project, the MESH Storage Project. That achievement will be the foundation for further development of the opportunities to deliver value on its operational objective of bringing into production, in the near-term, low emission energy solutions to assist with the UK's transition to Net Zero while also providing critical supply to ensure domestic energy security, while delivering value for shareholders.

ESG Reporting

EnergyPathways plc is committed to operating responsibly and sustainably and recognises the critical role it plays in the environment, society, and governance in the energy sector.

Our ESG strategy is integral to our mission and values and reflects our commitment to contributing responsibly and positively to the environment and to communities we serve while delivering long-term value to our stakeholders.

EnergyPathways plc qualified as a low energy user in the year ending 31 December 2025, and accordingly is not required to disclose energy consumption and Greenhouse Gas GHG emission information.

The Company is dedicated to implementing best practices in relation to ESG and is actively seeking innovative solutions and partnerships to enhance its ESG performance in particular in our focus area of the UK energy sector. We are committed to being a responsible energy provider, and our mission is to make a significant contribution to a sustainable future for the UK.

We recognise that sustainability is a continuous journey, and we are progressing with an ongoing programme of improvements in our ESG practices. We continue to seek innovative solutions and partnerships to enhance our ESG performance.

As we move towards an operational regime, EnergyPathways plc will be rolling out and implementing a Company ESG policy, procedures and reporting as the Company progresses towards production that will meet the following criteria.

Environmental Commitment

1. Climate Change and Emissions Reduction:

- Reduce greenhouse gas emissions across our operations and run, where possible, all operations with renewable power or net zero solutions.
- Implement advanced technologies and operational practices to enhance energy efficiency and minimise our carbon footprint.

2. Sustainable Resource Management:

- Committed to sustainable sourcing and utilisation of natural resources.
- Investing in research and development of alternative energy sources and renewable energy integration.

3. Environmental Protection:

- Conducting regular environmental impact assessments and adhering to stringent environmental regulations.
- Promoting biodiversity and protecting natural habitats in areas where we operate.

Social Responsibility

1. Health and Safety:

- Ensuring the highest standards of health and safety for our employees, contractors, and communities.
- Providing continuous training and resources to maintain a safe working environment.

2. Community Engagement:

- Engaging with local communities to understand their needs and contribute to their development.
- Supporting community projects, educational initiatives, and local businesses.

3. Employee Wellbeing and Development:

- Fostering a diverse, inclusive, and equitable workplace where all employees are valued and supported.
- Offering professional development programs and career advancement opportunities.

Governance Practices

1. Ethical Business Conduct:

- Upholding the highest standards of integrity, transparency, and accountability in all our operations.
- Ensuring compliance with all relevant laws, regulations, and ethical standards.

2. Stakeholder Engagement:

- Maintaining open and honest communication with our stakeholders, including investors, employees, customers, and regulatory bodies.
- Regularly reporting on our ESG performance and progress.

3. Risk Management:

- Implementing robust risk management frameworks to identify, assess, and mitigate potential risks.
- Continuously monitoring and improving our governance practices to adapt to evolving challenges.

Principal Risks and Uncertainties

Risk area	Description	Mitigation
Government policy	The laws and regulations governing the UK energy sector are subject to the interpretation and implementation by relevant Government regulatory bodies and the continuity of UK Government energy and emissions policy, strategy, laws and regulations, and their interpretation and implementation by relevant Government regulators cannot be assured.	The Group maintains close contact and an open dialogue with UK regulatory government bodies to ensure that it is up to date with, and has a firm understanding of any changes to the regulatory environments in which it operates. The Group consults industry experts on these matters when required. The Group will apply for licences in accordance with regulatory and legal guidelines and will ensure legal title and licence fee obligations are all maintained in good standing.
Funding risk (MESH Storage Project)	The business plan requires substantial capital expenditure to complete Phase 2 of its development plan and the future expansion and development of the Group's business may also require additional capital. This funding is not yet contractually committed and there can be no guarantee that this funding will be available to the Group when it is needed.	The Group maintains tight controls over cash and monitors expenditure to budget closely. The Group has commenced discussions for the provision of debt to finance an element of the project's development, although binding terms for debt finance have not yet been reached. The Group is investigating alternative financing options for the development of its MESH Storage Project including equity, debt finance and industry participation.
Personnel	Gas development and storage activities are dependent on the availability of skilled personnel, drilling and related equipment in the particular areas where such activities will be conducted. Demand for such personnel or equipment, or access restrictions may affect the availability to the Group. The loss of key directors and key management personnel may have a negative impact on the Group's ability to execute its business strategy.	The Group's ability to execute its business plan is dependent on the quality of its directors and key personnel. The Group ensures that its directors and key personnel collectively possess a diverse and extensively experienced skill set and seeks to retain its key staff by offering remuneration packages at competitive marketplace rates.

Risk area	Description	Mitigation
Commodity price volatility	Energy prices, including electricity and gas prices, are highly volatile, and lower energy prices will negatively affect the Group's financial position, capital expenditures and results of operations.	The Group has yet to enter into contracts for the delivery of power or gas and so near-term price volatility has little effect on ongoing activities. The Group believes that the MESH storage project will provide cheaper and lower-carbon energy by utilising large-volume LDES and gas storage capacity. The alternative would be gas from higher priced, more carbon intensive LNG gas imports, making domestically produced power from LDES and gas storage projects more attractive option to both the UK Government and consumers alike.
Operational risk	Gas development and storage is a capital-intensive activity and involves numerous risks and substantial and uncertain costs that could adversely affect the Group.	The Group has ongoing discussions with host infrastructure operators in the East Irish Sea regarding tie-back options for the development of the MESH Storage Project.
Environmental risk	Project development can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.	The Group has not yet commenced revenue-generating activities from its LDES or gas storage projects. However it expects to in the foreseeable future. The Group will ensure that robust crisis management and emergency response processes are in place and regularly tested. The Group actively monitors the political, economic and social situation in areas where we do business, including business continuity plans tailored to pre-defined levels of alert.

Duty to Promote the Success of the Group

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- consider the likely consequences of any decision in the long term;
- act fairly between the members of the Group;
- maintain a reputation for high standards of business conduct;
- consider the interests of the Group's employees;
- foster the Group's relationships with suppliers, and others; and
- consider the impact of the Group's operations on the community and the environment.

The Group's operation is the management of energy assets. The Board has identified its key stakeholders as its customers, shareholders, employees and suppliers. The Board keeps itself appraised of its key stakeholders' interests through a combination of both direct and indirect engagement, and the Board has regard to these interests when discharging its duties.

Careful consideration is given to the long-term consequences of decision making. The Board has determined that the key to the Group's success, and a prime strategic objective, is to reach Final Investment Decision to develop its maiden project, known as the MESH Storage Project. The Group will also seek to secure additional projects to its portfolio.

The Board considers the Group's major stakeholders to include employees, suppliers, partners, regulatory bodies and shareholders. When making decisions, consideration is given to the interest of each stakeholder group individually and collectively. Certain decisions require more weight attached to some stakeholders than others and while generally seeing the long-term interest of the shareholders as of primary importance, the Directors consider those interests are best served by having regard to the interests of the other key stakeholder groups and, in fact, to all of the s172 considerations.

Given the size of the Group and the nature of its business, there are only a few employees, however, the Board considers the Group's employees essential to the success of the Group. The Board has identified personnel risk as being a key risk area facing the Group and has the following risk mitigation in place: the Group's ability to execute its business plan is dependent on the quality of its directors and key personnel. The Group ensures that its directors and key personnel collectively possess a diverse and extensively experienced skill set and seeks to retain its key staff by offering remuneration packages at competitive marketplace rates.

The Board ensures that the Group endeavours to maintain good relationships with its suppliers through contracting on standard business terms and paying promptly, within reasonable commercial terms. In addition to communicating through news announcements made available on the Company's website, and through regulated market announcements, the Group also engages in supplier face-to-face meetings, email and telephone conversations with key contacts.

As is stated in the QCA Code Principle 4, "The Directors are very aware of the Group's corporate, environmental and social responsibilities. In pursuing its business objectives EnergyPathways is committed to delivering lasting benefit to the local communities and environments where it works as well as to its shareholders, employees and contractors." The Group strives to ensure that it operates in adherence to all applicable environmental and social standards and regulations, and seeks to ensure that suppliers engaged by the Group conduct their business activities with the same diligence.

As is stated in the QCA Code Principle 2, "The Directors strive to promote a corporate culture based on sound ethical values and behaviours". To that end, the Group has adopted a strict anti-corruption and whistle-blowing policy, but the Directors are not aware of any event to date that might be considered to breach this policy. The Executive Directors will ensure that external contractors are aware of, and comply with, this policy. The Board recognises its responsibility for setting and maintaining a high standard of behaviour and business conduct. There is no special treatment for any group of shareholders and all material information is disseminated through appropriate channels and available to all through the Group's corporate presentations, news releases and website as is described in more detail in QCA Code Principle 3.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during the year to 31 December 2025:

- Allocation of the Group's capital in a way which the Directors believe offers significant long term returns to shareholders, while also ensuring that the Group retains flexibility to continue to deploy capital towards growth.

During the year to 31 December 2025, the Board assessed its current activities between the Board and its stakeholders, which demonstrated that the Board actively engages with its stakeholders and takes their various objectives into consideration when making decisions. Specifically, actions the Board has taken to engage with its stakeholders over the year to 31 December 2025 include:

- arranging meetings with certain stakeholders to provide them with updates on the Group's operational activities and other general corporate updates;
- developing an investor relations programme of meetings with existing and potential shareholders;
- holding the 2025 Annual General Meeting; and
- establishing a company culture and with the intention of enabling continuously improvement of company culture and morale as the Group continues to develop.

The Board believes that appropriate steps and considerations have been taken during the year so that each Director has an understanding of the various key stakeholders of the Group. The Board recognises its responsibility to contemplate all such stakeholder needs and concerns as part of its discussions, decision-making, and in the course of taking actions, and will continue to make stakeholder engagement a top priority in the coming years.

Approved on behalf of the Board on 29 June 2026 by:

Ben Clube
Chief Executive Officer

CORPORATE GOVERNANCE REPORT

The Directors recognise the importance of, and are committed to, high standards of corporate governance. The Directors adhere to the Quoted Companies Alliance's Corporate ("QCA") Governance code. The Group's compliance with this code is summarised below and can be found in full on the Group's website at: https://energypathways.uk/corporategovernance.

Governance Report

Introduction

The Group recognises the importance of, and is committed to, high standards of Corporate Governance. The Company adopted the Quoted Company Alliance Corporate Governance Code (2023) ("the Code"). It is believed that the QCA Code provides the Group with the framework to help ensure that a strong level of governance is maintained, enabling the Group to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all its stakeholders.

There follows a short explanation of how the Group will apply key principles. The other principles are stated on the Company's website:

Principle 1
Establish a purpose, strategy and business model which promotes long-term value for shareholders
The Group's purpose is to pursue energy solutions that offer cost effective, low emission and secure energy for the United Kingdom. The Group's strategy is:

- to harness the UK's wasted wind power through Long Duration Energy Storage and low-carbon flexible power;
- to bolster the UK's energy security with large-scale natural gas storage; and
- to develop future hydrogen industries through decarbonisation pathways in hydrogen, power, graphite and ammonia.

To this effect the Group has designed its foundation asset, the MESH Project.

Principle 2
Promote a corporate culture that is based on ethical values and behaviours
The Directors strive to promote a corporate culture based on sound ethical values and behaviours. To that end, the Group has adopted a strict anti-corruption and whistle-blowing policy, but the Directors are not aware of any event to date that might be considered to breach this policy. The Executive Directors will ensure that external contractors are aware of, and comply with, this policy.

The Group has also adopted a code for Directors' and employees' dealings in securities, which is appropriate for a company whose securities are traded on AIM. The code is in accordance with the requirements of MAR.

The Board is also aware that the tone and culture that it sets will greatly impact all aspects of the Group and the way that employees behave, as well as the achievement of corporate objectives. A significant part of the Group's activities is centred upon an open dialogue with shareholders, employees and other stakeholders, including governmental departments. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives.

Principle 3

Seek to understand and meet shareholders' needs and expectations

The Group supports an open and transparent dialogue with shareholders with the aim of ensuring shareholders' views on the performance of the Group are heard and shareholders' needs and objectives are understood.

The annual general meeting is a key part of the Group's investor relations strategy and shareholders are encouraged to participate, particularly private investors who have the opportunity to ask questions and raise issues, either formally during the meeting or informally with the Directors following conclusion of business. Mark Steeves and Ben Clube lead shareholder engagement meeting with shareholder when required including online shareholder forums.

Direct communication with shareholders is achieved primarily through the timely release of regulatory news, via a regulatory information service, which can be accessed through various channels, including the London Stock Exchange website https://www.londonstockexchange.com and the Group's website, energypathways.uk.

The Group maintains an ongoing investor relations programme which includes individual meetings with institutional shareholders and analysts following the preliminary and half-year results, including presentations to institutions as well as face to face, or virtual, briefings for groups of shareholders. Ongoing shareholder communication is conducted regularly throughout the year on an ad hoc basis. The Directors aim to answer as many questions as possible in these sessions.

Principle 4

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Directors are very aware of the Group's corporate, environmental and social responsibilities. In pursuing its business objectives EnergyPathways is committed to delivering lasting benefit to the local communities and environments where it works as well as to its shareholders, employees and contractors.

Principle 5

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Directors are responsible for setting the risk framework within which the Group operates and ensuring that suitable risk-management controls and reporting structures are in place throughout the Group.

The management of the business and the execution of the Group's strategy are subject to a number of risks. The Directors ensure that risks are mitigated as far as reasonably practicable by performing a detailed review of the issues pertaining to each significant decision. Significant decisions are reviewed by the Board having consulted the Group's professional third-party advisers, be they legal, financial or technical. The Board will convene on a regular basis, by telephone, videoconferencing or in person on a formal basis to discuss risk management.

The Company maintains a risk register that identifies the key corporate, technical and financial risks to which the Company is exposed. The risk register is reviewed and if required updated at each Board meeting. The impact of risks is mitigated by: the recruitment of appropriately qualified and experienced staff and consultants to key financial, technical and management positions; consideration of industry risks through the assessment of technical issues including subsurface risk; cash flow management and treasury procedures; and regular management, Committee and Board meetings to review operating and financial activities.

The nature of the Group's operations has particular risk management challenges, including, in particular, maintaining the health and safety of all staff and contractors working on site and ensuring that all drilling and related operations are carried out in an environmentally sound and safe manner. All health and safety measures are formalised, described in detailed manuals and are explained in person to all people associated with the Group's operational activities. In addition, the Group ensures that it has appropriate insurances in place before commencing any of its planned technical work.

Principle 6

<u>Establish and maintain the Board as a well functioning, balanced team led by the chair</u>

The Board meets formally in person and by telephone multiple times throughout the year and at least six times per year and meetings are scheduled each year in advance.

The Directors encourage a collaborative board culture to ensure that each decision reached is always in the Group's and its shareholders' best interests and that any one individual opinion never dominates the decision-making process. The Directors seek, so far as possible, to achieve decisions by consensus and all Directors are encouraged to use their independent judgement and to challenge all matters whether strategic or operational.

The Board maintains a balance of Executive and Non-Executive directors. Among the Directors currently there are three Non-executive Directors, being the Non-Executive Chairman Mark Steeves, Horácio Carvalho and Alison Flower who are all considered to be independent for the purposes of the QCA Code. The Directors are to be available for Group business in line with the terms of their executed engagements, and the Non-Executive Directors will be available for any Company business when it may arise.

The Board delegates certain decisions to an Audit Committee and a Remuneration Committee. Details of these committees are included in Principles 7 and 8.

Principle 7

<u>Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities</u>

The Directors currently consist of three Executive and three Non-Executive Directors. The Board has an appropriate balance of skills and expertise across the areas of resources, operations, finance and public markets. The Board membership is reviewed periodically as the needs of the Group evolve.

Each Director takes their continued professional and technical development seriously.

The Board ensures that it is well advised and supported by utilising a range of external experts in various fields, and employs accountants, legal counsel and a nominated adviser in accordance with the AIM Rules.

AIM quoted companies are required to state which recognised corporate governance code they follow, how they comply with such code, and to explain reasons for any non-compliance. The Directors recognise the value and importance of high standards of corporate governance and intend, given the Group's size and the constitution of the Board, to comply with the recommendations set out in the QCA Code.

The Board

The Board is responsible for the overall management of the Group's long-term objectives and strategy, the approval of budgets, the oversight of the Group's operations, the maintenance of sound internal control and risk management systems and the implementation of the Group's strategy, policies and plans. While the Board may delegate specific responsibilities, there is a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board meets regularly to review performance.

The QCA Code recommends at least two members of the Board comprise Non-Executive Directors determined by the Board to be independent. The Board is comprised of three Executive Directors and three independent Non-Executive Directors and, as such, the Company complies with the requirements of the QCA Code in this regard.

The QCA Code recommends that the Board should appoint one of its independent Non-Executive Directors to be the Senior Independent Director. However, given the size and maturity of the Group it has been decided to defer the appointment of a Senior Independent Director. If shareholders have concerns over an issue that the normal channels of communication (through the Chairman, the Chief Executive Officer or the Chief Financial Officer) have failed to resolve or for which such channels of communication are inappropriate, they are invited to contact one of the Independent Non-Executive Directors.

The Board has created an Audit Committee and a Remuneration Committee, each with written terms of reference and formally delegated duties. See pages 25 to 278 for further information on the Audit and Remuneration committees.

Principle 8
<u>Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement</u>
The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Company has established properly constituted Audit and Remuneration Committees of the Board with formally delegated duties and responsibilities.

In March 2026 the Board conducted an internal Board evaluation exercise to assess the performance of the Board and the principal Committees during 2025. The responses were then collated into a report for review and discussion by the Board and the principal Committees. The Board discussed the results of the internal evaluation exercise which provided scope for areas to be addressed by the Board and the Company. The Board concluded that this first Board performance review would form the basis for future evaluations and could also form the basis for performance-related remuneration. The Board also concluded that an external evaluation process should be conducted in the future to further enhance Board performance.

Principle 9
<u>Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture</u>

The key remuneration policy objectives of the Company are to ensure that Directors and staff are fairly rewarded for their personal contributions to the Group's overall performance through appropriate salary and fee terms. Directors are also incentivised and motivated to develop the Company in line with other shareholder interests through the award of options from time to time in accordance with the Company's Share Option Scheme. The Board considers this is a reasonable policy approach given the Company's size and the status of the Company's project.

Principle 10

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company ensures that a printed Annual Report is delivered to shareholders when requested, and also made available on the Company's website. All RNS announcements are released in a timely manner, while also ensuring all announcements are drafted in a clear and concise fashion. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and virtual or in person briefing as and when they are arranged. The outcome of all shareholder votes is disclosed in a clear and transparent manner via RNS.

The Company has included historical Annual Reports, Notices of General Meetings and RNS announcements since its admission to trading on AIM on its website. The Company also lists contact details on its website, should shareholders wish to communicate with the Board.

The Company includes, where relevant, in its Annual Report any matters of note arising from the Audit or Remuneration Committees.

Given the size of the Group, the Board is of the opinion that no formal communication structures are currently required. The Company will, however, ensure continued disclosure of all items in conjunction with AIM Rule 26 on its website.

Set out below are the Company's corporate governance practices for the year ended 31 December 2025.

Committees

The Company has established audit and remuneration committees.

Audit Committee

The Audit Committee has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on and ensuring compliance with the AIM Rules for Companies. It receives and reviews reports from the Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee met twice during year and has unrestricted access to the Group's auditors. During the year, the Audit Committee comprised a minimum of two independent Non-Executive Directors. Since Stephen West resigned from the Company, the Audit Committee has only comprised two members and the vacant position on the Audit Committee can be filled on the appointment of a new Non-Executive Director. The members of the Audit Committee are Horácio Carvalho (as Chairman of the Audit Committee) and Mark Steeves.

The Audit Committee reviews the necessity for an internal audit function. Based on the scale of the Group's operations and close involvement of the Board and senior management in setting and monitoring controls, the Audit Committee is satisfied that an internal audit function is not currently required.

The Group's external auditor is RPG Crouch Chapman LLP who have served as external auditor to the Company and have audited the financial statements of the Group for the year ended 31

December 2025. As the Company was incorporated in February 2021 the audit has not as yet gone out to tender. The Audit Committee closely monitors the level of audit and non-audit services that they provide to the Company and Group.

Having assessed the performance, objectivity and independence of the auditors, the Committee will be recommending the reappointment of RPG Crouch Chapman LLP as auditors to the Company at the 2026 Annual General Meeting.

For the year to 31 December 2025 the committee considered the following key issues in relation to the Financial Statements:

Issue	Action
• Accounting policies	The Committee reviewed and discussed the significant accounting policies with management and the external auditor and reached the conclusion that each policy was appropriate to the Group.
• Carrying value of investment in EnergyPathways UK Holdings Ltd and the carrying value of its tangible assets under development.	The Committee reviewed the impairment assessment report prepared by management and agreed that given the reasonable expectation that the Group will achieve its business objectives, that no impairment to the value of the investment in EnergyPathways UK Holdings Ltd, nor the value of the tangible assets under development in EnergyPathways Irish Sea Limited was required as at 31 December 2025.
• Going Concern review	The Committee considered the ability of the Group and Company to operate as a Going Concern considering the cash flow forecast for the next 12 months and the Group's and the Company's ability to raise additional funds in the market. It was determined by the Committee that, as the Group and Company are reliant on further funds to be raised during the going concern period (i.e. 12 months from the approval of these financial statements) to enable the group to meet its obligations as they fall due, so the directors acknowledge that a material uncertainty exists in relation to going concern.
• Review of audit and non-audit services and fees	The external auditor is not engaged by the Group to carry out any non-audit work in respect of which it might, in the future, be required to express an audit opinion. The Committee reviewed the fees charged for the provision of audit and non-audit services and determined that they were in line with fees charged to companies of similar size and stage of development. The Committee considered and was satisfied the external auditor's assessment of its own independence.

<u>Remuneration Committee</u>

The Remuneration Committee reviews the performance of Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Committee considers the level of remuneration for Executive Directors which may include the award of bonuses from time to time. No bonuses were awarded during 2025. In May 2026, the Remuneration Committee recommended that Terra South Energy Pty Ltd, a company which supplies the services of Ben Clube, receive additional fees of £130,000 for the years ended 31 December 2024 and 2025, in view of the additional time Mr Clube had devoted to the Company. The Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. No options were granted and no options vested during the year. The Remuneration Committee meets at least twice each year. The Remuneration Committee comprises a minimum of two Directors, both of whom are independent Non-Executive Directors. The members of the Remuneration Committee are Horácio Carvalho (as Chairman of the Remuneration Committee), and Mark Steeves.

Leadership

The Group is headed by an effective Board which is collectively responsible for the long-term success of the Company.

The role of the Board. The Board sets the Group's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value.

To achieve this, the Board directs and monitors the Group's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Group's core values and standards of business conduct and for ensuring that these, together with the Group's obligations to its stakeholders, are widely understood throughout the Group. The Board has a formal schedule of matters reserved which is provided later in this report.

Board Meetings. The core activities of the Board are carried out in scheduled meetings of the Board. These meetings are timed to link to key events in the Group's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During the period, the Board met on seven occasions.

Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Group or their areas of responsibility, and to keep them fully briefed on the Company's operations.

Matters reserved specifically for the Board. The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of;

- the Group's overall strategy;
- financial statements and dividend policy;
- management structure including succession planning, appointments and remuneration; material acquisitions and disposal, material contracts, major capital expenditure projects and budgets;
- decisions on the acquisition or disposal of subsidiaries and material assets;

- capital structure, debt and equity financing and other matters;
- risk management and internal controls;
- the Group's corporate governance and compliance arrangements; and
- corporate policies.

Attendance at meetings during the year ended 31 December 2025 with reference to the number of meetings held while a Director held office was:

	Board		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Mark Steeves	7	7	2	2	1	1
Ben Clube	7	7	-	-	-	-
Ben Hodges	3	3	-	-	-	-
Graeme Marks	7	7	-	-	-	-
Stephen West	2	2	-	-	-	-
Horacio Carvalho	7	7	2	2	1	1
Max Williams	4	4	-	-	-	-

The Board also met on other occasions to approve the issue of New Ordinary shares.

The Chairman has overall responsibility for corporate governance and for promoting high standards throughout the Company. He chairs the Board, setting the meeting Board agenda, and ensures the Committees have appropriate terms of reference and are conducted in accordance therewith, considers the performance of individual Directors, provides leadership in the development of strategy and setting objectives, and is responsible for communication between the Company and its shareholders.

Non-Executive Directors. The Non-Executive Directors bring a broad range of business and commercial experience to the Group and have a particular responsibility to challenge independently and constructively the performance of the Executive management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

Non-Executive Directors have a notice period of three months. The CEO has a notice period of six months and the Finance Director and Asset Manager have a notice period of three months. All Directors' appointments may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

Other governance matters. All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director. In addition, each Director and Board committee has access to the advice of the Company Secretary. The Company Secretary is Max Williams. He is responsible for the Board complying with UK procedures.

Effectiveness

For the period under review the Board comprised of a Chief Executive Officer, a Non-Executive Chairman, a Finance Director, an Asset Manager, and two independent Non-Executive Directors. Biographical details of the Board members are set out on page 13 of this report.

The Directors are of the view that the Board and its committees consist of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

Independence. The Non-Executive Directors bring a broad range of business and commercial experience to the Group. The Board considers the three Non-Executive Directors to be independent in character and judgement.

Appointments. the Board is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board with regards to any required changes.

Commitments. All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction. All new Directors received an induction as soon as practical on joining the Board.

Conflict of interest. A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Group. The Board has satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Group. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Accountability

The Board is committed to providing shareholders with a clear assessment of the Group's position and prospects. This is achieved through this report and as required other periodic financial and trading statements.

Internal controls

The Board of Directors reviews the effectiveness of the Group's system of internal controls in line with the requirement of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliance and risk management. The Group has necessary procedures in place for the year under review and up to the date of approval of the Annual Report and financial statements. The Directors acknowledge their responsibility for the Group's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Group. The Directors carry out a risk assessment before signing up to any commitments.

Mark Steeves
Chairman and Non-Executive Director

29 June 2026

DIRECTORS' REMUNERATION REPORT

The Company has an established remuneration committee. The Committee reviews the scale and structure of the Directors' remuneration, taking into account the interests of shareholders and the performance of the Company and Directors. Following a Board Performance Review conducted in May 2026, the Board is formulating a more detailed remuneration policy for approval by shareholders at the 2027 Annual General Meeting, designed to attract and retain high-calibre leadership to drive the Company forward and deliver for shareholders.

The items included in this report are audited unless otherwise stated.

Statement of EnergyPathways plc's Policy on Directors' Remuneration by the Chairman of the Remuneration Committee.

As Chairman of the Remuneration Committee, I am pleased to introduce our Directors' Remuneration Report. One of the Remuneration Committee's aims is to provide clear, transparent remuneration reporting for our shareholders which adheres to the best practice corporate governance principles that are required for publicly traded organisations.

A key focus of the Directors' Remuneration Policy is to align the interests of the Directors to the long-term interests of the shareholders and aims to support a high-performance culture with appropriate reward for superior performance, without creating incentives that will encourage excessive risk taking or unsustainable company performance. This is underpinned through the implementation and operation of incentive plans.

Key Activities of the Remuneration Committee

The key activities of the Remuneration Committee are:

- to determine and agree with the Board the framework or broad policy for the remuneration of the Group 's chairman, chief executive, the executive directors, the company secretary and such other members of the executive management as it is designated to consider. The Company has not consulted with employees on the Director's remuneration policy as there is currently no staff other than Directors;
- in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the QCA Code (the "Code") and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the Group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group;
- recommend and monitor the level and structure of remuneration for senior management;
- when setting remuneration policy for directors, review and have regard to the remuneration trends across the Group, and review the on-going appropriateness and relevance of the remuneration policy;
- obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;

- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- approve the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes;
- review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used;
- ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
- oversee any major changes in employee benefits structures throughout the Group.

Members

The Remuneration Committee comprises the following independent Non-Executive Directors:

Name	Position	Date of appointment
Horacio Carvalho	Chairman	20 December 2023
Mark Steeves	Member	20 December 2023

Remuneration Components

The Company remunerates Directors in line with best market practice in the industry in which it operates. The components of Director remuneration that are considered by the Board for the remuneration of directors in future years are likely to consist of:

- base salaries
- pension and other benefits
- annual bonus
- share incentive arrangements

The Company is in early-stage project development and has primarily rewarded Directors through base salary and fees. The Company is developing performance targets, having conducted a Board Performance Review in 2026, in order to define potential remuneration beyond base salaries and to ensure Directors' interests are aligned with those of shareholders and other stakeholders.

The Executive Directors have entered into service and consultancy agreements with the Company and the Non-Executive Directors have entered into letters of appointment with the Company.

All such contracts impose certain restrictions as regards the use of confidential information and intellectual property and the Executive Directors' service contracts impose restrictive covenants which apply following the termination of the agreement.

Other Matters

The Group has a share option scheme interests in place for Directors and senior management.

The Group has established a workplace pension scheme but it does not presently have any employees qualifying under the auto-enrolment pension rules who have not opted out of the scheme. It does pay statutory pension amounts in relation to Directors' remuneration into nominated pension accounts. The Group has not paid out any excess retirement benefits to any Directors or past Directors. The Group has not paid any compensation to past Directors post termination.

Recruitment Policy

Base salary levels will take into account market data for the relevant role, internal relativities, their individual experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Board may agree that the Group will meet certain relocation and/or incidental expenses as appropriate.

Payment for Loss of Office

The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There is no agreement between the Company and its Executive Directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

Service Agreements and Letters of Appointment

The Executive Directors entered into service or consultancy agreements which may subsequently be terminated by the Company or the Executive Directors as stated in the table below:

Name	Date of service agreement	Notice period by Company (months)	Notice period by Director (months)
Ben Clube	20 December 2023	6	6
Graeme Marks	20 December 2023	3	3
Max Williams	1 April 2025	3	3

The Non-Executive Directors of the Company do not have service contracts but are appointed by letters of appointment. Each Non-Executive Director's term of office runs for an initial period of three years unless terminated earlier upon written notice or upon their resignations.

The terms of the Non-Executive Directors' appointments are subject to their re-election by the Company's shareholders at any Annual General Meeting at which the Non-Executive Directors stand for re-election.

The details of each Non-Executive Director's current term are set out below:

Name	Date letter of appointment	Current term (years)	Notice period by Company (months)	Notice period by Director (months)	Date of resignation
Mark Steeves	20 December 2023	3	3	3	-
Horacio Carvalho	20 December 2023	3	3	3	-

Executive Directors' Remuneration

The table below sets out the remuneration received by each Executive Director for the year ended 31 December 2025 and the year ended 31 December 2024. Mr. Clube was the highest paid Director:

Executive Directors	Short term benefits – salary and fees paid	Short term benefits – salary and fees accrued	Short term benefits – consultancy fees accrued	Total
	2025	2025	2025	2025
	£	£	£	£
Ben Clube	137,500	37,349	215,151	390,000
Ben Hodges[1]	10,739	10,025	-	20,764
Graeme Marks	88,965	59,310	-	148,275
Max Williams[2]	40,100	20,050	-	60,150
Total	277,304	126,734	215,151	619,189

1 Ben Hodges resigned as CFO and Director of the Company on 31 March 2025

2 Max Williams was appointed as CFO and Director of the Company on 1 April 2025

Executive Directors	Short term benefits – salary and fees paid	Short term benefits – salary and fees accrued	Short term benefits – consultancy fees accrued	Total
	2024	2024	2024	2024
	£	£	£	£
Ben Clube	62,834	37,349	160,151	260,334
Ben Hodges[1]	41,286	40,100	-	81,386
Graeme Marks	14,827	126,712	-	141,539
Total	118,947	204,161	160,151	483,259

In May 2026 following a Board Performance Review, additional consulting fees amounting to £130,000 were agreed payable to Terra Sount Energy Pty Ltd, a company of which Mr. Clube is a beneficial owner and through which his services are provided. The additional fees related to the significant extra time Mr. Clube provided to the Company during the two years ended 31 December 2024 and 31 December 2025. The additional fees have been accrued at 31 December 2025 and included in the remuneration table for 2025 above, with the fees being settled in equity in May 2026.

Non-Executive Directors' Remuneration

The table below sets out the remuneration received by each Non-Executive Director for the year ended 31 December 2025 and the year ended 31 December 2024:

	Short term benefits – salary and fees paid 2025 £	Short term benefits – salary and fees accrued 2025 £	Total 2025 £
Mark Steeves	27,500	15,000	42,500
Stephen West[1]	2,400	2,400	4,800
Horacio Carvalho	19,800	10,800	30,600
Total	49,700	28,200	77,900

1 Stephen West resigned as Director of the Company post period end on 28 February 2025

	Short term benefits – salary and fees paid 2024 £	Short term benefits – salary and fees accrued 2024 £	Total 2024 £
Mark Steeves	20,591	20,000	40,591
Stephen West[1]	14,826	14,400	29,226
Horacio Carvalho	14,826	14,400	29,226
Total	50,243	48,800	99,043

Horacio Carvalho
Director & Remuneration Committee Chairman

29 June 2026

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their report and the financial statements for EnergyPathways plc (the "Company" or "EnergyPathways", and collectively with its Subsidiary Companies, the "Group") for the year ended 31 December 2025.

Principal activities

The principal activity of the Group is targeting lower emission energy solutions that provide affordable reliable energy to the UK market. The initial focus is to develop the 100% owned MESH project, which has the potential to integrate new technologies and energy systems (such as gas to power, renewables, CCS, compressed air and hydrogen) in support of the pathway to develop a lower carbon economy. MESH is a proposed new large-scale energy storage facility that is expected to provide a secure and dependable supply of natural gas, green hydrogen and compressed air energy for the UK market for over 20 years. MESH has been designed as a fully decarbonised and electrified zero emission facility that is to be powered by the renewable wind farms of the UK Irish Sea region. EnergyPathways aims to play a leading role in supporting the UK's energy transition and development of a hydrogen economy.

Review of business and financial performance

A full review of the operations, financial position and outlook are set out in the Chairman's Statement.

Corporate Governance

Refer to the Corporate Governance statement which is presented in pages 21 – 29 of this report.

Subsequent Events

Refer to note 24 for details on events subsequent to balance date.

Results and dividend

The Group's loss for the year ended 31 December 2025 was £1,659,501 (2024: £1,203,671).

The Directors do not recommend the payment of a dividend (2024: £nil).

Balance Sheet

At 31 December 2025 the Group had a cash balance of £1,092,759 (2024: £857,650) and total assets of £4,466,014 (2024: £2,369,830).

Financial Risk Management

The Group maintains bank accounts with Metro Bank Plc and Alpha FX Limited. Financial risk management policies are set out in note 21.

Policy and practice on payment of creditors

It is the Group's policy to settle all amounts owing to creditors on a timely basis and in accordance with the terms of credit agreed with each supplier.

Directors

The Directors who have held office as at the date of the approval of these financial statements were:

	Date appointed
Mark Steeves	20 December 2023
Ben Clube	20 December 2023
Graeme Marks	20 December 2023
Horacio Carvalho	20 December 2023
Max Williams	1 April 2025
Alison Flower	28 May 2025

Other changes in Directors are as follows:

	Date appointed	Date resigned
Stephen West	-	28 February 2025
Ben Hodges	-	31 March 2025

Directors' share interests

The number of ordinary shares of the Company in which the Directors were beneficially interested at 31 December 2025 was:

	31 December 2025	31 December 2024
Mark Steeves	937,500	937,500
Ben Clube[1]	11,402,646	9,879,012
Graeme Marks	6,814,871	6,643,073
Horacio Carvalho[2]	768,740	-
Max Williams	417,647	-

[1]Ben Clube holds his shares indirectly through Painkalac Holdings Pty Ltd ATF Lighthouse Trust and Flax Lily Super Superannuation Fund.
[2]Horacio Carvalho holds his options directly and indirectly through Quest JFM Investments Ltd and Climate Change Ventures Limited.

Directors' option and warrant interests

	31 December 2025			31 December 2024		
	Warrants	Vested options	Unvested options	Warrants	Vested options	Unvested options
Mark Steeves	-	947,500	-	-	947,500	-
Ben Clube[1]	729,411	-	2,842,499	-	-	2,842,499
Graeme Marks	117,647	-	2,842,499	-	-	2,842,499
Horacio Carvalho[2]	588,235	947,500	-	-	947,500	-
Max Williams	417,647	-	-	-	-	-

[1]Ben Clube holds his options indirectly through Painkalac Holdings Pty Ltd ATF Lighthouse Trust and warrants through Flax Lily Super Superannuation Fund.
[2]Horacio Carvalho holds his options indirectly through Quest JFM Investments Ltd and Climate Change Ventures Limited.

Political donations

The Group made no political donations during the year (2024: £nil).

Charitable donations

There were no charitable donations made by the Group in the year under review (2024: £nil).

Going concern

In order to assess the appropriateness of the going concern basis in preparing the financial statements for the year ended 31 December 2025, the Directors have considered a time period of at least twelve months from the date of approval of these financial statements.

The Group and Company are currently not revenue-generating and incurred an operating loss during the year ended 31 December 2025. At the balance sheet date, the Group had cash and cash equivalents amounting to £1.10 million. The Company entered into a Financing Agreement for up to £15 million in March 2026, comprising a Loan Facility of £5 million and an "At The Market" Equity Facility of £10 million. The future of the Group and the Company is dependent on the development of the MESH project to deliver Energy Security and Net Zero in line with the UK Government's energy policy and the Group has been successful in applying for a gas storage licence, signing Gas Storage Licence GS009 in May 2026. The Directors believe that the Group's and the Company's cash flow can be assisted by raising additional capital, the deferral of planned expenditure and other cost saving actions, loan facilities for revenue-generating operations or from future revenues. The Loan Facility may also be converted into equity at the lender's option and the lender has already converted an amount of £500,000 of the debt into equity. The Directors have also taken into consideration the successful completion of fundraises since IPO to provide additional cash resources.

The Directors concluded that the Group and the Company will have sufficient resources to continue as a going concern for the future, that is for a period of not less than 12 months from the date of approval of the consolidated financial statements.

However, there exists a material uncertainty that may cast significant doubt over the ability of the Group and the Company to continue as a going concern. The Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business if it is unable to raise funds for further development of the MESH project. The condensed consolidated statements have been prepared on a going concern basis and do not include any adjustments that would be necessary if this basis were inappropriate.

Auditor

RPG Crouch Chapman LLP has signified their willingness to continue in office as auditor.

This report was approved and authorised for issue by the Board on 29 June 2026 and signed on its behalf by

Ben Clube
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' 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 have elected to prepare the financial statements in accordance with applicable law and UK-adopted International Accounting Standards (UK-IAS). 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 company and of the Group and of the profit or loss 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK-IAS have been followed 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 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 Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In addition the Directors also ensure that qualifying third party indemnity provision for the benefit of one or more directors (of the Company or an associated company or of its directors) is in force at any time during the financial year

The Directors are responsible for ensuring that they meet their responsibilities under the AIM Rules.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of EnergyPathways plc

Opinion on the financial statements

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 31st December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of EnergyPathways plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31st December 2025 which comprise the Consolidated Statement of Comprehensive Loss, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, The Consolidated Statement of Cashflows, The Company Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We 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.

Material uncertainty relating to going concern

We draw your attention to Note 2.3 to the financial statements, which explains that the Group and Parent Company are required to raise additional funds to meet its working capital and capital expenditure requirements which has not been secured at the date of approval of these financial statements. As stated in Note 2.3, these events and conditions, along with other matters set out in Note 2.3, indicate a material uncertainty that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result from the basis of preparation being inappropriate. Our opinion is not modified in respect of this matter.

For the reason set out above and based on our risk assessment, we determined going concern to be a key audit matter.

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 and our response to this key audit matter included the following:

- Obtained the going concern assessment prepared by Management, including the cash flow forecasts for the going concern period and assessed the appropriateness of the process undertaken by management in preparing the assessment. Reviewed the cash flow model adopted by Management to support the going concern basis of preparation, the controls around the model and sensitivities considered within the model.
- Assessed the mathematical accuracy and integrity of the model.
- Enquired on plans for raising additional funding and consider management's ability and past performance in successfully raising funds;
- Reviewed and challenged the disclosure within the financial statements for transparency.

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 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**
	Classification and carrying value of exploration and evaluation assets*		✓
	Classification and carrying value of tangible, under development assets*	✓	
	Going Concern	✓	✓
	In the previous year, the classification and carrying value of exploration assets were identified as a key audit matter. During the year-ended 31 December 2025, a prior period error had been identified to reclassify the project asset to a tangible asset under development. As a result, our key audit matter for the current financial year was reassessed to be the Classification and carrying value of tangible, under development assets.		

Materiality	Group financial statements as a whole £78K (2024: £41k) based on 1.75% (2024: 1.75%) of Gross 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. On the basis of this, 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

From our risk assessment and planning procedures, we determined which of the Group's components were likely to include risks of material misstatement relevant to the Group's financial statements. We then determined the type of procedures to be performed at these components, and the extent to which component auditors were required to be involved.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. As part of performing our Group audit, we have determined the components in scope as follows:

Component	Component Name	Entity	Group Audit Scope
1	Parent Company	EnergyPathways plc (Parent Company)	Procedures on the entire financial information of the component.
2	Project Company	EnergyPathways Irish Sea Ltd	Procedures on the entire financial information of the component.

In determining components, we have considered how components are organised within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities. Whilst there is relative commonality of controls across the Group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

The Group engagement team has performed all procedures directly, and has not involved component auditors in the Group audit.

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 addressed the key audit matter**
Classification and carrying value of the tangible, under development assets *(References: Accounting policy – Note 3, Significant accounting estimates and judgements: Recoverable value of property, plant and equipment – asset under development and Reclassification of intangible asset to property plant and equipment – asset under development – Note 3, Note 12 – Property, plant and equipment)*	*There exists a risk of material misstatement arising from management judgement in assessing impairment indicators and determining the recoverable amount of tangible assets under development. Risk of material misstatement also arising from management's judgement in determining capitalization of project expenditure, developments could be overstated as a result of incorrect accounting treatment. There is also the risk of incorrect classification.* *Given the financial significance of the gas storage project assets, the significant judgement involved in determining whether any indicators of impairment exist, we consider this to be a key audit matter.*	*We have performed the following procedures in respect of the classification and carrying value of the tangible, under development assets:* • *Obtained an understanding of the design and implementation assessments of systems and control;* • *Confirmation that the Group has valid title to the applicable licences that allow for the development of the future MESH project and has fulfilled any specific conditions therein; relevant to impairment assessments of the project assets;* • *Critically assessed the progress of the individual project during the year and post year end;* • *Critically assessed and substantively tested capitalised tangible asset expenditure including consideration of its appropriateness for capitalisation under IAS 16;* • *Consideration of management's judgement concerning the classification of capitalised expenditure as under development assets as per IAS 16.* • *Consideration of management's write-off recognised in the year, and assessment of whether any further impairment indicators existed in accordance with IAS 36, including corroboration and challenge of management's conclusions;* • *Evaluating the accounting policy and detailed disclosures included in the financial statements to confirm whether information provided in the financial statements is compliant with the requirements of UK adopted International Accounting Standards.* **Key Observations:** *We found the key judgements made by management in the classification of the project expenses and assessing the project asset for indicators of impairment to be reasonable.*

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		**Parent company financial statements**	
	2025 £	2024 £	2025 £	2024 £
Materiality	78,000	41,000	53,000	37,000
Basis for determining materiality	1.75% of Gross Assets		1.75% of Gross Assets (Capped at 90% of Group MAT)	
Rationale for the benchmark applied	We consider total assets to be the most significant determinant of the Group's financial performance for users of the financial statements, as the Group continues to develop its projects.			
Performance materiality	51,000	30,800	34,000	28,000
Basis for determining performance materiality	65% of Group Materiality	75% of Group Materiality	65% of Parent Materiality	75% of Parent Materiality
Rationale for the percentage applied for performance materiality	The percentages applied reflected our assessment of aggregation risk, the nature of the Group's operations, and our expectation of the level of misstatement based on our risk assessment. We've lowered it in response to our risk assessment for a Group with a change in focus from exploration to energy storage.			

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of 80% Group performance materiality dependent on a number of factors including the size of the component and our assessment of the risk of material misstatement of that component. Component performance materiality was determined as £63,000.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £3,900 (2024: £1,900). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled '*Annual Report and Financial Statements for the Year Ended 31 December 2025*' 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	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. owledge 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.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements 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 Directors' responsibilities statement, 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.

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, and;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations,

We considered the significant laws and regulations to be the UK Companies Act 2006, UK-adopted International Accounting Standards, tax legislation, Listing Rules, the Bribery Act 2010, and terms and requirements included in the Group's project licences.

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 tax legislation.

Our procedures in respect of the above included:

- Review of minutes of Board meetings for any instances of non-compliance with laws and regulations;
- Review of correspondence 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; 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 regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - o Detecting and responding to the risks of fraud; and
    - o Internal controls established to mitigate risks related to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through inappropriate journal entries and bias in key estimates in judgements.

Our procedures in respect of the above included:

- Enquiring with management and those charged with governance 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;
- Reviewing 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; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be Management override of controls.

We addressed the risk of management override of controls by,

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Significant estimates made by management for bias, which include those in Management's assessment of the carrying value of the project assets.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members 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.

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.

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.

Mark Bayliss BA FCA (Senior Statutory Auditor)
For and on behalf of RPGCC LLP, Statutory Auditor
London, United Kingdom

29 June 2026

RPG Crouch Chapman LLP is a limited liability partnership registered in England and Wales (with registered number OC375705).

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR TO 31 DECEMBER 2025

	Note	2025 £	2024 £
Administrative expenses	4	(1,415,172)	(1,072,289)
Impairment of property, plant and equipment	11	(167,591)	-
Pre-acquisition license expenses		(71,349)	(123,562)
Operating Loss		(1,654,112)	(1,195,851)
Net finance costs	5	(5,389)	(860)
Listing costs		-	(6,960)
Loss before tax		(1,659,501)	(1,203,671)
Taxation	8	-	-
Loss for the period		(1,659,501)	(1,203,671)
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Other comprehensive income		-	-
Total comprehensive income		(1,659,501)	(1,203,671)
Loss per share (pence) basic and diluted	9	(0.87)	(0.75)

All operations are continuing.

The notes on pages 54 to 81 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	Group As at 31 December 2025 £	Group As at 31 December 2024 (restated) £	Company As at 31 December 2025 £	Company As at 31 December 2024 (restated) £
Non-current assets					
Intangible assets	10	-	-	-	-
Property, plant & equipment	11	3,079,697	1,405,271	613	1,109
Loan to subsidiaries	14	-	-	3,439,587	1,908,201
Investment in subsidiary	15	-	-	2,734,205	2,734,205
		3,079,697	1,405,271	6,174,405	4,643,515
Current assets					
Trade and other receivables	12	293,558	106,909	72,614	40,587
Cash and cash equivalents	13	1,092,759	857,650	835,621	461,836
		1,386,317	964,559	908,235	502,423
Total assets		4,466,014	2,369,830	7,082,640	5,145,938
Current liabilities					
Trade and other payables	16	(1,979,383)	(1,103,321)	(943,699)	(515,767)
		(1,979,383)	(1,103,321)	(943,699)	(515,767)
Total liabilities		(1,979,383)	(1,103,321)	(943,699)	(515,767)
Net assets		2,486,631	1,266,509	6,138,941	4,630,171
Equity					
Ordinary share capital	17	2,241,923	1,684,954	2,241,923	1,684,954
Share premium	17	6,808,918	4,772,264	6,808,918	4,772,264
Share based payments reserve	18	517,000	288,000	517,000	288,000
Retained earnings		(7,081,210)	(5,478,709)	(3,428,900)	(2,115,047)
Total equity		2,486,631	1,266,509	6,138,941	4,630,171

The notes on pages 54 to 81 form part of these financial statements.

The Consolidated Financial Statements of EnergyPathways plc were approved by the Board of Directors and authorised for issue on 29 June 2026.

Signed on behalf of the Board of Directors by:

Max Williams
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Ordinary Share capital £	Share premium £	Share based payments reserve £	Retained earnings £	Total £
Balance as at 31 December 2023		1,579,166	4,451,952	176,000	(4,341,038)	1,866,080
Loss for the period and total comprehensive income		-	-	-	(1,203,671)	(1,203,671)
Issue of shares for services	17	28,388	46,112	-	-	74,500
Issue of shares – exercise of warrants	17	77,400	274,200	(66,000)	66,000	351,600
Issue of options	18	-	-	178,000	-	178,000
Balance as at 31 December 2024		1,684,954	4,772,264	288,000	(5,478,709)	1,266,509
Loss for the period and total comprehensive income		-	-	-	(1,659,501)	(1,659,501)
Issue of shares for services	17	69,470	261,315	-	-	330,785
Issue of shares – share subscriptions and placings	17	455,524	1,774,167	277,000	-	2,506,691
Issue of shares – exercise of warrants	17	22,500	72,500	(39,000)	39,000	95,000
Issue of shares – exercise of options	17	9,475	28,425	(18,000)	18,000	37,900
Share issue costs	17	-	(99,753)	-	-	(99,753)
Issue of broker warrants	18	-	-	9,000	-	9,000
Balance as at 31 December 2025		2,241,923	6,808,918	517,000	(7,081,210)	2,486,631

The notes on pages 54 to 81 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Ordinary Share capital £	Share premium £	Share based payments reserve £	Retained earnings £	Total £
Balance as at 31 December 2023		1,579,166	4,451,952	176,000	(1,127,225)	5,079,893
Loss for the period and total comprehensive income		-	-	-	(1,053,822)	(1,053,822)
Issue of shares for services	17	28,388	46,112	-	-	74,500
Issue of shares – exercise of warrants	17	77,400	274,200	(66,000)	66,000	351,600
Issue of options	18	-	-	178.000	-	178,000
Balance as at 31 December 2024		1,684,954	4,772.264	288,000	(2,115,047)	4,630,171
Loss for the period and total comprehensive income		-	-	-	(1,370,853)	(1,370,853)
Issue of shares for services	17	69,470	261,315	-	-	330,785
Issue of shares – share subscriptions and placings	17	455,524	1,774,167	277,000	-	2,506,691
Issue of shares – exercise of warrants	17	22,500	72,500	(39,000)	39,000	95,000
Issue of shares – exercise of options	17	9,475	28,425	(18,000)	18,000	37,900
Share issue costs	17	-	(99,753)	-	-	(99,753)
Issue of broker warrants	18	-	-	9,000	-	9,000
Balance as at 31 December 2025		2,241,923	6,808,918	517,000	(3,428,900)	6,138,941

The notes on pages 54 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	2024 (restated) £
Cash flows from operating activities			
Loss before tax for the year		(1,659,501)	(1,203,671)
Adjustments for:			
Depreciation	11	3,413	2,062
Share based payments	18	9,000	178,000
Compensation settled in shares		81,037	25,000
Interest income	5	(125)	(365)
Interest expense	5	5,514	1,225
		(1,560,662)	(997,749)
Changes in non-cash working capital accounts			
Decrease/(increase) in trade and other receivables	12	(187,138)	514,152
(Decrease)/increase in trade and other payables	16	437,972	(136,135)
Cash used in operating activities		(1,309,828)	(619,732)
Investing activities			
Purchases of exploration and evaluation assets	10	-	(321,055)
Purchases of property, plant & equipment	11	(1,038,187)	(260,606)
Interest income	5	125	365
Net cash used in investing activities		(1,038,062)	(581,296)
Financing activities			
Proceeds from issue of ordinary share capital	17	2,639,592	1,565,245
Share issue costs	17	(56,593)	-
Interest paid	5	-	(1,225)
Proceeds from loans and borrowings	14	-	-
Net cash provided by financing activities		2,582,999	1,564,020
Net increase in cash and cash equivalents		235,109	362,992
Cash and cash equivalents at beginning of year	13	857,650	494,658
Cash and cash equivalents and end of year	13	1,092,759	857,650

There were no significant non-cash transactions in the year to 31 December 2025.
The notes on pages 54 to 81 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year to 31 December 2025	Year to 31 December 2024
		£	£
Cash flows from operating activities			
Loss before tax for the period		(1,370,853)	(1,053,822)
Adjustments for:			
Depreciation	11	496	389
Share based payments	18	9,000	178,000
Compensation settled in shares		81,037	25,000
Interest income	5	(8)	(138)
Interest expense		5,514	1,225
		(1,274,814)	(849,346)
Changes in non-cash working capital accounts			
Decrease/(increase) in trade and other receivables	12	(32,029)	565,585
Increase in trade and other payables	16	422,418	101
Cash used in operating activities		(884,425)	(283,660)
Investing activities			
Loan to subsidiary	14	(1,324,797)	(1,289,249)
Purchases of exploration and evaluation assets	15	-	(13,695)
Purchases of property, plant & equipment	11	-	(1,498)
Interest received		8	138
Net cash used in investing activities		(1,324,789)	(1,304,304)
Financing activities			
Proceeds from issue of ordinary share capital	17	2,639,592	1,565,245
Share issue costs	17	(56,593)	-
Interest paid		-	(1,225)
Net cash provided by financing activities		2,582,999	1,564,020
Net (decrease) in cash and cash equivalents		373,785	(23,944)
Cash and cash equivalents at beginning of period	13	461,836	485,780
Cash and cash equivalents and end of period	13	835,621	461,836

There were no significant non-cash transactions in the year to 31 December 2025.
The notes on pages 54 to 81 form part of these financial statements.

1. General Information

EnergyPathways plc (the "Company" or "EnergyPathways") is a company incorporated in England and Wales under the Companies Act 2006 with the registered number 13201653. The Company's registered office is Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH.

The principal activity of the Group is targeting lower emission energy solutions that provide affordable reliable energy to the UK market. The initial focus is to develop the 100% owned and operated MESH project.

The financial statements presented for Group and Company are for the year ended 31 December 2025.

2. Summary of significant accounting policies

The principal accounting principles applied in the preparation of these financial statements are set out below. These principles have been consistently applied to all years presented, unless otherwise stated.

2.1. Basis of preparation

These consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with the UK adopted International Accounting Standards and those parts of the Companies Act 2006 that are relevant to companies which report in accordance with UK adopted IFRS. The Company financial statements for the year ended 31 December 2025 have been prepared on a going concern basis and in accordance with UK Adopted International Accounting Standards and the Companies Act 2006 in so far as it is applicable when reporting under UK adopted IFRS. The consolidated financial statements provide comparative information in respect of the previous period. The Group presents a restated financial position at the end of the prior period for a reclassification of items in financial statements following the reclassification of an intangible asset to property, plant and equipment as set out in notes 10 and 11. The reclassification did not give rise to any adjustments to the opening balances of the prior period and accordingly balance sheet as at 1 January 2024 has not been presented in the Statement of Financial Position for the Group

2.2. Basis of Consolidation

The financial statements consolidate the financial information of the Company and its subsidiaries EnergyPathways UK Holdings Ltd and EnergyPathways Irish Sea Limited (together "the Subsidiaries") at the reporting date. Subsidiaries are consolidated into the Group when control is achieved, defined as where the Company has the power to govern the financial and operating policies of an investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The results of the Subsidiaries included in the financial information are from the effective date of acquisition. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. The financial statements of all Group companies are adjusted, where necessary, to ensure the use of consistent accounting policies.

The Company has two subsidiaries as follows:

Company	Country of Incorporation	Incorporated	Interest
EnergyPathways UK Holdings Ltd	United Kingdom	16 July 2021	100%
EnergyPathways Irish Sea Limited	United Kingdom	11 August 2021	100%

EnergyPathways plc has used the exemption granted under s408 of the Companies Act 2006 that allows for the non-disclosure of the Income Statement of the parent company. The after-tax loss attributable to EnergyPathways plc for the year ended 31 December 2025 was £1,370,853 (year ended 31 December 2024: £1,053,822).

2.3. Going concern

In order to assess the appropriateness of the going concern basis in preparing the financial statements for the year ended 31 December 2025, the Directors have considered a time period of at least twelve months from the date of approval of these financial statements.

The Group and Company are currently not revenue-generating and incurred an operating loss during the year ended 31 December 2025. At the balance sheet date, the Group had cash and cash equivalents amounting to £1.10 million. The Company entered into a Financing Agreement for up to £15 million in March 2026, comprising a Loan Facility of £5 million and an "At The Market" Equity Facility of £10 million. The future of the Group and Company is dependent on the development of the MESH project to deliver Energy Security and Net Zero in line with the UK Government's energy policy, and the Group has been successful in applying for a gas storage licence, signing Gas Storage Licence GS009 in May 2026. The Directors believe that the Group's and the Company's cash flow can be assisted by raising additional capital, the deferral of planned expenditure and other cost saving actions, loan facilities for revenue-generating operations or from future revenues. The Loan Facility may also be converted into equity at the lender's option, and the lender has already converted an amount of £500,000 of the debt into equity. The Directors have also taken into consideration the successful completion of fundraises since IPO to provide additional cash resources.

The Directors concluded that the Group and the Company will have sufficient resources to continue as a going concern for the future, that is for a period of not less than 12 months from the date of approval of the consolidated financial statements.

However, there exists a material uncertainty that may cast significant doubt over the ability of the Group and the Company to continue as a going concern. The Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business if it is unable to raise funds for further development of the MESH project. The condensed consolidated statements have been prepared on a going concern basis and do not include any adjustments that would be necessary if this basis were inappropriate.

2.4. Changes in accounting policies

2.4.1. New standards, amendments to standards and interpretations

i) New and amended standards adopted by the Group

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. A number of amendments and revisions were applicable for the year ended 31 December 2025 but did not result in any material changes to the financial statements of the Group.

Of the other IFRS and IFRIC amendments, none are expected to have a material effect on the future Group Financial Statements.

ii) New and amended standards not yet adopted by the Group

The Directors do not believe that the implementation of new standards, amended standards and interpretations issued but not yet effective and have not been early adopted early will have a material impact once implemented in future periods.

2.5. Foreign currency

2.5.1. Functional and presentation currency

Items in the Company's financial statements are measured in the currency of the primary economic environment in which the entity operates (functional currency). The functional currency of the Company is Pounds sterling (£), which is also the presentation currency for these financial statements.

Monetary amounts in these financial statements are rounded to the nearest £.

2.5.2.Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs.' All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains.'

2.6. Taxation

Tax is recognised in the Consolidated Statement of Comprehensive Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets are not brought to account in the Consolidated Statement of Financial Position until there is a reasonable expectation that these assets will be realised.

2.7. Intangible assets

Exploration and evaluation expenditures (E&E)

The Group applies the successful efforts method of accounting for oil and gas assets, having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Statement of Comprehensive Income.

All licence acquisitions, exploration and evaluation costs are capitalised, a share of administration costs is capitalised insofar as they relate to exploration, evaluation and development activities. These costs are written off unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. If a project is deemed commercial, all of the attributable costs are transferred into Property, Plant and Equipment. These costs are then depreciated from the commencement of production on a unit of production basis.

2.8. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.9. Financial Instruments

2.9.1. Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Group when it arises or when the Group becomes a party to the contractual terms of the financial instrument.

2.9.2. Classification

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

(1) the asset is held within a business model whose objective is to collect contractual cash flows; and

(2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current trade and other payables that are short term in nature. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

2.9.3. Derecognition

A financial asset is derecognised when:

(1) the rights to receive cash flows from the asset have expired, or

(2) the Group has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

2.9.4. Impairment

The Group recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Group expects to receive. Regarding trade receivables, the Group applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

2.10. Property, plant and equipment – tangible asset under development

The Company is developing the MESH storage asset and classifies the asset a tangible asset under development. The carrying value of the asset includes the cost of materials, direct labour and other directly attributable costs. As the asset is under development, it is not depreciated and depreciation will only be charged when MESH is available for use. Once available for use, the tangible asset under development will be transferred to a cash generating unit under Property, Plant and Equipment and an appropriate useful economic life will be determined and used to calculate depreciation of the asset. An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset.

2.11. Property, plant and equipment - other

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, on the following bases:

Computer equipment	- 33% on cost
Motor vehicles	- 33% on cost

2.12. Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Assets under development are only tested for impairment when any external or internal indicators of impairment have been identified. Once the asset under development is available for use, the estimated future cash flows method will be applied in order to determine any impairment.

2.13. Trade and other receivables

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

2.14. Cash and cash equivalents

Cash and cash equivalents refer to deposits with a maturity of less than 90 days at inception and include cash in hand, current accounts with banks and are subject to an insignificant risk of changes in value.

2.15. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16. Share premium

Share premium account represents the excess of the issue price over the par value on shares issued. Incremental costs incurred directly, or warrants issued in connection with the issue of new ordinary shares or are shown in equity as a deduction, net of tax, from the proceeds.

2.17. Share-based payments reserve

The share-based payments reserve represents the fair value of outstanding warrants and options as at the date of issue by the Company. On exercise of the warrants or options, the fair value relating to the warrants and options exercised is released from the reserve and credited to retained earnings. If warrants or options lapse or are terminated without being exercised, fair value is released from the reserve and credited to retained earnings.

2.18. Trade payables

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

2.19. Finance income and finance costs

Finance income comprises interest income on bank funds. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.20. Earnings per share

Basic Earnings per share is calculated as profit attributable to equity holders of the parent for the period divided by the weighted average number of ordinary shares, adjusted for any bonus element.

2.21. Operating segments

The Chief Operating Decision Maker (CO DM) is considered to be the Board of Directors. They consider that the Group operates in a single segment, that of energy infrastructure and energy production, in a single geographical location, the East Irish Sea of the United Kingdom. As a result, the financial information of the single segment is the same as set out in the Consolidated Statement of Comprehensive Loss, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cashflows.

2.22. Share Based Payments

Where options or warrants are awarded for services, the fair value, at the grant date, of equity-settled share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the share based payments reserve. The amount recognised as an expense is adjusted to reflect the number of share options or warrants expected to vest. The fair value of options and warrants awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
- Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate

When equity instruments are modified, if the modification increases the fair value of the award, the additional cost must be recognised over the period from the modification date until the vesting date of the modified award.

3. Significant accounting estimates and judgements, estimates and assumptions

The preparation of financial statements using accounting policies consistent with IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of income and expenses. The preparation of financial statements also requires the Directors to exercise judgement in the process of applying the accounting policies. Changes in estimates, assumptions and judgements can have a significant impact on the financial statements.

Judgements

Reclassification of intangible asset to property plant and equipment – asset under development

On Admission in December 2023, the Company held Licence P2490 in the East Irish Sea which included the Marram gas field and the Company disclosed an interest in an intangible exploration and evaluation asset. In August 2024, the Directors announced that the Company would develop the Marram gas field as part of the Marram Energy Storage Hub (MESH), which would further incorporate gas, compressed air and hydrogen storage. However, the Company continued to disclose the MESH asset as an intangible asset. Following the development of Government policy during 2024 and 2025, the Directors judged that the MESH asset was no longer an intangible asset and should be reclassified as an asset under development under Property, Plant and Equipment. The judgments used related to the decision to reclassify the asset and an appropriate date to reclassify, deemed by the Directors to be August 2024.

Recoverable value of property, plant and equipment – asset under development (see note 11)

As at 31 December 2025, the carrying value for the Group's investment in an asset under development, the MESH project, of £3,079,697 (2024: £1,397,020). An asset under development must be tested for impairment if there is any indication that the carrying value of the asset is not recoverable. Accordingly, the Directors have considered indicators of impairment as follows:

External indicators

- Market value decline
- Adverse changes in technology, market, economic or legal/regulatory environments
- Increases in interest rates
- Carrying value exceeds the market capitalisation of the company

Internal indicators

- Evidence of physical damage and obsolescence
- Significant changes with an adverse effect which may impact the company
- Declining economic performance of the asset

The Directors concluded that there were no indicators of impairment at 31 December 2025.

These estimates and assumptions are subject to risk and uncertainty and therefore a possibility that changes in circumstances will impact the assessment of impairment indicators.

The critical judgement related to the determination on impairment of the asset held under property, plant and equipment – asset under development, apart from those involving estimations (which are dealt with separately above) that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Assumptions and estimation uncertainties
Fair value of share-based-payments

The Company has made awards of Director and Management options and warrants over its unissued share capital.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. The estimate also requires determination of the most appropriate inputs to the valuation model including volatility. The Company uses the Black-Scholes valuation model. Further detail on the assumptions has been described in more detail in note 18 to these Group Financial Statements.

4. Administrative expenses

	Note	Group 2025 £	Group 2024 £
Audit fees	6	36,500	30,000
Consultants and advisors		561,980	230,640
Corporate & regulatory costs		141,732	139,007
Advertising and marketing		8,534	-
Insurance		20,262	21,043
Other		39,414	16,527
Professional fees		167,374	10,626
Share based payments	18	9,000	178,000
Travel		50,411	6,780
Wages & salaries		374,685	437,654
Depreciation	11	3,413	2,062
Foreign Exchange		1,867	(50)
		1,415,172	1,072,289

5. Finance income & finance costs

	Group 2025 £	Group 2024 £
Finance income		
Interest received	125	365
Finance costs		
Interest expense	(5,514)	(1,225)
Net finance costs	(5,389)	(860)

6. Auditor's Remuneration

	Group 2025 £	Group 2024 £
Audit of the financial statements	36,500	30,000
	36,500	30,000

7. Staff numbers and costs

Staff costs (including directors)	Group 2025 £	Group 2024 £
Consultancy fees	352,651	154,694
Wages and salaries	344,438	437,564
Pensions & Social security	36,858	7,966
Share based payments	-	163,000
	733,947	763,224

The average number of persons (including directors) employed by the Company during the year to 31 December 2025 was:

Group and Company	Year to 31 December 2025	Year to 31 December 2024
Directors	5	6
	5	6

Director emoluments	Note	Group 2025 £	Group 2024 £
Consultancy fees		352,651	154,694
Wages and salaries		344,438	437,564
Pensions & Social security		36,858	7,966
Share based payments	18	-	109,000
		733,947	709,224

The number of Directors that are members of a pension scheme is 1 (2024: 2). Pension contributions paid to a pension scheme in respect of the highest paid Director amounted to £nil (2024: £nil).

8. Taxation

Analysis of charge for the period:

	Group 2025 £	Group 2024 £
Current income tax charge	–	–
Deferred tax charge	–	–
Total taxation credit/(charge)	–	–

8.1 Taxation reconciliation

The below table reconciles the tax charge for the period to the theoretical charge based on the result for the year and the corporation tax rate.

	2025 £	2024 £
Loss before income tax	(1,659,51)	(1,203,671)
Tax at the applicable rate of 19% (2024: 19%)	(315,305)	(228,697)
Effects of:		
Expenses not deducted for tax purposes	34,547	35,142
Tax losses not recognised	280,758	193,555
Total income tax credit / (expense)	-	-

As at 31 December 2025, the Group had unused tax losses of £4,116,860 (2024: £2,342,127) for which no deferred tax asset has been recognised. This is due to uncertainty over the availability of future taxable profits to offset these losses against.

9. Earnings per share

The calculation of the Basic and fully diluted earnings per share is calculated by dividing the loss for the year from continuing operations of £1,659,501 (2024: £1,203,671) for the Group by the weighted average number of ordinary shares in issue during the year of 190,278,318 (2024: 160,198,727).

There is no difference between the basic and diluted earnings per share as there were no securities in issue as at 31 December 2025 that would have a dilutive effect on earnings per share. Refer to note 18 for details on details of warrants and options in issue as at 31 December 2025, that can be converted into ordinary shares and thus would have a dilutive effect on earnings per share.

	2025 £	2024 £
Loss for the purposes of basic earnings per share being net loss attributable to the owners	(1,659,501)	(1,203,671)
Weighted average number of Ordinary Shares	190,278,318	160,198,727
Loss per share - pence	(0.87)	(0.75)

10. Intangible assets

	2025 £	2024 £
As at 1 January	-	729,931
Additions	-	371,539
Reclassification to Property, Plant and Equipment	-	(1,101,470)
As at 31 December	-	-

In August 2024, the Directors announced that the Company would develop the Marram gas field as part of the Marram Energy Storage Hub (MESH), which would further incorporate gas, compressed air and hydrogen storage. Following the development of Government policy during 2024 and 2025, the Directors consider that the MESH asset should have been reclassified as an asset under development under Property, Plant and Equipment and has accordingly reclassified the asset with effect from August 2024 and restated the prior year accounts (see Note 26).

11. Property, plant & equipment

	Group			
	Computer equipment £	Motor vehicles £	Asset under development £	Total £
Cost				
At 1 January 2024	-	-	-	-
Additions	1,498	8,815	295,550	305,863
Reclassification from Intangible Asset	-	-	1,101,470	1,101,470
At 31 December 2024 (restated)	1,498	8,815	1,397,020	1,407,333
Additions	-	-	1,845,430	1,845,430
Impairment	-	-	(167,591)	(167,591)
At 31 December 2025	1,498	8,815	3,074,859	3,085,172
Depreciation				
At 1 January 2024	-	-	-	-
Charge for the year	389	1,673	-	2,062
At 31 December 2024 (restated)	389	1,673	-	2,062
Charge for the year	496	2,917	-	3,413
At 31 December 2025	885	4,590	-	5,475
Net book amount at 31 December 2025	613	4,225	3,074,859	3,079,697
Net book amount at 31 December 2024 (restated)	1,109	7,142	1,397,020	1,405,271

In August 2024, the Directors announced that the Company would develop the Marram gas field as part of the Marram Energy Storage Hub (MESH), which would further incorporate gas, compressed air and hydrogen storage. Following the development of Government policy during 2024 and 2025, the Directors consider that the MESH asset should have been reclassified as an asset under development under Property, Plant and Equipment and has accordingly reclassified the asset with effect from August 2024 and restated the prior year accounts.

The P2490 exploration licence lapsed in early 2025. The Company has therefore expensed costs relating to this licence amounting to £167,591 for the year ended 31 December 2025 (2024: £nil). At the year-end, the Directors considered whether there were any external or internal indicators of impairment which would require an impairment test on the carrying cost of the MESH project disclosed under asset for development. The Directors concluded that there was no indicator of impairment and accordingly no impairment provision has been made.

11. Property, plant & equipment (continued)

	Company	
	Computer equipment	**Total**
	£	£
Cost		
At 1 January 2024	-	-
Additions	1,498	1,498
Reclassification from Intangible Asset	-	-
At 31 December 2024	1,498	1,498
Additions	-	-
At 31 December 2025	1,498	1,498
Depreciation		
At 1 January 2024	-	-
Charge for the year	389	389
At 31 December 2024	389	389
Charge for the year	496	496
At 31 December 2025	885	885
Net book amount at 31 December 2025	613	613
Net book amount at 31 December 2024	1,109	1,109

12. Trade and other receivables

	Group As at 31 December 2025	Group As at 31 December 2024	Company As at 31 December 2025	Company As at 31 December 2024
	£	£	£	£
Other receivables	4,250	-	4,250	-
Prepayments	36,915	33,317	32,799	27,815
VAT receivable	252,393	73,592	35,565	12,772
	293,558	106,909	72,614	40,587

The fair value of other receivables is the same as their carrying values as stated above.

13. Cash and cash equivalents

	Group As at 31 December 2025	Group As at 31 December 2024	Company As at 31 December 2025	Company As at 31 December 2024
	£	£	£	£
Cash at bank and in hand	1,092,759	857,650	835,621	461,836
	1,092,759	857,650	835,621	461,836

There is no material difference between the fair value of cash and cash equivalents and their book value.

14. Loan to subsidiaries

Company:

	EPL	EPISL	Total
	£	£	£
As at 1 January 2024	200,000	355,801	555,801
Loan drawdowns	331	1,561,845	1,562,176
Repayments	-	(209,776)	(209,776)
As at 31 December 2024	200,331	1,707,870	1,908,201
Loan drawdowns	35,250	1,496,136	1,531,386
Repayments	-	-	-
As at 31 December 2025	235,581	3,204,006	3,439,587

EnergyPathways plc has made net cumulative loans to EnergyPathways UK Holdings Limited ("EPL") of £235,581 as at 31 December 2025. The loan is interest free and will be repaid when EPL's operational cash flow allows. Management has undertaken an impairment assessment of the loan as at 31 December 2025, and has determined that there was no impairment required. The interest rate and impairment assessment are reviewed on an annual basis.

EnergyPathways plc has made net cumulative loans to EnergyPathways Irish Sea Limited ("EPISL") of £3,204,006 as at 31 December 2025. The loan is interest free and will be repaid when EPISL's operational cash flow allows. Management has undertaken an impairment assessment of the loan as at 31 December 2025, and has determined that there was no impairment required. The interest rate and impairment assessment are reviewed on an annual basis.

15. Investment in subsidiaries

Company	**Country of Incorporation**	**Incorporated**	**Interest**
EnergyPathways UK Holdings Ltd	UK	16 July 2021	100%
EnergyPathways Irish Sea Limited	UK	11 August 2021	100%

The subsidiary companies have a registered address at Highdown House, Yeoman House, Worthing, West Sussex, BN99 3HH.

The balance of the investment in EnergyPathways Holdings UK Limited was:

	Company 2025 £	Company 2024 £
As at 1 January	2,734,205	2,734,160
Additions	-	45
	2,734,205	2,734,205

The additions during the year ended 31 December 2024 was an adjustment to stamp duty paid on acquisition upon assessment by HMRC.

16. Trade and other payables – due within one year

	Group As at 31 December 2025 £	Group As at 31 December 2024 £	Company As at 31 December 2025 £	Company As at 31 December 2024 £
Trade payables	527,221	188,102	64,532	50,357
Accruals	1,452,162	915,219	879,167	465,410
	1,979,383	1,103,321	943,699	515,767

The carrying values of trade and other payables are considered to be a reasonable approximation of the fair value and are considered by the Directors as payable within one year.

17. Ordinary share capital and share premium

Group and Company

	Number of shares	Ordinary share capital	Share premium
Issued		£	£
As at 1 January 2024	157,916,559	1,579,166	4,451,952
Issue of shares for services	2,838,786	28,388	46,112
Issue of shares – share subscription	7,740,000	77,400	274,200
As at 31 December 2024	168,495,345	1,684,954	4,772,264
Issue of shares for third-party services	3,150,691	31,507	152,332
Issue of shares for services	3,076,962	30,769	73,017
Issue of shares – share subscription	13,424,040	134,240	609,451
Issue of shares – share placing	9,411,762	94,118	226,882
Issue of shares – share subscription	22,716,661	227,167	937,833
Issue of shares for commission	719,332	7,193	35,967
Issue of shares – warrants	2,250,000	22,500	72,500
Issue of shares – options	947,500	9,475	28,425
Share issue costs	-	-	(99,753)
As at 31 December 2025	224,192,293	2,241,923	6,808,918

The ordinary shares have a nominal value of 0.01 pence per share and confer the right to vote at general meetings of the Company, to a repayment of capital in the event of liquidation or winding up and certain other rights as set out in the Company's articles of association.

During the year to 31 December 2025, the Company issued 3,150,691 new ordinary shares to consultants and advisors in lieu of cash for remunerations and services. The fair value of the share issues were the values of the third-party invoices for services received. The average exercise price was approximately 5.8 pence per ordinary share, raising gross proceeds of £183,839 and increasing share capital by £31,507. The premium arising on the issue amounted to €152,332.

During the year to 31 December 2025, the Company issued 3,076,962 new ordinary shares to former directors in lieu of cash for remunerations. The fair value of the share-based payments related to the remuneration agreed to be settled in equity in accordance with each Director's contract. The average exercise price was approximately 3.4 pence per ordinary share, raising gross proceeds of £103,786 and increasing share capital by £30,769. The premium arising on the issue amounted to €73,017.

During the year to 31 December 2025, the Company issued 2,250,000 new ordinary shares following the exercise of warrants. The exercise prices were 4 and 5 pence each per ordinary share, raising gross proceeds of £95,000 and increasing share capital by £22,500. The premium arising on the issue amounted to €72,500.

During the year to 31 December 2025, the Company issued 947,500 new ordinary shares following the exercise of options. The exercise price was 4 pence per ordinary share, raising gross proceeds of £37,900 and increasing share capital by £9,475. The premium arising on the issue amounted to €28,425.

17. Ordinary share capital and share premium (continued)

On 24 April 2025, the Company completed a subscription for 13,424,040 new ordinary shares of £0.01 ("the Subscription Share"). Each Subscription Share was issued at a price of 5.54 pence raising gross proceeds of £743,692 and increasing share capital by £134,240. The premium arising on the issue amounted to £609,451.

On 29 July 2025, the Company completed a placing and subscription for 9,411,762 new ordinary shares of £0.01 with 9,411,762 warrants, whereby the subscriber received one new ordinary share and, for every new ordinary share received, a warrant giving the right to one additional new ordinary share of £0.01 ("the Placing Share"). Each Placing Share was issued at a price of 4.25 pence raising gross proceeds of £400,000 and increasing share capital by £94,118. The premium arising on the issue amounted to £226,882. The warrants were granted with an exercise price of 7 pence and a fair value of £79,000. The warrants remain unexercised at 31 December 2025.

On 13 and 14 October 2025, the Company announced that it had completed a subscription for 22,716,661 new ordinary shares of £0.01 ("Subscription Shares") with 22,716,661 warrants, whereby the subscriber received one new ordinary share and, for every Subscription Share, a warrant was issued giving the right to one additional new ordinary share of £0.01. Each Subscription Share was issued at a price of 6.0 pence raising gross proceeds of £1,363,000 and increasing share capital by £227,167. The premium arising on the issue amounted to £937,833. The warrants were granted with an exercise price of 9 pence and a fair value of £198,000. The warrants remain unexercised at 31 December 2025.

The following describes the nature and purpose of each reserve within equity:

Equity and Reserve	**Description and purpose**
Ordinary share capital	Represents the nominal value of shares issued
Share premium account	Amount subscribed for share capital in excess of nominal value
Share based payments reserve	Represents the value of warrants issued
Retained earnings	Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income

18. Warrants & Options

Share based payments reserve

Group and Company

Issued	Share warrants reserve £	Share options reserve £	Share based payments reserve Total £
As at 1 January 2024	176,000	-	176,000
Share warrants expense through the consolidated statement of consolidated loss	14,000	164,000	178,000
Transfer between reserves – warrants exercised	(66,000)	-	(66,000)
As at 31 December 2024	124,000	164,000	288,000
Broker warrants through the consolidated statement of consolidated loss	9,000	-	9,000
Share warrants on issue of shares	277,000	-	277,000
Transfer between reserves – warrants exercised	(39,000)	(18,000)	(57,000)
As at 31 December 2025	371,000	146,000	517,000

18. Warrants & Options (continued)

18.1 Warrants

EnergyPathways Plc

	As at 31 December 2024	Granted	Exercised	Lapsed	As at 31 December 2025	Exercise price - pence	Expiry date
Founder	3,300,000	-	(500,000)	-	2,800,000	5.0	30 November 2027
Broker	437,500	-	-	(437,500)	-	4.0	30 November 2025
Broker	75,000	-	-	(75,000)	-	5.0	30 November 2025
Broker	-	-	-	-	-	4.0	20 December 2026
Broker performance	500,000	-	-	(500,000)	-	5.0	3 years after vesting
Broker performance	625,000	-	-	-	625,000	4.0	3 years after vesting
Advisor	829,165	-	-	-	829,165	4.0	20 December 2028
Management	4,750,000	-	(1,750,000)	-	3,000,000	4.0	20 December 2030
Equity-based warrants	-	9,411,762	-	-	9,411,762	7.0	4 August 2028
Broker	-	364,705	-	-	364,705	4.25	4 August 2027
Equity-based warrants	-	22,716,661	-	-	22,716,661	9.0	28 October 2027
Broker	-	206,333	-	-	206,333	9.0	28 October 2027
Warrants total	10,516,665	32,699,461	(2,250,000)	(1,012,500)	39,953,626		
Weighted average exercise price – pence	4.0	8.4	4.2	4.6	4.0	7.6	

The number of warrants exercisable at 31 December 2025 was 39,328,626 (2024: 9,391,665), these had a weighted average exercise price of 7.7 pence (2024: 4.0 pence).

The weighted average remaining contractual life of share warrants outstanding at 31 December 2025 was 2.03 years (2024: 4.41 years).

18. Warrants & Options (continued)

18.1 Warrants (continued)

The inputs into the Black-Scholes pricing model are as follows:

Grant date	4 Aug 2025	4 Aug 2025	28 Oct 2025	28 Oct 2025
Type	Equity	Broker	Equity	Broker
Number	9,411,762	364,705	22,716,661	206,332
Exercise price	7.0 pence	4.25 pence	9.0 pence	9.0 pence
Expected life	3 years	3 years	2 years	2 years
Expected volatility	50%	50%	50%	50%
Risk free rate of interest	3.59%	3.59%	3.61%	3.61%
Dividend yield	Nil	Nil	Nil	Nil
Fair value of option	0.8 pence	2.00 pence	0.90 pence	0.90 pence

For a newly quoted company with a limited or no trading history it is common for management to make an estimate of expected volatility. The Directors consider a volatility of 50% to be a reasonable estimate given the stage of development of the Company and the lack of trading history as at the date of issue.

The total fair value of the warrants issued during the year was calculated as £286,000, with £9,000 being recognised as an expense in the Consolidated Statement of Comprehensive Loss, and £277,000 for the fair value of warrants granted in relation to new shares issued under the terms of subscriptions and placings issued in the year (refer to note 17).

Fair value of equity settled transactions:	2025 £	2024 £
Director fees and salaries settled in shares recognised in profit and loss	-	-
Consultancy and advisor services settled in shares recognised in profit and loss	81,037	25,000
Share based payments expense recognised in profit and loss	9,000	178,000
Share based payment expense recognised against share premium	-	-
Consultancy and advisor services settled in shares recognised capitalised to intangible assets	171,339	49,500

18. Warrants & Options (continued)

18.2 Options

EnergyPathways Plc

	As at 31 December 2024	Granted	Exercised	Lapsed	As at 31 December 2025	Exercise price - pence	Expiry date
Director[1]	10,422,497	-	(947,500)	(1,894,999)	7,579,998	4.0	20 December 2028
Management	7,579,997	-	-	-	7,579,997	4.0	20 December 2028
Options total	18,002,494	-	(947,500)	(1,894,999)	15,159,995		
Weighted average exercise price - pence	4.0	-	4.0	4.0	4.0	4.0	

[1]Refer to the Directors Report for details of shares, options and warrants held by each director as at reporting date.

The number of options exercisable at 31 December 2025 was 1,895,000 (2024: 2,842,500), these had a weighted average exercise price of 4.0 pence (2024: 4.0 pence).

The weighted average remaining contractual life of share options outstanding at 31 December 2025 was 2.97 years (2024: 3.97 years).

19. Related Party Transactions

19.1 Group

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are disclosed in this part of the note.

19.2. Key management personnel

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group. In the opinion of the Board, the Group's key management are the Directors of EnergyPathways plc. Information regarding their compensation is given in note 7 for each of the categories specified in IAS 24 Related Party Disclosures. Other than employer pension contributions amounting to £1,949 in 2024 (2024: £602) and share options granted under the Group's share option scheme, all emoluments given in note 7 relate to short-term employee benefits and there are no post-employment or other long-term benefits.

Refer to the Remuneration Report on pages 30 to 34 for details of remuneration paid, or owing to each Director. As at 31 December 2025, the remuneration payable to the Direct amounted to £697,089 (2024: £636,625).

The Group has also entered into a related-party transaction with Terra South Energy Pty Ltd., a company controlled by Ben Clube, for the provision of services by Ben Clube. Share options are held on behalf of Ben Clube by Painkalac Holdings Pty Ltd ATF Lighthouse Trust. Shares in which Mark Steeves has a beneficial interest include shares held in his wife's name.

Certain Directors participates in Subscriptions for new shares in the Company on 16 April 2025 and 29 July 2025. On 16 April 2025, the Directors subscribed for share at 5.54 pence per share On 29 July 2025, the Directors subscribed for shares at 4.25 pence per share and received one warrant per new ordinary shares with an exercise price of 7 pence and an expiry period of two years. The details are as follows:

	16 April 2025 Number of Shares	29 July 2025 Number of Shares	29 July 2025 Number of Warrants
Ben Clube	794,223	729,411	729,411
Mark Steeves	180,505	-	-
Graeme Marks	54,151	117,647	117,647
Horacio Carvalho	180,505	588,235	588,235
Max Williams	-	417,647	417,647

Ben Clube's interests were issued to Flax Lily Super Superannuation Fund Quest. Horacio Carvahlo's interests were issued to Quest JFM Investments Ltd. These related to the settlement of loans amounting to £75,000 and £25,000 respectively provided through the Loan Agreement with Global Green Asset Finance Ltd.

Quest JFM Investments Ltd, a company connect to Horacio Carvalho, and Samphire & Associates Ltd, a company connected with Mark Steeves, received £34,943 and £4,350 respectively as commission for the introduction of certain subscribers to shares during the year.

19.3. Company

Transactions between the Parent Company and its subsidiaries during the year were as follows:

The amounts due from subsidiaries at the balance sheet date were as follows:

	As at 31 December 2025	As at 31 December 2024
	£	£
EnergyPathways UK Holdings Ltd	235,581	200,331
EnergyPathways Irish Sea Limited	3,204,005	1,707,870
Amount due from subsidiaries	3,439,586	1,908,201

20. Financial instruments

The Company holds the following financial instruments:
Financial assets

Financial assets at amortised cost:	Group As at 31 December 2025	Group As at 31 December 2024	Company As at 31 December 2025	Company As at 31 December 2024
	£	£	£	£
Cash at bank and in hand	1,092,759	857,650	835,621	461,836
Other receivables	-	-	-	-
	1,092,759	857,650	835,621	461,836

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Financial liabilities

Financial liabilities at amortised cost:	Group As at 31 December 2025	Group As at 31 December 2024	Company As at 31 December 2025	Company As at 31 December 2024
	£	£	£	£
Trade payables	527,221	188,102	64,532	50,357
	527,221	188,102	64,532	50,357

21. Financial risk management

21.1. Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

Risk management is carried out by the executive management team.

a) Market risk

The Group is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. The Group does not hedge against market risks as the exposure is not deemed sufficient to enter into forward contracts. The Group has not sensitised the figures for fluctuations in interest rates, foreign exchange or commodity prices as the Directors are of the opinion that these fluctuations would not have a significant impact on the Financial Statements at the present time. The Directors will continue to assess the effect of movements in market risks on the Group’s financial operations and initiate suitable risk management measures where necessary.

b) Credit risk

The Group has a credit policy that governs the management of credit risk, including the establishment of counterparty credit limits and specific transaction approvals. The Group limits its counterparty credit risk on cash and cash equivalent balances by dealing only with financial institutions with credit ratings of at least A or equivalent.

The Group’s credit risk arises from cash and cash equivalents as well as outstanding receivables, primarily repayments due from the tax authorities. To manage this risk, the Group periodically assesses the financial reliability of customers and counterparties. There has been no material change since the prior year, including changes in estimation technique or any significant assumptions made. The Company is not revenue-generating and therefore has minimal financial assets which may be at credit risk

The amount of exposure to any individual counterparty is subject to a limit, which is assessed by the Board.

The carrying value of the Group’s various financial assets represents the Group’s maximum credit exposure.

c) Liquidity risk

The Group’s continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

The following table summarises the Group's significant remaining contractual maturities for financial liabilities at 31 December 2025 and 31 December 2024.

21. Financial risk management (continued)

Contractual maturity analysis as at 31 December 2025

	Less than 12 Months £	1 – 5 Year £	Total £
Accounts payable	527,221	-	527,221
Accrued liabilities	1,452,162	-	1,452,162
	1,979,383	**-**	**1,979,383**

Contractual maturity analysis as at 31 December 2024

	Less than 12 Months £	1 – 5 Year £	Total £
Accounts payable	188,102	-	188,102
Accrued liabilities	915,219	-	915,219
	1,103,321	**-**	**1,103,321**

21.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to enable the Group to continue its exploration and development of oil and gas resources. In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

The Group defines capital based on the total equity and reserves of the Group. The Group monitors its level of cash resources available against future planned operational activities and may issue new shares in order to raise further funds from time to time.

22. Capital Commitments and Contingent Liabilities

The Group has no other capital commitments or contingent liabilities as at 31 December 2025.

23. Ultimate controlling party

The Directors have determined that there is no controlling party as no individual shareholder holds a controlling interest in the Company.

24. Events after the reporting period

On 5 February 2026, the Company announced the issue of 965,883 ordinary shares in settlement of consultancy fees at 4.85 pence each in lieu of cash to members of the MESH project management team.

24. Events after the reporting period (continued)

On 28 April 2026, the Company announced that it had entered into a financing agreement (Financing Agreement) with a global institutional investor (Investor) to fund developments activities in relation to the MESH energy project. The Financing Agreement comprised a secured £5 million loan note (Loan Note) to be drawn down at the Company's election and a £10 million 'At The Market' equity placing facility (the 'ATM Facility") whereby the Company may, at its discretion, issue new ordinary shares to the Investor over a period of three years.

On 30 April 2026, the Company drew down a first tranche of £1 million (before costs and expenses) in accordance with the Financing Agreement and the Company issued 5,060,917 warrants to the Investor with a warrant exercise price of 8.3 pence per Ordinary Share. In addition, in accordance with the ATM Facility, the Company issued 6,939,727 shares at nominal value of 1 penny per Ordinary Shares to be sold in the market.

On 6 May 2026, the Company announced that the North Sea Transition Authority had offered to award a Gas Storage Licence to EnergyPathways Irish Sea Limited, a wholly-owned subsidiary company of EnergyPathways PLC. Gas Storage Licence GS009 was subsequently signed on 18 May 2026.

On 7 May 2026 the Company announced the issue of 1,372,024 ordinary shares in settlement of consultancy and advisory fees at 6.61 pence each in lieu of cash to members of the MESH project management team.

On 11 May 2026, following the receipt of a conversion notice from the Investor in the Financing Agreement, the Company issued 6,024,822 new Ordinary Shares to convert £500,000 of the first draw down.

On 22 May 2026 and at the Company's election, the Company announced the issue of 11,216,128 ordinary shares to Terra South Energy Pty Ltd (Terra South), a company in which Ben Clube has a beneficial interest and through which part of his remuneration is received. The Company also granted Terra South 10 million warrants over new ordinary shares as a bonus payment to Ben Clube. Ben Clube also subscribed for £10,000 resulting in the issue of 114,285 new ordinary shares

On 26 May 2026 the Company announced the appointment of Martyn Millward Hargraves as Chief Scientific Adviser to the CEO and Board.

On 28 May 2026 announced that it has appointed Alison Flower as an Independent Non-Executive Director.

On 2 June 2026, the Company announced the drawdown of a second tranche of £1 million (before costs and expenses) in accordance with the Financing Agreement and the Company issued 3,431,073 warrants to the Investor with a warrant exercise price of 12.24 pence per Ordinary Share.

25. Retained losses

In accordance with Section 408 of the Companies Act 2006 that allows for the non-disclosure of the Income Statement of the parent company, the Company has not presented a separate income statement. The after-tax loss attributable to EnergyPathways plc for the year ended 31 December 2025 was £1,240,853 (10-month period to 31 December 2024: £1,053,822).

26. Correction of an error

On Admission in December 2023, the Company held Licence P2490 in the East Irish Sea which included the Marram gas field and the Company disclosed an interest in an intangible exploration and evaluation asset. In August 2024, the Directors announced that the Company would develop the Marram gas field as part of the Marram Energy Storage Hub (MESH), which would further incorporate gas, compressed air and hydrogen storage. However, the Company continued to disclose the MESH asset as an intangible asset in error while it held the Licence P2490. Following the development of Government policy during 2024 and 2025, the Directors consider that the MESH asset should have been reclassified as an asset under development under Property, Plant and Equipment and has accordingly reclassified the asset with effect from August 2024 and restated the prior year accounts. As the correction gives rise to a reclassification during the financial year ended 31 December 2024, there is no change to any of the financial statement line items as at 1 January 2024 and therefore no restatement is required at that date.

The error has been corrected by restating each of the financial statement line items for the period ending 31 December 2024 as follows:

	As at 31 December 2024 £
Intangible assets	(1,101,470)
Property, Plant and Equipment – Tangible Asset under Development	1,101,470
Net impact on equity	-

There was no impact on the income statement in the prior year.

27. Copies of the Annual Report

Copies of the annual report will be available on the Company's website at:
https://energypathways.uk/results-reports-and-circulars