

liverpool bay ccs limited

**Annual
Report
2026**

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Strategic Report

The directors present their Strategic Report on LIVERPOOL BAY CCS LIMITED (the company) for the year ended 31 March 2026. The company is a private limited company and qualifies as a small company under the provisions of the Companies Act 2006. Nevertheless, as part of its commitment to good governance and transparency, the directors have elected to include certain disclosures on a voluntary basis to provide users of these financial statements with greater insight into the company's activities and development.

These voluntary disclosures principally comprise the Strategic Report, together with limited disclosures relating to carbon reporting and directors' remuneration. The directors believe that the inclusion of this additional information will assist users of the financial statements in understanding the company's progress towards meeting its obligations under the Economic Licence (the "Licence"), including the requirement to report as though it were a quoted company in future years.

Principal activities

The company is the developer, owner and operator of the Liverpool Bay Carbon Dioxide (CO₂) Transportation & Storage (T&S) system which is being developed to serve the HyNet Northwest full-chain Carbon Capture and Storage ("CCS") industrial decarbonisation project. The company's T&S system will offer the opportunity for CO₂ emissions from regional industrial entities selected by the UK Government (the Users) to be captured, transported and permanently stored in three depleted Liverpool Bay fields previously used for hydrocarbon production (the "HyNet Project" or the "Project").

The company's principal activities include the construction of an onshore pipeline system, including a main trunkline, several spur lines for connection to users and the re-purposing of an existing gas pipeline, the construction of a compression plant at Point of Ayr (the site of an existing gas terminal) and offshore infrastructure to enable the injection into the CO₂ stores of Hamilton, Hamilton North and Lennox. Part of the offshore infrastructure previously utilised for gas and oil production is being transferred to the company and re-purposed to serve the needs of the HyNet Project, but new facilities specifically designed for CO₂ injection will also be installed.

Business review

In April 2025, the company was awarded the Licence from the Secretary of State, and achieved financial close, giving authorisation to proceed to the execution phase of the HyNet Project.

The company has completed its first year as an Ofgem-licensed Transport & Storage (T&S) operator with strong progress across governance, construction, delivery, regulatory compliance and stakeholder engagement. The 2025–26 financial year marked a critical transition from pre-award preparation into the execution phase defined by the Approved Project Development Plan ("APDP"), the regulator-approved framework governing the development, construction, commissioning and operation of the transport and storage network. Throughout the year, the company advanced its work programme safely and in line with schedule, while maintaining compliance with its Licence obligations and regulatory commitments.

Since the Licence award, the company achieved material progress in its execution of construction activities covering both onshore and offshore scopes. During the year, the company incurred £399.73M (2025: £117.75M) in respect of capital expenditure ("capex") which was financed through a mixture of senior debt facilities and equity contribution from the shareholder. Consequently, the total carrying value of the CCS asset under construction at year-end increased to £633.60M (2025: 233.87M). The capex included detailed engineering, procurement and construction activities across each of the work package contracts. Key interim milestones were all successfully met with no significant HSE incidents reported. The company is on track to achieve the target commercial operations date of January 2029.

For the year under review, the company reported loss before tax of £14.59M (2025: profit before tax of £3.08M). The loss was mainly driven by fees charged by the shareholders of the company's immediate parent company, Eni CCUS Holding Limited. These fees were charged for providing security to the company by way of parent company guarantee and/or letters of credit in relation to shareholders' outstanding commitment to provide equity funding for the Project. Further details on this are set out in note 5 to the financial statements.

To support the capital-intensive phase of the Project, the company secured funding through a combination of senior debt facilities and shareholder equity contributions. Net cash inflows from financing activities amounted to £351.76 million during the year. This principally comprised debt drawdowns of £411 million and shareholder equity contributions of £99 million, partially offset by dividend payments of £103 million and £55.24 million of fees paid in connection with debt and equity funding arrangements. As a result, the company maintained a strong liquidity position throughout the year and closed the financial year with cash and cash equivalents of £16.64 million (2025: £15.00 million). The company has adequate financing agreements and equity shareholders' commitments to meet its liquidity requirements to finance construction activities and short-term working capital.

Strategic Report

Business review (continued)

As part of its financing and risk management strategy, the company entered into derivative financial instruments during the year, comprising interest rate swaps and foreign currency forward contracts. These instruments were acquired to manage the company's exposure to market risks arising from its significant capital investment programme. The interest rate swaps were designated to hedge the variability of future cash flows arising from floating-rate borrowings linked to SONIA, while foreign currency forward contracts were entered into to hedge highly probable EUR and USD-denominated construction expenditures. At 31 March 2026, the derivative portfolio had a fair value gain of £13.26 million net of tax recognised in the cash flow hedge reserve within equity.

The company executed Connection and Network Code Accession Agreements with two Users, namely Protos ERF CCS Ltd and Castle Cement Ltd. The company also played a central role in supporting the Government's Track 1 Expansion, undertaking a comprehensive work program of technical, operational, consenting and system-integrity assessments required to incorporate new priority users.

The company strengthened its regulatory and governance foundations following the Licence award in April 2025. It complied with its obligations as required under the Licence and also remained aligned with Ofgem's expectations for a licensed T&S operator.

In December 2025, GIP Galassia Bidco Limited, an investment vehicle owned by funds managed by Global Infrastructure Partners, a part of BlackRock Inc. ("GIP"), completed its acquisition of 49.99% of Eni CCUS Holding Limited, the company's parent company and a wholly owned subsidiary of Eni S.p.A. As a result, the company is now ultimately owned jointly by Eni S.p.A. and BlackRock Inc. For most of the year, the company's board of directors ("Board") comprised directors representing Eni S.p.A. and two independent non-executive directors. Following completion of the acquisition, the composition of the Board was expanded to include directors representing GIP, alongside directors representing Eni S.p.A. and the two independent non-executive directors. The Board operated effectively and held meetings throughout the year. This supported a robust governance framework and compliance with independence, ring-fencing and information-handling requirements.

Key Performance Indicators

Category	Key Performance Indicators (KPI)	Performance	Comments
HSE	Lost time incident frequency rate	During the year, approximately 700,000 work hours were performed in relation to construction activities. There were no fatalities, lost time injuries or recordable injuries reported.	Definition: Represents total number of reportable incidents in the year divided by the number of hours worked in that year (by employees and contractors).
People	Staffing of the company in line with the manpower plan developed to cover the entire execution phase up to the Commercial Operations date (COD).	All key roles are filled and the company has successfully hired all resources required for the execution phase.	Definition: measured by number of vacancies filled against the manpower plan/planning.
Financial	Capital Expenditure	2025-26: £399.73M 2024-25: £nil pre-Licence; costs of £117.75M were mainly development costs.	Definition: Represents investment in the T&S network as part of infrastructure construction. The figure represents total additions during the year including capitalised borrowing costs. Performance: Increase in capital expenditure during the year corresponds to the Project's transition into the execution phase following the award of the Licence.
Financial	IRS Hedge Ratio	Remained within the required threshold, as defined under the financing agreements.	Definition: Represents the notional value of interest rate swaps over actual drawdowns.
Financial	Regulated Asset Ratio ("RAR")	Remained within the required range as defined under the regulatory framework.	Definition: Represents net indebtedness (debt drawn less cash in hand) divided by Regulated Asset Value ("RAV").

Strategic Report

Principal risks and uncertainties

The company identifies, manages, monitors and reports on the principal risks and uncertainties that can impact the company's ability to deliver its objectives. The company's system of internal control includes policies, processes, management systems, organisational structures, culture and standards of conduct employed to manage the company's business and associated risks.

The risks listed below, separately or in combination, could have a material adverse impact on the implementation of the company's strategy, business and financial performance, results of operations, cash flows, liquidity, prospects, shareholder value and returns and reputation. Please refer to note 18 for financial risk management.

Risk Category	Principal Risks & Effects	Mitigation Measures
Strategic and Business	Policy and regulatory risk – CCS deployment is currently highly dependent on government policy, regulatory frameworks contracts with industrial counterparties, and long-term support mechanisms. Changes in policy, regulation, delays in contract finalisation, requests by activists to challenge the relevant permits or revisions to work program scope could materially impact project economics and timing.	The company actively engages with key stakeholders including the UK Department for Energy Security and Net Zero (DESNZ), the North Sea Transition Authority (NSTA), Ofgem, local authorities, industrial partners and cluster participants to support policy development and maintain alignment with emerging regulatory requirements. The company also participates in consultations, industry working groups, and cluster level governance forums to ensure that evolving regulations, licence and permitting regimes, and business model frameworks are clearly understood and appropriately reflected in the company's planning and investment decisions. This engagement helps to anticipate potential changes in the regulatory environment and contributes to the overall stability and credibility of the CCS market.
Strategic and Business	Project execution and delivery – the CCS project requires close coordination and communication between contractors, regulators, consenting authorities, communities and all other stakeholders, including Users. Delays, cost overruns or misalignment across the value chain could lead to cost escalation, deferred revenues and lower returns, as well as adverse reputational impacts.	The company selected a strong suite of competent, internationally recognised contractors under a predefined contracting strategy that appropriately apportioned execution risk according to capabilities to manage. The company maintains an active oversight of project development through regular monitoring of construction progress, cost trends and risk registers. The company maintains a comprehensive PLANC (Permits, Licences, Authorisations, Notifications and Consents) Register and associated management processes to ensure all necessary third-party approvals are in place in time for work to proceed. Additionally, the company has entered into service agreements with its affiliates in the Eni group, which provide specialist support across key technical and operational disciplines. These service agreements enable the company to leverage industry-leading skills and competencies while maintaining a lean organisational structure and benefiting from synergies. It also supports effective risk management by providing high-quality technical input at all stages of project development - from concept definition and FEED through to drilling, construction and commissioning. The integration of these services underpins and strengthens the company's execution capability and helps ensure that the CCS project maintains best practice and is developed in alignment with recognised international standards and the regulatory Licence requirements.
Strategic and Business	Emitters' readiness – Cancellation or delay of Track 1 selected emitter projects could impact available CO ₂ volumes and company's long term viability.	Any potential shortfall in committed volumes can be mitigated through the phased onboarding of additional emitter projects over time, enabling the network to capture incremental volumes beyond the initial Track 1 cohort and improve overall utilisation. This is complemented by the UK Government Support Package, which provides structured revenue support and risk-sharing mechanisms. Together, these measures help to reduce exposure to early-stage volume risk and support the stability of investment returns.

Strategic Report

Principal risks and uncertainties (continued)

Risk Category	Principal Risks & Effects	Mitigation Measures
Strategic and Business	Cost Recovery - Inability to fully recover capital and operating expenditures through the regulated revenue model, potentially affecting returns.	The risk to cost recovery is mitigated through a combination of regulatory alignment, disciplined cost control, and strong governance processes. The company seeks pre-approval of key work programmes and associated budgets from the regulator that are in addition to the scopes and costs agreed as part of the APDP and budgets approved at the time of the Licence award ensuring that planned expenditures are agreed in advance and are eligible for recovery under the regulatory framework. In execution, robust cost management processes are applied to track expenditure against approved budgets, with clear controls on scope changes and variance management. This is reinforced by active contractor oversight, including performance monitoring, cost verification, and contractual safeguards to minimise the risk of cost overruns or inefficiencies. Additionally, transparent and regular cost reporting to the regulator provides ongoing visibility of spend, enabling early identification of deviations and facilitating timely engagement to maintain alignment on recoverability. Together, these measures reduce the likelihood of disallowed costs and support the timely and full recovery of efficiently incurred expenditure.
Strategic and Business	Storage integrity risk - CCS projects rely on the long-term containment of CO ₂ in geological formations. Residual uncertainty may exist over long-term monitoring obligations, post-closure liabilities and liability transfer arrangements. Changes in regulation or long term performance assumptions could affect lifecycle costs and risk allocation between project participants and the public sector.	The risk is mitigated through a combination of rigorous store selection, robust Containment Risk Assessments endorsed by the regulator prior to the storage permit award, and a comprehensive Measurement, Monitoring and Verification (MMV) Programme that will be adhered to throughout the life of the project. In addition, all injection and monitoring wells have been designed for CO₂ service with barriers compliant with the guidelines defined for CO₂ stores by Offshore Energies UK ("OEUK"). Furthermore, insurance to cover the risk of geological leakage from the stores is due to be put in place prior to commencement of injection operations.
Strategic and Business	Regulation and compliance risk - the company is subject to a high degree of political, regulatory and legislative intervention. Compliance failure may lead to an adverse effect on the business.	The company maintains a comprehensive governance and compliance framework to manage political, regulatory, and legislative risk. Dedicated compliance and legal functions provide ongoing advice and guidance on the interpretation of relevant developments, supported by continuous engagement with both the regulator and government to ensure alignment and early awareness of change. The Board is regularly updated on key political and regulatory developments that may impact the business, enabling informed oversight and decision-making. This is reinforced by transparent reporting processes that ensure accurate and timely regulatory submissions, demonstrating accountability. Overall, the framework is underpinned by clearly defined controls, compliance routines, and accountabilities, owned by the senior leadership team and ultimately overseen by the Board.

Strategic Report

Principal risks and uncertainties (continued)

Risk Category	Principal Risks & Effects	Mitigation Measures
Health, Safety and Environment	HSE risk - Risk associated with unsafe working practices, man-made or naturally occurring hazards that could cause harm to employees or the wider public, or the environment.	The company maintains a strong and integrated approach to health, safety, and environmental management, overseen by the Board. This is supported by a comprehensive suite of policies and procedures designed to ensure safe systems of work and effective environmental stewardship. A behavioural safety training programme is embedded across the organisation that promotes consistent safety standards in all operations, while an established programme of audits and inspections provides ongoing assurance. The company also places significant emphasis on continuous improvement, with structured “lessons learned” processes to identify root causes of any incidents and prevent recurrence, alongside well-established hazard and near-miss reporting systems. Regular engagement with employees and contractors helps to foster a strong culture of safety and environmental responsibility, further supported by collaboration with external experts to stay aligned with best practices and emerging risks. In addition, comprehensive emergency response plans are in place to ensure effective preparedness for potential safety or environmental incidents.
Financial / Non-Financial Reporting	Risk of errors in financial/nonfinancial reporting due to system, process, or human error, potentially leading to regulatory or legal repercussions.	The risk is mitigated through the maintenance of a robust control environment, supported by reliable systems, clearly defined processes, and appropriately trained personnel. The company operates a structured internal control framework over financial and non-financial reporting, including segregation of duties, approval protocols, reconciliations, and periodic control testing to ensure the accuracy and completeness of reported information. This is underpinned by the use of established and well-maintained systems, with appropriate access controls and validation checks to reduce the likelihood of manual error. Ongoing system monitoring, regular updates, and data integrity controls further enhance reliability and consistency of outputs.
People	Risk of inadequately skilled and experienced workforce to deliver current and future business objectives.	The company has established an organisation staffed by experienced execution, commercial, legal, finance and HSE teams with access to the skills of the wider Eni group when necessary through service agreements. It is also developing an Operational Readiness and Assurance Plan to ensure a smooth transition to the operational phase of the project. Training and development plans support the continued development of technical, professional and behavioural capabilities, including skills relevant to the energy transition, digital transformation and the CCS sector. As the labour market remains competitive, particularly within the CCS and wider emerging energy and infrastructure sectors, the company monitors retention risk and seeks to maintain a competitive total reward package, informed by relevant market benchmarking and internal relativities. Employee engagement, welfare initiatives, and diversity and inclusion actions further support retention, wellbeing and organisational effectiveness.

Principal risks and uncertainties (continued)

Risk Category	Principal Risks & Effects	Mitigation Measures
IT systems	Cyber & physical security threat - Breach of our security regime and access to key network security systems by an internal/external party leading to disruption or loss of critical systems, assets or data breach.	The company maintains a proactive cyber and IT security approach, supported by experienced personnel, strong governance, risk assessment and inspection regimes, and access to Eni HQ's central cyber security capabilities, technologies, expertise and threat intelligence. Security is delivered through physical, administrative and technological controls, including zero-trust-aligned access controls, secure data centre and cloud infrastructure, encryption at rest and in transit, and contractual cyber security obligations for suppliers and service providers. Operational resilience is supported through timely patching, vulnerability scanning, hardware and software renewal, internal and external security reviews, disaster recovery testing and cyber incident response exercises. The company also promotes a strong security culture through regular phishing simulations and awareness communications, while advanced threat detection and Eni's specialist cyber support enable proactive identification and mitigation of emerging cyber risks.

Future developments

As per the company's System Development statement prepared in accordance with the Licence, the T&S network is proposed to be delivered in two phases:

- Phase 1, now in execution, includes construction of the onshore pipeline system, above ground installations and spurlines, the Point of Ayr compression terminal, repurposed offshore pipelines, and three offshore platforms. This phase is expected to be delivered by end-2028, with first CO₂ injection from one or two Initial Users targeted for early 2029.
- Phase 2 expands long-term system capacity and includes the full development of the Lennox offshore store, additional onshore pipeline and above ground installation upgrades, and, when required, the future transition of the offshore system to dense-phase operation. These works will be delivered in tranches aligned with User readiness and storage-permit requirements.

The system is being designed with future expansion capability, including tie-in points at multiple above ground installations and engineering provisions to accommodate additional users. During 2025 two new users were selected for the Track-1 Expansion by DESNZ which triggered early development work, including connection studies and system-integrity assessments. The company is following a change in scope process with the regulator for the development activities needed to integrate these two new users.

Longer term, optionality to expand up to 10MTPA has been designed, should sufficient demand materialise. This includes pipework and heating capacity on offshore facilities, compressor plant layouts with provision for additional compressors, tie-in points at multiple above ground installations along the onshore pipeline routes and engineering provisions to accommodate additional users.

Non-financial and sustainability information statement (NFSIS)

The company's approach to non-financial and sustainability matters is aligned with its immediate parent company's framework and is underpinned by the Code of Ethics, the Respect for Human Rights Policy and related policies and procedures covering responsible business conduct, dignity, equality, non-discrimination, diversity and inclusion, anti-corruption and anti-bribery, health, safety and environmental protection. The company doesn't currently pursue separate standalone policies in all of the areas given its current stage of development.

People and Human Resources

The company recognises that its people are central to the successful delivery of the company's objectives. Maintaining a skilled, engaged and resilient workforce remains a key priority, particularly as the business continues to develop the capability required to support the HyNet Project. The company, therefore, supports the technical, professional and behavioural development of its employees through training, development opportunities and knowledge-sharing. This helps ensure that employees continue to build the skills and capabilities required to respond to the evolving energy landscape and the specialist requirements of the CCS sector.

The company also recognises the importance of employee welfare, wellbeing and work-life balance. Flexible working arrangements, welfare support and health and wellbeing initiatives form part of the company's approach to maintaining a positive and supportive working environment. This is further supported by family-friendly benefit provisions above statutory levels and extended hybrid-working arrangements, helping to promote an inclusive workplace where employees can balance personal and professional commitments.

These policies and practices support a working environment in which employees are treated with respect, encouraged to develop their potential, and expected to act with integrity and transparency.

A key people-related risk for the company is the ability to attract, retain and develop an appropriately skilled and experienced workforce to deliver its current and future business objectives. This is particularly relevant given the specialist nature of CCS, strong competition for technical skills, and the company's progression from development towards project execution and operational readiness. The company manages this risk through workforce planning, training and development, access to wider Eni group expertise and a market-aligned reward framework. Training and development activity is focused on strengthening technical, professional and behavioural capabilities, including in areas such as energy transition, sustainable development, digital transformation and skills specific to the CCS sector. The company also intends to support future capability by developing its early careers approach, including working with universities, offering internship opportunities and recruiting graduates, with the aim of building a sustainable talent pipeline for the future.

The company is committed to maintaining a working environment free from discrimination, violence and harassment. This commitment is supported by policies and reporting channels established through the wider Eni group framework, enabling concerns to be raised, reviewed and addressed appropriately. As part of its ongoing development, the company intends to explore the feasibility of employee voice and engagement mechanisms, including the potential development of a climate or engagement survey, where appropriate. The company supports the commitment to diversity, equality & inclusion, recognising that a diverse workforce contributes to organisational effectiveness and long-term business success. The company promotes equal opportunity and aims to create a working environment where individuals are valued for their skills, experience and contribution, and are treated with dignity and respect.

The company operates in a competitive market for specialist skills, particularly within the CCS and emerging energy sectors. The company therefore recognises the importance of offering a sustainable and market-aligned total reward package to attract, motivate and retain the talent required to deliver its objectives. The company's reward approach includes base salary, discretionary bonus and market-aligned benefits. Salary reviews are merit-based and informed by relevant market data, internal relativities and broader pay considerations. There is no automatic entitlement to an annual salary increase. Employees receive a core benefits package including annual leave, pension, group income protection, life assurance and access to private medical insurance. Additional benefits may be provided depending on role or seniority. Pension provision is delivered through a defined contribution scheme, with salary sacrifice and cash alternative arrangements available to provide additional flexibility. The Nomination and Remuneration Committee, set up at the immediate parent company level (Eni CCUS Holding Limited) agrees to the objectives and remuneration arrangements for senior management. The company also regularly reviews its total reward offering to ensure remuneration remains competitive, fair and appropriate.

Non-financial and sustainability information statement (NFSIS) (continued)**People and Human Resources (continued)**

Operating in a sector that has traditionally been male dominated, the company remains focused on improving representation over time through inclusive recruitment practices, flexible working arrangements and a culture that supports equality and inclusion. Although the company employs fewer than 250 people and is not legally required to publish gender pay gap data, it monitors gender pay information and considers actions that may support improvement.

Women currently represent 18% of the company's workforce, and this remains an area of focus for the company. During the reporting period, women were represented in the selection process for 80% of contractor and employee positions filled. The company also has a female director in its board, increasing female representation within the leadership team and board composition. The company continues to promote inclusive and responsible employment practices, including greater pay transparency in recruitment to support fairness, openness and equal opportunity for candidates. The company remains committed to improving diversity of representation across all levels of the organisation as it continues to evolve.

Respect for Human Rights

The company is committed to respecting human rights and conducts its activities in accordance with the Eni group's Respect for Human Rights Policy, applicable to the company, its employees and relevant third parties. The policy is underpinned by the principles of dignity, equality and non-discrimination and is applied across the company's operations, supporting employees and business partners in meeting expected standards. The policy is aligned with internationally recognised standards and promotes fundamental labour rights, non-discrimination, health and safety, and respect for local communities.

Human rights risks may arise in workforce and supply chain practices and in interactions with local communities. The principal human rights risks relevant to the company relate to maintaining a safe, respectful and inclusive working environment, ensuring responsible employment practices, and managing potential risks arising through contractors, suppliers and business relationships. Given the company's current size and stage of development, these risks are managed through an integrated risk management and control system, including impact assessments, due diligence, monitoring and oversight activities, contractual commitments, employee training, and confidential reporting channels and, where necessary, addressed through corrective actions. This framework helps to identify and mitigate potential human rights risks, including discrimination, harassment, forced labour and child labour and supports the prevention and mitigation of adverse human rights impacts, thereby promoting responsible business conduct.

Effectiveness is monitored using non-financial indicators such as training coverage, human rights assessments, third-party due diligence, and grievances mechanisms. During the year no exceptions to the application of the relevant policies were reported.

Anti-corruption and Anti-bribery

The company operates a zero-tolerance approach to corruption and bribery and conducts its activities in accordance with the Eni group's Anti-Corruption Policy, applicable to the company, its employees and relevant third parties. The policy prohibits all forms of corruption, whether direct or indirect, involving public officials or private counterparties, including facilitation payments, improper gifts or hospitality, and political contributions. The company applies its Anti-Corruption Policy and Compliance Program across its operations. Training and compliance oversight supports employees and business partners in understanding and complying with anti-corruption requirements.

Corruption and bribery risks may arise from activities such as interactions with public authorities, the use of high-risk counterparties and complex projects. These risks are managed through the integrated risk management and internal control system. Key elements of the system include corruption risk assessments, prior due diligence on third parties and targets, contractual business integrity commitments, internal controls and accounting procedures, mandatory employee training, ongoing monitoring of business relationships, specialised compliance oversight and control activities and confidential reporting channels for suspected misconduct. Suspected breaches identified through controls or reporting mechanisms are assessed in line with established procedures and, where appropriate, addressed through corrective, disciplinary or contractual actions. This framework supports the company's objective of preventing corruption risks, safeguarding its reputation and promoting ethical and responsible business conduct.

The effectiveness of the anti-corruption framework is monitored using non-financial indicators, including employee training coverage, third-party due diligence activities and reports received through confidential channels. During the year no exceptions to the application of the relevant policies were reported.

Stakeholder Engagement

The company is committed to working with its stakeholders and recognises the importance of building trust through regular, transparent engagement.

As a subsidiary of Eni CCUS Holding Limited, the company observes the Eni Code of Conduct and Respect for Human Rights Policy which includes commitments to establishing responsible relations with its stakeholders. In line with these policies, engagement with local communities is a priority.

The company's stakeholder engagement activity is therefore a core element of its business approach, helping the company to understand the communities in which it operates and to work together to support their needs. Over the 2025–2026 financial year, the company built on its existing work with local and national stakeholders, securing planning permissions and commencing construction on several of its CO₂ T&S projects.

Engagement with local communities has remained a priority. The company has maintained an active and open dialogue with local communities through in-person events, Parish and Community Council meetings, direct correspondence, and positive engagement with local elected representatives. These interactions provided valuable opportunities to share accurate information, strengthen relationships between project teams and local residents and support ongoing discussions with landowners.

To ensure inclusive and effective engagement, the company has maintained a blend of traditional and digital communication channels. This includes issuing an online bi-monthly newsletter, regularly updating the HyNet Hub website, distributing postcards and letters to local addresses, delivering face-to-face briefings for key stakeholders, hosting monthly community information events and displaying community notices within affected areas. Furthermore, in line with Eni's Respect for Human Rights Policy, the company has implemented a complaints management process where complaints are received by email, the newly dedicated telephone number or the contact form on the HyNet Hub website. Complaints are logged, monitored and responded to within seven working days, helping to ensure concerns are addressed promptly and relationships are maintained.

The company also remained focused on delivering social value and ensuring that local people and organisations benefit from its presence. Throughout the year, the company has worked on its proposal to support community organisations and education settings to increase awareness and look for opportunities to expand its support as the Project develops. This has included alignment with key contractors to leverage the support available which covers school engagement, financial assistance, and volunteering resources.

As the company progresses into the next financial year, it will continue to strengthen and refine its stakeholder engagement approach, building on the lessons learned to date as further projects enter the construction phase.

Achievements

During the year, the company secured approval for three planning applications (the Protos West AGI Spur Pipeline, the Padeswood Spur Pipeline, and the Point of Ayr Foreshore Works). Each were underpinned by strong and effective stakeholder engagement.

Construction of the Main Onshore Pipeline and the commencement of decommissioning works at the Point of Ayr Terminal began in late 2025. Throughout this period, the company has continued to work closely with affected communities, maintaining active engagement in collaboration with its construction contractors.

Key Stakeholders



Government and Regulatory



Industry

- UK Government
- Welsh Government
- OFGEM
- Environmental Regulators
- Health and Safety Executive
- Local Authorities

- Track 1 Capture Plants
- Supply Chain
- Infrastructure / Utility Providers

Engagement Channels



Community and Education

- Community / Parish Councils
- Schools and Universities
- Residents and their representatives
- Local businesses



Traditional

- 15,000+ postcards sent to residents
- 1,100+ letters delivered to residents
- 9 community events
- 5 briefings with political stakeholders
- 12 Parish and Community Council meetings
- Telephone line launched in October 2025
- 20 calls from stakeholders



Digital

- 5 issues of the bi-monthly e-newsletter – 829 subscribers
- 76,551 visitors to the HyNet Hub website (as of February 2026)
- 800+ emails answered
- 370+ emails logged as correspondence



Social Value

- Continued support of community initiatives including the DangerPoint Activity Centre, Liverpool Bay CCS Coastal Education initiative and Talacre Land Management Programme
- Over 8,900 students supported with educational visits and experiences through DangerPoint engagement and the Liverpool Bay CCS Coastal Schools programme
- Tender for the Fund Management Organisation to support the Liverpool Bay CCS Community Benefit Fund launched in February 2026
- Development of project specific educational packages in



Left: Christmas gift delivery in North Wales.

Right: Shed provided for Sandycroft Community Hub and Pantry



Strategic Report

Climate-related disclosures

Governance

The company recognises that climate change presents both risks and opportunities that may affect long-term resilience and financial outcomes. As a developer of CCS infrastructure, climate considerations are intrinsically linked to the purpose and design of the project.

The company is at an early stage of development, and its governance arrangements are continuing to evolve. At present, oversight of climate-related risks and opportunities is incorporated within broader project governance and decision-making processes, rather than through a standalone climate governance framework.

As the project progresses through construction and operational readiness towards a commercial operation date in 2029, the company intends to formalise its governance arrangements in relation to climate-related matters. This is expected to include clearer definition of roles and responsibilities, enhanced documentation of oversight processes, and consideration of whether more structured governance is appropriate.

Climate-related Risk Management

Climate-related risks are managed through integration into existing risk, environmental and health and safety management systems.

Climate resilience considerations have been incorporated into design and engineering standards. These measures are intended to reduce exposure to identified hazards and support asset performance under a range of future climate conditions.

Design and operational considerations include:

- Design-integrated mitigation measures have been incorporated into the onshore elements of the project. These include embedded provisions within preliminary design, such as drainage systems, material selection and operational procedures, which reduce climate vulnerability.
- Greenhouse gas (GHG) management measures have also been embedded within project design and operations. Leak Detection and Repair (LDAR) programmes will be implemented to minimise fugitive emissions, and no continuous venting is foreseen, with venting limited to maintenance or abnormal condition scenarios for which worst-case volumes have been estimated. Operational energy demand is expected to be predominantly electrical, and the approach to Scope 2 emissions reporting will be confirmed as operational arrangements are finalised.
- The company further incorporates net zero aligned design and operational levers, including the integration of energy-efficiency measures during detailed design and construction, performance requirements for vessels and rigs, and optimisation of compression and other power intensive systems.

Based on current assessments, climate change is not considered a principal risk at this stage. This reflects the outcome of the physical risk assessment and the current absence of identified material financial impacts. Consequently, no standalone Climate Change Risk Management Plan has been developed. However, the company intends to keep this position under review and may formalise a dedicated framework as risk management processes mature.

Climate Strategy and Business Model Resilience

Climate resilience has been considered within the design and development of the project, including through the application of scenario-based climate projections. Current assessments indicate that the project remains resilient under the scenarios considered, with no material impacts identified that would affect delivery of project objectives at this stage. Recognising inherent uncertainties in climate projections and project development, the company intends to enhance its scenario analysis capability over time, including consideration of transition scenarios where appropriate.

Based on current assessments, no material climate-related financial impacts have been identified. Accordingly, no adjustments to financial statements or asset valuations have been made in relation to climate-related risks at this stage. This assessment will be kept under review as data availability improves and as the Project progresses.

Given the company's pre-operational status, specific climate-related metrics and targets have not yet been fully established. The company intends to develop appropriate metrics, including GHG emissions and energy-related indicators, as data becomes available. The introduction of targets will be considered as part of this process, taking into account regulatory requirements and operational context.

Strategic Report

Company's Business Strategy and Business Model

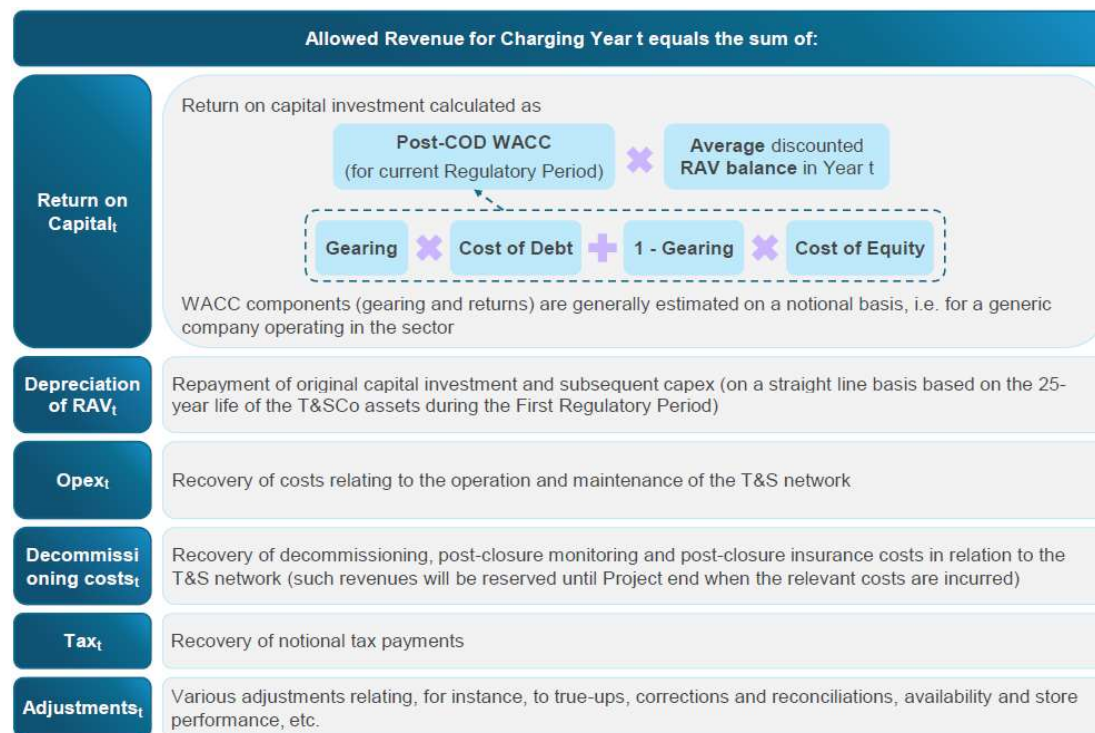
The company's strategy is to enable the safe, reliable and cost-effective decarbonisation of hard to abate industries by developing and operating CO₂ transport and storage infrastructure in the Liverpool Bay region. The company will leverage existing offshore assets and subsurface capabilities to deliver scalable CCS services, support regional economic growth, and contribute materially to the UK's net-zero objectives, while maintaining the highest standards of safety, environmental stewardship and operational excellence.

DESNZ, on behalf of His Majesty's Government (HMG), has developed the framework for CCS projects in the UK, including transportation and storage operators, underpinned by the Energy Act 2023. The underlying principle of the T&S Co. business model is that it will fully recover its efficiently incurred costs. Approved capital investment will form part of the Regulatory Asset Value ("RAV") which can be recovered, together with the allowed return, from users over the T&S asset's operating life. There are two stages of the calculation and development of the RAV:

- up to Commercial Operations Date (COD) – Shadow RAV ('SRAV')
- Post COD – RAV

SRAV allows T&S Co. to recognise the value of its investment, as well as the accrued cost of capital during construction and commissioning. From COD, Allowed Revenue can be recovered from the Users of the T&S network (via the user charging mechanism under the CCS Network Code). Allowed Revenue is the revenue that T&S Co. is entitled to recover from Users and is calculated as the sum of defined cost categories, also known as the Building Blocks (see below), including depreciation of the RAV.

SRAV will include all eligible costs incurred during construction, including amongst others: pre-FID development costs, the value of assets transferred into and paid for by T&S Co ("re-use assets"), capital expenditure ("capex"), operating costs ("opex") during construction and commissioning, plus a pre-agreed cost of capital on the SRAV. At COD, the outstanding SRAV balance is transferred into the RAV.



The Weighted Average Cost of Capital ("WACC") for the first regulatory period has been agreed with DESNZ. WACC for the subsequent regulatory periods will be determined by Ofgem in line with its approach for regulated utilities and will recognise the project and sector specific risks and embedded financing costs.

Company's Business Strategy and Business Model (continued)

The project also benefits from additional bespoke protections to address specific first-of-a-kind ("FOAK") risks. These include among other things:

- A revenue support agreement ("RSA") with The Low Carbon Contracts Company ("LCCC"), owned and financially back-stopped by HMG, which protects against demand risks.
- A government support package which includes insurer of last resort protection for CO₂ storage containment related risks (within agreed limits).

Section 172(1) statement

The Board must act in accordance with the duties set out in the Companies Act 2006 (the Act). Under section 172 of the Act, the Board has a duty to promote the success of the company for the benefit of its members as a whole. When making decisions, the directors must act in a way they consider, in good faith, would most likely promote success of the company for the benefit of its members, and in doing so have regard to the matters set out in section 172(1) of the Act.

The Board recognises the broader context in which the company operates, including the consideration of the long-term consequences of decisions, the interests of the employees, fostering strong relationships with stakeholders, the impact of the activities on the communities and environment, maintaining a reputation for high standards of business.

Section 172 factor	Relevant disclosure	Page number
(a) the likely consequences of any decision in the long term	• Principal activities	3
	• Business review	3
	• Principal risks and uncertainties	5
	• Climate Strategy and Business Model Resilience	13
	• Company's Business Strategy and Business Model	14
(b) the interests of the Company's employees	• Stakeholder engagement	11
	• Workforce engagement	9
	• Directors report	16
(c) the need to foster the company's business relationships with suppliers, customers and others	• Stakeholder engagement	11
(d) the impact of the company's operations on the community and the environment	• Principal risks and uncertainties	5
	• Climate-related Risk Management	13
	• Climate Strategy and Business Model Resilience	13
(e) the desirability of the company maintaining a reputation for high standards of business conduct	• Principal risks and uncertainties	4
	• Climate-related Risk Management	13
(f) the need to act fairly as between members of the company	• Stakeholder engagement	11
	• Directors report	16

For and on behalf of the Board

Stefano Rovelli
Managing Director
 30 September 2026



Directors' Report

The directors present their report and the audited financial statements for the year ended 31 March 2026.

General information

The company is incorporated in England and Wales as a private company limited by shares. The company's registered number is 13194018 and its registered office is at Eni House, 10 Ebury Bridge Road, London, SW1W 8PZ.

The company's immediate parent undertaking is Eni CCUS Holding Limited, a company incorporated in England and Wales having registered number 14821773.

The immediate parent undertaking prepares consolidated financial statements for the smallest group of undertakings of which the company is a member. These consolidated financial statements are prepared for the 31 December year end. As the company's own accounting reference date is 31st March, the consolidated financial statements are not coterminous with the company's financial statements. The most recent consolidated financial statements for the year ended 31 December 2025 will be available from the registered office address stated above and from the Companies House website:

<https://www.gov.uk/government/organisation/companies-house>.

Following completion of the transaction with GIP on 18 December 2025, the company's ultimate controlling parties are Eni S.p.A., a company incorporated in Italy with its registered office at Direzione Generale, Piazzale Enrico Mattei 1, 00144 Rome, Italy, and BlackRock Inc., a company incorporated in Delaware, United States of America, with its registered office at 50 Hudson Yards, New York, NY 10001, United States of America.

Future developments

Given their strategic significance, matters relating to future developments have been considered and disclosed within the Strategic Report.

Dividends

On 24 April 2025, following a special resolution passed by the company's shareholder, the company completed a reduction of its issued share capital from £208,810,000 to £105,810,000 by cancelling £103,000,000 ordinary shares of £1.00 each and on the same date the Board approved an interim dividend of £103,000,000 to be paid to its then sole shareholder Eni CCUS Holding Limited. The dividend was paid on 12 May 2025. No dividends were paid during the financial year ended 31 March 2025.

Political donations and political expenditure

The company made no political contributions during the year (2025: £nil).

Post balance sheet events

The directors have considered events subsequent to the reporting date and concluded that there are no material events requiring adjustment to or disclosure in these financial statements except for the following:

- On 20 May 2026 Eni CCUS Holding Limited raised third-party financing of £525,000,000 to fund part of the equity commitment for the Project associated with the construction phase. Following this, the company's Equity Guarantors consist of Eni International B.V. and GIP.
- Subsequent to 31 March 2026, the company issued 70,200,000 fully paid ordinary shares of £1.00 each to Eni CCUS Holding Limited. In addition, the company drew down a further £395,000,000 under its existing loan facilities.

Directors and directors' interests

The present directors of the company are as follows:

- S Rovelli (Eni S.p.A.)
- M Giusto (Eni S.p.A.)
- D Massey (independent director)
- T Meggs (independent director)
- P Trimmer (GIP – Alternate director)
- S Giammetti (Eni S.p.A.)
- A Castello-Branco Gois (GIP – Chairman of the Board)

Directors' Report

Directors and directors' interests (continued)

The present directors of the company have held office throughout the period and up to the date of signing the financial statements, with the following exceptions:

- A Castello-Branco Gois was appointed on 18 December 2025
- S Giammetti was appointed on 18 December 2025
- D Massey was appointed on 1 May 2025
- T Meggs was appointed on 1 May 2025
- P. Trimmer was appointed on 18 December 2025
- M Currie resigned on 18 December 2025

No changes in the directors' interests have occurred between the end of the period under review and the date of approval of this report. No annual general meeting was held for the period.

Directors' third-party and pension scheme indemnity provisions

Qualifying third-party indemnity provisions, as defined by section 234 of the Companies Act 2006, were in force for the benefit of the directors throughout the year and remained in force at the date of approval of this report. The company also maintained directors' and officers' liability insurance during the year.

Financial instruments

The company's financial risk management objectives and policies, including, where applicable, its policies for hedging forecast transactions, together with its exposure to market risk, credit risk and liquidity risk are set out in note 18 of the financial statements.

Streamlined energy and carbon reporting ('SECR')

The company is currently in a pre-operational phase, with activities focused on construction and development. As such, the project does not yet generate stable or representative energy consumption or Scope 1 and Scope 2 greenhouse gas emissions data suitable for SECR reporting.

Estimated emissions have been developed through internal assessments; however, these are subject to uncertainty and are not considered a substitute for measured operational data. In line with SECR requirements and proportionality principles, quantified disclosures have therefore not been included for the reporting period.

The company intends to implement data collection and reporting processes to enable full SECR disclosure once operations commence. Energy efficiency considerations have been incorporated into project design and planning. These include equipment selection, system design and consideration of operational energy demand. At this stage, these measures are design-based and have not yet resulted in quantifiable energy savings.

Responsibility for managing energy use and emissions is integrated into existing management and decision-making processes. The effectiveness of these measures is dependent on the successful implementation of the design and on addressing practical challenges encountered during delivery, to ensure outcomes align with the standards defined at the design stage.

As the project progresses, the company intends to prepare its operational phase by:

- implementing energy and emissions monitoring systems
- defining an appropriate intensity metric
- reporting annual energy use and emissions
- providing year-on-year comparatives

The company is committed to improving the quality and completeness of SECR disclosures over time.

Directors' Report

Borrowing costs

During the year, the company incurred borrowing costs in connection with its financing arrangements. Borrowing costs directly attributable to the acquisition, construction or development of qualifying assets were capitalised in accordance with IAS 23 Borrowing Costs. The total amount of interest capitalised during the period was £15.6M (2025: £Nil).

The capitalised borrowing costs have been included within the carrying value of the related qualifying assets and will be recognised in profit or loss over the useful economic life of those assets through depreciation or amortisation.

The company also considered the tax treatment of the capitalised borrowing costs. Tax relief amounting to £6.5M (2025: £Nil) has been recognised in accordance with applicable tax legislation. As the company incurred tax losses in the period, the tax effect of the capitalised borrowing costs has been recognised as deferred tax in the financial statements.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with the applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 and the annual report comply with the Companies Act 2006.

For and on behalf of the Board

Stefano Rovelli
Managing Director

30 September 2026



Independent auditors' report to the members of LIVERPOOL BAY CCS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, LIVERPOOL BAY CCS LIMITED's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Statement of financial position as at 31 March 2026;
- the Statement of profit or loss for the year then ended;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended;
- the Statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2026 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the annual report and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to failure to comply with environmental regulations and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and relevant tax regulations in the jurisdictions in which the company operates. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and significant judgements. Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance and the company's in-house legal team around actual and potential litigations, claims and any instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and testing accounting estimates and significant judgements (because of the risk of management bias).

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company or returns adequate for our audit have not been received from branches not visited by us; or
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime. We have no exceptions to report arising from this responsibility.



Timothy McAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 September 2026

liverpool bay ccs limited

Financial Statements

Company financial statements

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The financial statements are presented in Pound Sterling (£) which is company's functional and presentation currency.

In the current year, the company has changed the presentation of its financial information from units to thousands of pounds sterling (£'000) to improve the clarity and usefulness of the financial statements given the increased scale of operations. Accordingly, amounts presented in the prior year financial statements have been restated to thousands of pounds sterling (£'000) for consistency and comparability. This change affects presentation only and has no impact on the reported results, financial position, or cash flows of the company.

To enhance the clarity and relevance of the financial statements, the company has integrated its material accounting policy information and significant accounting judgements within the relevant notes to which they relate. Previously, these disclosures were presented in a standalone section. This change represents a shift in presentation only and has no impact on the recognition or measurement of any items in the current or prior year financial statements. The Directors believe this integrated approach provides more contextually relevant information. A summary of general policies that apply to the financial statements as a whole (such as basis of preparation etc.) is shown in note [16](#).

The financial statements were approved by the Board on 23 September 2026 and were signed by an authorised director on behalf of the Board.

Statement of Profit or Loss**For the year ended 31 March 2026**

		31 March 2026	15 months ended
	Note	£'000	31 March 2025
			£'000
Other service costs and expenses	3	(8)	(37)
Operating loss		(8)	(37)
Interest receivable and similar income	4	731	3,121
Interest payable and similar charges	5	(15,309)	-
(Loss) / profit before taxation		(14,586)	3,084
Taxation	6	78	-
(Loss) / profit for the year / period		(14,508)	3,084

All results are from continuing operations and total (loss) / profit for the year / period is attributable to the equity holders.

The above statement of profit or loss should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the year ended 31 March 2026

		31 March 2026	15 months ended 31 March 2025
	Note	£'000	£'000
(Loss) / profit for the year / period		(14,508)	3,084
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Gains on cash flow hedges	9	22,581	-
Costs of hedging	9	(3,943)	-
Hedging gains reclassified to profit or loss	4(a)	(497)	-
Income tax impact	6	(4,535)	-
Other comprehensive income for the year / period		13,606	-
Total comprehensive (loss) / income for the year / period		(902)	3,084

All results are from continuing operations and total comprehensive loss for the year is attributable to the equity holders.

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

liverpool bay ccs limited

Statement of Financial Position

As at 31 March 2026

	Note	As at 31 March 2026 £'000	As at 31 March 2025 £'000
ASSETS			
Non-current assets			
Property, Plant and Equipment	7	633,599	10,601
Intangible assets	8	-	223,269
Trade and other receivables	10	24,837	-
Derivative assets	9	15,713	-
Total non-current assets		674,149	233,870
Current assets			
Trade and other receivables	10	45,987	4,253
Derivative assets	9	1,961	-
Cash and cash equivalents	11	16,641	15,001
Total current assets		64,589	19,254
Total assets		738,738	253,124
LIABILITIES			
Non-current liabilities			
Long term loans	12	405,070	-
Deferred tax liabilities	6	4,340	-
Total non-current liabilities		409,410	-
Current liabilities			
Trade and other payables	13	123,078	41,623
Total current liabilities		123,078	41,623
Total liabilities		532,488	41,623
SHAREHOLDERS' EQUITY AND RESERVES			
Share capital	14	204,810	208,810
Other reserves	15	13,257	-
(Accumulated losses) / Retained earnings		(11,817)	2,691
Total shareholders' equity and reserves		206,250	211,501
Total liabilities and shareholders' equity & reserves		738,738	253,124

The financial statements on pages 23 to 57 were approved by the Board of Directors on 23 September 2026 and signed on its behalf by an authorised director.

The above statement of financial position should be read in conjunction with the accompanying notes.

For and on behalf of the Board

Stefano Rovelli

Managing Director
 30 September 2026

Statement of Changes in Equity

For the year ended 31 March 2026

		Share Capital	Other Reserves	(Accumulated Losses) / Retained Earnings	Total Equity
	Note	£'000	£'000	£'000	£'000
Balance at 1 January 2024		117,310	-	(393)	116,917
Ordinary shares issued		91,500	-	-	91,500
Profit & total comprehensive income for the period		-	-	3,084	3,084
Balance at 31 March 2025	14	208,810	-	2,691	211,501
Loss for the year		-	-	(14,508)	(14,508)
Other comprehensive income for the year		-	13,606	-	13,606
Total comprehensive loss for the year		-	13,606	(14,508)	(902)
Deferred hedging gains and cost of hedging transferred directly to Property, Plant & Equipment – not included in OCI (net of tax)		-	(350)	-	(350)
Ordinary shares issued		99,000	-	-	99,000
Capital reduction	15	(103,000)	103,000	-	-
Dividends	15	-	(103,000)	-	(103,000)
Employee share options	15	-	1	-	1
		(4,000)	(349)	-	(4,349)
Balance at 31 March 2026	14,15	204,810	13,257	(11,817)	206,250

The above statement of changes in equity should be read in conjunction with the accompanying notes.

liverpool bay ccs limited

Statement of Cash flows

For the year ended 31 March 2026

		31 March 2026	15 months ended 31 March 2025
	Note	£'000	£'000
Cash flows from operating activities			
Payments for services provided to immediate parent company		(3,513)	
Proceeds from recharges to immediate parent company		3,419	-
Interest and similar income received		235	1,083
Proceeds from sale of derivative instruments	9	497	-
Bank charges paid		(8)	(51)
Net cash inflow from operating activities		630	1,032
Cash flows from investing activities			
Payments for asset under construction ¹		(350,752)	(83,314)
Net cash outflow from investing activities		(350,752)	(83,314)
Cash flows from financing activities			
Payment of debt fee	5	(44,258)	-
Payment of fees charged for equity commitment		(10,980)	-
Proceeds from borrowings	12	411,000	-
Proceeds from issuance of shares	14	99,000	91,500
Dividends paid to shareholders	15	(103,000)	-
Net cash inflow from financing activities		351,762	91,500
Net increase in cash and cash equivalents		1,640	9,218
Cash & cash equivalents at the start of financial year	11	15,001	5,783
Cash & cash equivalents at the end of financial year	11	16,641	15,001

¹Includes total interest paid of £14,242K

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 31 March 2026

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Notes to the Financial Statements

For the year ended 31 March 2026

1. Segment reporting

The company operates a single reportable operating segment, being the provision of transportation and storage (“T&S”) activities associated with the Project.

Management has determined the operating segments based on internal reports reviewed by the chief operating decision maker (“CODM”) for the purposes of assessing performance and allocating resources. The Directors consider the Board of Directors to be the CODM, as they are responsible for allocating resources and assessing the performance of the operating segments. The CODM reviews financial information relating solely to the company’s T&S activities and, accordingly, management has concluded that it has one operating and reportable segment for the purposes of IFRS 8 Operating Segments.

Any other services provided by the company are incidental to the company’s principal T&S activities and do not constitute separate reportable operating segments. In addition, the regulatory framework applicable to the company restricts non-regulated activities to a level that is not expected to exceed 2.5% of regulated business turnover. As such, management does not expect any ancillary activities to meet the quantitative thresholds for separate disclosure as reportable segments under IFRS 8.

All of the company’s operations and non-current assets are located in the United Kingdom.

2. Directors’ remuneration

Some of the directors of the company are also the directors of other affiliate companies and/or the intermediate parent company. The emoluments paid to those directors for the services provided to this company have been paid by the affiliate companies and/or the intermediate parent company and it is impractical to allocate the share of their remuneration to the company.

The aggregate remuneration paid to or receivable by the directors was as follows:

	Year ended 31 March 2026	15 months ended 31 March 2025
	£’000	£’000
Directors’ emoluments (salary and bonus)	453	245
Benefits in kind	306	135
Company pension contributions	12	23
	771	403

Number of directors who accrued benefits under defined contribution pension schemes during the year: 1 (2025: 1).

The directors’ share options are managed by the affiliate companies.

The key management personnel of the company comprise the Directors. There are no personnel, other than the directors, who have the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the company. The directors do not believe that any other employees meet the definition of key management personnel under IAS 24 ‘Related party disclosures’.

The average number of employees (including executive directors), calculated as the monthly average of persons employed by the company during the period was 33 (2025: 17).

Notes to the Financial Statements

For the year ended 31 March 2026

3. Other service costs and expenses

Other service costs and expenses are made up of the following amounts:

	Year ended 31 March 2026	15 months ended 31 March 2025
	£'000	£'000
ECL provision reversal	-	72
Audit fees	-	(96)
Bank and other charges	(8)	(13)
	(8)	(37)

4. Interest receivable and similar income

	Note	Year ended 31 March 2026	15 months ended 31 March 2025
		£'000	£'000
Gain on settlement of derivative financial instruments	4(a)	497	-
Bank interest income		234	1,083
Net foreign exchange gain		-	2,038
		731	3,121

(a) Gain on settlement of derivative financial instruments

During the period, the company de-designated and settled a portion of its foreign exchange forward contracts that were initially designated for hedge accounting. This resulted in a gain of £497K (2025: nil), which was reclassified from the cash flow hedge reserve to the profit or loss account. The company exercised judgement in determining that the related forecast transactions were no longer expected to occur resulting in the discontinuation of hedge accounting. Had the company determined that the transactions were still highly probable, the fair value gain of £497K would have been deferred in OCI rather than recognised in the current year's profit or loss account. Please refer to note 9 for company's accounting policy for derivative financial instruments.

Accounting policy - Interest income

Interest income is recognised on a time proportion basis. Interest income on financial assets at amortised cost is recognised in profit or loss using the effective interest rate method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the loss allowance). If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

Notes to the Financial Statements

For the year ended 31 March 2026

5. Interest payable and similar expenses

	Year ended 31 March 2026	15 months ended 31 March 2025
	£'000	£'000
Fees charged by immediate parent company for equity commitment	14,666	-
Foreign exchange loss	643	-
	15,309	-

In accordance with the Licence, the Project's total funding requirement is to be financed through a mixture of debt and equity. The shareholders of the company's immediate parent company, Eni CCUS Holding Limited, provide security to the company, by way of a parent company guarantee and/or letters of credit in respect of their outstanding commitment to provide equity funding for the Project.

In consideration for providing this commitment, the company was charged a fee of £14,666K during the year (2025: nil). The transaction forms part of the Project's overall financing arrangements.

During the year, the company entered into a syndicated loan arrangement comprising four debt facilities: (i) Long-Term Debt; (ii) Medium-Term Debt; (iii) Standby Capex Facility; and (iv) Revolving Credit Facility.

A summary of total debt fees and interest expense incurred during the year is as follows:

	Year ended 31 March 2026	15 months ended 31 March 2025
	£'000	£'000
Debt fees to establish & maintain stand-by loan facilities	11,793	-
<u>Less: prepaid debt fee attributable to future drawdowns</u>	<u>(10,546)</u>	-
Total amount capitalised	1,247	-
Interest expense calculated using effective interest rate	14,427	-
<u>Less: Interest on bank balances</u>	<u>(446)</u>	-
Total amount capitalised	13,981	-
Amount capitalised on settlement of interest rate swaps	416	-
Total capitalised borrowing costs	15,644	-

liverpool bay ccs limited

Notes to the Financial Statements

For the year ended 31 March 2026

Interest payable and similar expenses (continued)

Accounting policy – Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with IAS 23 Borrowing Costs.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The company's CCS asset under construction is therefore considered to be a qualifying asset. Borrowing costs eligible for capitalisation include interest expense calculated using the effective interest method, fees paid on the establishment and maintenance of loan facilities, gain or loss on settlement of interest rate swaps, finance charges on lease liabilities, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Fees paid on the establishment and maintenance of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the capitalisation of fees is deferred until the draw-down occurs. To the extent it is not probable that some or all of the facility will be drawn down, the fees is recognised as a trade and other receivables for liquidity services and capitalised as part of the CCS asset under construction on a straight-line basis over the term of the loan facility to which it relates. Capitalised debt fees are amortised upon commencement of amortisation of the CCS asset.

Capitalisation of borrowing costs commences when the company:

- incurs expenditures for the asset;
- incurs borrowing costs; and
- undertakes activities necessary to prepare the asset for its intended use.

Capitalisation is suspended during extended periods in which active development is interrupted and ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. Where construction is completed in stages, capitalisation ceases on each component as it becomes ready for use.

Where funds are borrowed specifically for the construction of the CCS asset under construction, the amount capitalised represents the actual borrowing costs during the period less any investment income on the temporary investment of those borrowings. Where general borrowing is used, borrowing costs are capitalised using a capitalisation rate that reflects the weighted average cost of borrowings applicable to the company during the period. All borrowings during the period were undertaken for the construction of the CCS asset under construction. Table in note 5 above provides details of total borrowing costs capitalised during the period.

Accounting policy - Foreign currencies

Transactions denominated in a foreign currency are converted to Pound Sterling at rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates ruling at the balance sheet date. The resulting exchange gains or losses are recognised in the statement of profit or loss.

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Notes to the Financial Statements

For the year ended 31 March 2026

6. Taxation

The credit for the period comprises:

	Year ended 31 March 2026 £'000	15 months ended 31 March 2025 £'000
UK corporation tax		
Current Tax		
UK corporation tax on profits for the period	-	-
Adjustment in respect of previous periods	-	-
Total Current Tax	-	-
Deferred Tax		
Prior year adjustment	-	-
Origination & reversal of timing difference	(78)	-
Effect of rate change	-	-
Total Deferred Tax	(78)	-
Income Tax Credit reported in the Income Statement	(78)	-
Tax recognised in Other Comprehensive Income (OCI)		
Tax on cash flow hedges	4,535	-
Total Deferred Tax to OCI	4,535	-
Tax Credit recognised in Equity		
Tax on basis adjustment	(117)	-
Total Tax Credit recognised in Equity	(117)	-

Factors affecting tax credit for the period

The standard rate of corporation tax applicable to UK companies is 25% (2025: 25%), however the tax assessed for the period is higher than the standard rate of corporation tax. The differences are explained below:

	Year ended 31 March 2026 £'000	15 months ended 31 March 2025 £'000
(Loss) / Profit before taxation	(14,586)	3,084
Taxation on (loss) / profit before tax @ 25% (2025: 25%)	(3,647)	771
Tax effect of amounts not deductible (taxable) for tax purposes	-	-
Tax effect of fees charged for equity commitment	3,667	-
Tax effect of amount deductible for tax purposes	-	-
Group relief claimed for no consideration	-	(780)
Movement in unrecognised tax losses	(98)	9
Income tax credit recognised in profit or loss	(78)	-

Notes to the Financial Statements

For the year ended 31 March 2026

Taxation (continued)

Tax Balance Sheet – Deferred Tax

	31 March 2026	Recognised in Profit & Loss	Recognised in OCI	Recognised in Equity	31 March 2025
	£'000	£'000	£'000	£'000	£'000
Assets					
Losses	6,526	6,526	-	-	-
Costs of hedging	986	-	986	-	-
Basis Adjustment	117	-	-	117	-
Total Asset	7,629	6,526	986	117	-
Liabilities					
Gains on cash flow hedges	(5,521)	-	(5,521)	-	-
Property, plant and equipment	(6,448)	(6,448)	-	-	-
Total Liability	(11,969)	(6,448)	(5,521)	-	-
Total	(4,340)	78	(4,535)	117	-

Accounting policy - Taxation

The tax expense for the year comprises current and deferred. Tax is recognised in profit or 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.

The current corporation income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred tax balances relate to the same taxation authority.

The company is a subsidiary of Eni CCUS Holding Limited, which became a joint venture during the reporting period. The OECD's Global Anti-Base Erosion ("Pillar Two") rules apply to multinational enterprise groups and certain joint venture groups that meet a consolidated revenue threshold of €750 million. Prior to 18 December 2025, the company formed part of the Eni S.p.A. group. With effect from 18 December 2025, Eni CCUS Holding Limited became jointly controlled by Eni S.p.A. and BlackRock Inc. and was assessed as a separate joint venture group for Pillar Two purposes. Eni CCUS Holding Limited and its subsidiaries did not meet the applicable consolidated revenue threshold following the change in ownership. No current or deferred tax amounts arising from Pillar Two were recognised by the company during either period.

Notes to the Financial Statements

For the year ended 31 March 2026

7. Property, plant and equipment

Property, plant and equipment consist of one class of asset i.e. Carbon Capture and Storage (CCS) assets under construction and comprise expenditure relating to the construction and development of the T&S infrastructure. The expenditure principally relates to offshore and onshore infrastructure including offshore platform modifications, pipelines, wells, spurlines etc. and can be broken down as follows:

CCS Asset under construction	
Non-current assets	Total £'000
Net book value	
At 1 January 2024	-
Additions for the period	10,601
At 31 March 2025	10,601
Additions for the period	399,729
Transfer from Intangible assets - note 8	223,269
At 31 March 2026	633,599

Borrowing costs directly attributable to the acquisition, construction and development of the CCS asset under construction were capitalised in accordance with IAS 23 Borrowing Costs. The total amount of interest capitalised during the period was £15.6M (2025: £Nil). Capitalised borrowing costs are therefore included within the carrying value of property, plant and equipment and will be recognised in profit or loss over the useful economic life of CCS assets through depreciation. The assets are pledged as security for amounts borrowed by the company. (see note 12).

The additions for the year include the following amounts charged by related parties:

Related party	Eni CCUS Holding Limited	Eni UK Limited	Eni International Resources Limited	Eni S.p.A.	Eni Progetti	Eni vibes	Total
£'000	73,356	12,150	3,296	1,225	820	117	90,964

The assets were not available for use as at 31 March 2026 and therefore no depreciation has been charged during the period (2025: nil). The assets are expected to be ready for use in 2029. No impairment charge or reversal of impairment provision was recognised during the period (2025: nil)

Accounting policy – Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition or construction of CCS assets, costs of bringing the CCS assets to the location and condition necessary for them to be capable of operating in the manner intended by management, directly attributable employee costs, borrowing costs until Commercial Operations Date (“COD”), where relevant the initial estimate of decommissioning and restoration obligations, and transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of CCS assets. Subsequent costs are included in the CCS asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. CCS assets under construction are not depreciated until the relevant assets are completed and available for use. Upon completion, CCS assets are depreciated on a straight-line basis over their estimated useful lives which are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of each reporting period, the company reviews the carrying amounts of its CCS assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of CCS assets is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

liverpool bay ccs limited

Notes to the Financial Statements

For the year ended 31 March 2026

Property, plant and equipment (continued)

Accounting policy – Property, plant and equipment (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the recoverable amount of the CCS cash-generating unit (CGU), management would determine value in use using discounted future cash flow projections derived from the Financial Settlement Document (FSD) approved by the regulator at the time of the award of the Licence. FSD is a project-specific regulatory document that forms part of the Licence framework. It sets out key financial parameters that the regulator uses to calculate and administer the licensee's allowed revenues, asset values, costs, and financial adjustments over the life of the T&S network. Management has assessed its CGU as being its T&S business, which is the lowest level for which cash inflows are largely independent.

At the end of each reporting period, an assessment is made to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or has decreased. Where such an indication exists, an impairment loss is reversed to the extent that the asset's carrying value does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Significant judgement - Capitalisation of Carbon Capture and Storage costs

Following the award of the Licence and the approval of the Final Investment Decision in April 2025, all directly related costs incurred were capitalised as 'Asset under construction' under IAS 16. All costs incurred and capitalised as Intangible Assets were also transferred to 'Asset under construction' as these are costs incurred to construct an item of property, plant and equipment.

IAS 16 prescribes that the cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- a. it is probable that future economic benefits associated with the item will flow to the entity; and
- b. the cost of the item can be measured reliably

The Licence includes the terms for the T&S Business model confirming the future recoverability of costs capitalised. All costs incurred to date, including pre-FID costs, as well as all future costs within the allowance defined in the FSD will be recovered within the T&S Regulatory Investment (TRI) model. The underlying principle of the TRI model is that the company will recover costs within the allowance defined in the FSD from users of the T&S network over the T&S asset's operating life. Under the TRI model, costs of constructing the asset shall be accumulated into a Shadow Regulated Asset Value, or SRAV. At COD, SRAV will become RAV to calculate the Allowed Revenues. Post COD, the company will be eligible to receive Allowed Revenues from the users of the T&S network via the user charging mechanism under the CCS Network Code, based on the amortisation of the RAV over the asset's useful life.

The Project also benefits from additional bespoke protections to address specific first-of-a-kind ("FOAK") risks. These include among other things:

- A Revenue Support Agreement ("RSA") with The Low Carbon Contracts Company ("LCCC"), owned and financially back-stopped by HMG, which protects against demand risks.
- A government support package which includes insurer of last resort protection for CO2 storage containment related risks (within agreed limits).

Based on the above, the directors have a reasonable expectation that future economic benefits associated with the asset under construction will flow to the company.

The costs capitalised as Property, plant and equipment are capable of being measured reliably, as they comprise directly attributable project expenditures incurred under contractual arrangements and recorded through the company's established accounting and cost control processes. All capitalised costs were measured reliably as they were part of amounts invoiced by the vendors and/or part of accruals for services received but not yet invoiced based on management's best estimate of value of services received at the reporting date.

Given the above considerations management concluded that the criteria required for capitalisation of costs under IAS 16 is met.

liverpool bay ccs limited

Notes to the Financial Statements

For the year ended 31 March 2026

Property, plant and equipment (continued)

Significant judgement - Impairment of Carbon, Capture and Storage Assets

Management has performed an assessment of internal and external indicators of impairment in accordance with IAS 36 Impairment of Assets and concluded that there are no indicators suggesting that the carrying value of the asset under construction may not be recoverable as at 31 March 2026.

Given the Project is currently in the pre-revenue construction phase, the assessment of recoverable amount is dependent on assumptions relating to successful project completion, commencement of commercial operations, forecast transportation and storage tariff revenues under the regulated T&S business model, expected operating and capital expenditure, inflation assumptions and the application of the RAV framework established under the Licence and related revenue support arrangements. Cash flow projections also reflect management's expectations regarding future carbon transportation and storage demand, recoverability of efficiently incurred costs under the TRI model and the contractual and regulatory protections available to the Project. The discount rate applied is based on current market assessments of the time value of money and risks specific to the CCS CGU not otherwise reflected in the forecast cash flows.

The Project continues to progress in line with the APDP. During the year, a Final Investment Decision ("FID") was reached on 22 April 2025 between DESNZ and the company, confirming continuation of the Project. In addition, GIP acquired a 49.99% interest in the parent undertaking, Eni CCUS Holding Limited. Management considers these developments to be strong indicators of continued project viability and support the expectation that there has been no decline in asset value arising from the passage of time or normal use.

Management has also considered whether there have been any significant adverse changes in the technological, market, economic or legal environment in which the Project operates. During the year, the key economic, regulatory and governance arrangements relating to the T&S business model for the HyNet Project were agreed, alongside the award of the Licence. These milestones, together with achievement of FID, provide evidence of a stable regulatory and commercial framework supporting the Project and do not indicate adverse market or legal developments affecting the recoverability of the assets.

The assessment also considered changes in market interest rates and financing conditions that could materially affect the project economics or discount rates applied in any impairment assessment. The company has debt facilities of £2.5 billion, which along with equity funding guarantees, provided by Eni International BV and on behalf of GIP, are considered sufficient by management to fund the project costs. Interest rate exposure on debt facilities is substantially mitigated through hedging arrangements. Accordingly, management does not consider that changes in market interest rates or financing conditions represent an impairment indicator.

The company remains in a net asset position and has access to sufficient committed debt and equity funding to meet forecast capital expenditure and working capital requirements. Furthermore, the Licence and associated revenue support arrangements provide evidence supporting the future recoverability of capitalised project costs.

Management has identified no evidence of physical damage or obsolescence relating to the asset under construction. The Project continues to be developed using established and proven technologies and there are currently no technical constraints impacting completion or intended use of the infrastructure.

No significant adverse changes have been identified in the manner in which the assets are expected to be used. The regulatory framework includes various protective mechanisms designed to mitigate downside risk events, including protections relating to first-user delay, construction timing and certain qualifying cost overruns. Management has reviewed the latest project cost forecasts as at 31 March 2026 and confirmed that there are no material adverse variances compared to the FID-approved budget.

Management has also reviewed internal reporting and project performance monitoring and noted no evidence that the economic performance of the assets is, or will be, worse than expected. Forecast cash flows and operating assumptions remain consistent with those approved at FID, and management does not expect any material adverse changes to project schedule, expected costs or future economic performance.

Based on the assessment performed, management concluded that no impairment charge is required as at 31 March 2026.

Notes to the Financial Statements

For the year ended 31 March 2026

8. Intangible Assets

Intangible assets represent costs incurred in connection with pre-construction and commissioning activities until the date of award of the Licence and approval of FID. During the year, following the award of the Licence and approval of FID in April 2025, all costs incurred and capitalised as Intangible Assets were transferred to Property, plant and equipment considering they are costs incurred to construct an item of property, plant and equipment.

**Capitalised development costs – carbon capture and storage
assets**

	Cost	Amortisation	Net Book Value
	£'000	£'000	£'000
At 1 January 2024	116,117	-	116,117
Additions for the period	107,152	-	107,152
At 31 March 2025	223,269	-	223,269
Transfer to PPE during the period	(223,269)	-	(223,269)
At 31 March 2026	-	-	-

Accounting policy – Intangible Assets (Carbon capture and storage)

Carbon capture and storage assets represent costs incurred in respect of front-end engineering design and feasibility studies undertaken for the development of carbon capture storage projects. These directly attributable development costs are recognised as intangible assets where the following criteria are met (i) it is technically feasible to complete the Project so that it will be available for use; (ii) management intends to complete the Project and use or sell it; (iii) there is an ability to use or sell the Project; (iv) it can be demonstrated how the Project will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and to use or sell the Project are available; and (vi) the expenditure attributable to the Project during its development can be reliably measured

Directly attributable costs that are capitalised as part of the Project include employee costs and Project-specific overheads to the extent they are eligible for capitalisation. Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Notes to the Financial Statements

For the year ended 31 March 2026

9. Derivative Assets

The company has recognised the following derivative financial instruments in the following line items in the statement of financial position:

	31 March 2026 £'000	31 March 2025 £'000
Current assets		
Foreign currency forwards and swaps – cash flow hedges	1,803	-
Interest rate swaps – cash flow hedges	158	-
Total current derivative financial instrument assets	1,961	-
Non-current assets		
Foreign currency forwards and swaps – cash flow hedges	3,631	-
Interest rate swaps – cash flow hedges	12,082	-
Total non-current derivative financial instrument assets	15,713	-

The company uses derivative financial instruments only for economic hedging purposes and not as speculative investments. The portion of the fair value of derivative financial instruments attributable to contractual cash flows expected to be realised or settled within 12 months after the reporting period is presented within current derivative financial assets or current derivative financial liabilities. The remaining portion of the fair value of derivative financial instruments attributable to contractual cash flows expected to be realised or settled more than 12 months after the reporting period is presented within non-current derivative financial assets or non-current derivative financial liabilities. Where the derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. Trading derivatives are classified as a current asset or liability. Please refer to the section 'Fair value measurements' for information about the methods and assumptions used in determining the fair value of derivatives.

As of 31 March 2026, all derivative financial instruments met the hedge accounting criteria and the company's hedging reserves consisted of the following:

	*Cost of hedging reserve	Cash flow hedge reserve Spot component of currency forwards	Interest rate swaps	Total hedge reserves
	£'000	£'000	£'000	£'000
Opening balance 1 January 2024	-	-	-	-
Add: change in fair value of hedging instruments recognised in OCI	-	-	-	-
Add: costs of hedging deferred and recognised in OCI	-	-	-	-
Closing balance 31 March 2025	-	-	-	-
Add: change in fair value of hedging instruments recognised in OCI	-	10,341	12,240	22,581
Less: costs of hedging deferred and recognised in OCI	(3,943)	-	-	(3,943)
(Less) / add: transferred directly to cost of asset – not included in OCI	(3,845)	3,378	-	(467)
Less: Gain on settlement -reclassified to profit or loss	-	(497)	-	(497)
Add / (less): deferred tax	1,947	(3,305)	(3,060)	(4,418)
Closing balance 31 March 2026	(5,841)	9,917	9,180	13,256

*The amounts deferred in the cost of hedging reserve are in respect of forward points (2025: nil). All the deferred costs relate to hedges of transaction-related items, namely forecast costs of the CCS asset under construction. They are therefore transferred directly to the cost of CCS asset under construction on initial recognition of property, plant and equipment.

Notes to the Financial Statements

For the year ended 31 March 2026

Derivative Assets (continued)

During the period, the company de-designated and settled a portion of its foreign exchange forward contracts that were initially designated for hedge accounting. This resulted in a gain of £497K, which was reclassified from the cash flow hedge reserve to the profit or loss account. The company exercised judgement in determining that the related forecast transactions were no longer expected to occur resulting in the discontinuation of hedge accounting. Had the company determined that the transactions were still highly probable, the fair value gain of £497K would have been deferred in OCI rather than recognised in the current year's profit or loss account. (see note 4(a)).

	31 March 2026	31 March 2025
	£'000	£'000
Hedging gains reclassified to profit or loss	497	-

There were no reclassifications to profit or loss account as a result of the hedged item affecting profit or loss. The cash flow hedge reserve relates to continuing hedging relationships. There were no balances in the cash flow hedge reserve from any hedging relationships for which hedge accounting is no longer applied.

Hedge effectiveness

The company assesses hedge effectiveness in accordance with IFRS 9.6.4.1 both at inception of the hedging relationship and on an ongoing basis. The assessment considers whether the hedging relationship meets all three hedge effectiveness criteria: (i) an economic relationship exists between the hedged item and the hedging instrument; (ii) the effect of credit risk does not dominate the value changes arising from that economic relationship; and (iii) the hedge ratio reflects an unbiased relationship consistent with the quantities of the hedged item actually hedged and the derivatives used.

Foreign currency forwards

For hedges of foreign currency purchases, the measurement of hedge ineffectiveness is performed by comparing changes in the fair value of the designated component of the hedging instrument (i.e., the spot element of the derivative contracts) with the corresponding change in the present value of the hedged risk of forecast EUR and USD cash flows. Any hedge ineffectiveness identified is recognised immediately in profit or loss. The company also evaluates the impact of counterparty credit risk and own credit risk to confirm that these factors do not outweigh the underlying economic relationship. The effectiveness assessment does not require a quantitative test unless significant mismatches arise between the timing or amount of the forecast transactions and the derivative cash flows. In such instances, the company may apply a simple dollar-offset or regression-based analysis to support the continuation of hedge accounting.

The company applies dynamic hedging when required to maintain an unbiased hedge ratio that reflects its risk management strategy. This is done prospectively when changes in the volume of the forecast EUR and USD denominated transactions occur, or when the profile of the hedging instrument is modified. Dynamic hedging adjusts the hedge ratio so that the hedging relationship continues to reflect the actual quantities of the hedged item and the derivatives used. Any hedge ineffectiveness arising is recognised immediately in profit or loss.

Interest rate swaps

The company enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, payment dates, maturities and notional amount.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It might occur due to:

- the credit value / debit value adjustment on the interest rate swaps which is not matched by the loan.
- differences in critical terms between the interest rate swaps and loans.

Hedge ineffectiveness in relation to foreign currency purchases and interest rate swaps was negligible in 2026.

liverpool bay ccs limited

Notes to the Financial Statements

For the year ended 31 March 2026

Derivative Assets (continued)

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency-related hedging instruments on the company's financial position and performance are as follows:

	31 March 2026 £'000	31 March 2025 £'000
Foreign currency forwards		
Carrying amount (current and non-current asset)	5,434	-
Notional amount	403,860	-
Maturity date	Jun 26 – Sep 28	-
Hedge ratio *	1:1	-
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	13,221	-
Change in value of hedged item used to determine hedge ineffectiveness	(13,221)	-
Weighted average hedged rate for outstanding hedging instruments (including forward points)	US\$ 1.35: £1	-
	Euro 1.15: £1	-

* The foreign currency forwards are denominated in the same currency as the highly probable future capital expenditures, and therefore the hedge ratio is 1:1.

The effects of the interest rate swaps on the company's financial position and performance are as follows:

	31 March 2026 £'000	31 March 2025 £'000
Interest rate swaps		
Carrying amount (current and non-current asset)	12,240	-
Notional amount	*1,868,000	-
Maturity date	2034	-
Hedge ratio	1:1	-
Change in fair value of outstanding hedging instruments since inception of the hedge	12,240	-
Change in value of hedged item used to determine hedge effectiveness	(12,240)	-
Weighted average hedged rate for the year	4.1075%	-

*Peak notional occurring on 30 June 2029

Accounting policy - Derivatives

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

At inception of the hedge relationship, the company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The company documents its risk management objective and strategy for undertaking its hedge transactions. Thereafter, on an ongoing basis, the company documents whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

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Notes to the Financial Statements

For the year ended 31 March 2026

Derivative Assets (continued)

Accounting policy – Derivatives (continued)

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains / (losses).

When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item (aligned forward element') is recognised within OCI in the costs of hedging reserve within equity.

The company designates interest rate swaps as cash flow hedges for the risk of variability in cash flows attributable to floating interest rate on borrowings. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains / (losses).

Amounts accumulated in equity are accounted for as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as asset under construction), both the deferred hedging gains and losses and the deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss, when the hedged item affects profit or loss (for example, through depreciation).
- The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised as part of the cost of the non-financial asset (i.e. asset under construction) at the same time as the interest expense on hedged borrowings is capitalised under IAS 23. These amounts are ultimately recognised in profit or loss, when the hedged item affects profit or loss (for example, through depreciation).

Cash flow hedge accounting is discontinued prospectively when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria (after taking into account any rebalancing of the hedging relationship, if applicable). In such circumstances, the company accounts for the amount that has been accumulated in the cash flow hedge reserve as follows:

- if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve until the future cash flows occur. When the future cash flows occur and result in the recognition of a non-financial asset (such as asset under construction), the amount in the cash flow hedge reserve is removed and included within the initial cost of the asset. For all other cash flows, the amount is reclassified from the cash flow hedge reserve to profit or loss account as a reclassification adjustment.
- if the hedged future cash flows are no longer expected to occur, the amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.
- If that amount is a loss and the company expects that all or a portion of that loss will not be recovered, the amount not expected to be recovered is reclassified into profit or loss as a reclassification adjustment.

(ii) Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains / (losses).

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Notes to the Financial Statements

For the year ended 31 March 2026

10. Trade and other receivables

Trade and other receivables consist of the following:

	31 March 2026	31 March 2025
	£'000	£'000
Current assets		
VAT receivable	31,869	3,737
Prepayments	13,321	-
Other receivables	542	354
Receivable from immediate parent company – Eni CCUS Holding Limited	255	162
Total current trade and other receivables	45,987	4,253
Non-current assets		
Prepayments	24,837	-
Total non-current trade and other receivables	24,837	-

Trade and other receivables arise mainly from VAT receivable and prepaid debt fees for establishment and maintenance of loan facilities. Other receivables include advances to suppliers and employees and amounts due from Eni CCUS Holding Limited for provision of services not related to the HyNet Project.

VAT and other receivables are unsecured, bear no interest and are generally due within 30 days after the end of the calendar month to which the receivables relate.

Accounting policy – Trade and other receivables

Trade and other receivables that do not contain a significant financing component, or for which the company has applied the practical expedient, are initially measured at transaction price. Trade and other receivables held for the purpose of collecting contractual cash flows are subsequently measured at amortised cost using the effective interest method. Management considers the carrying amounts to be a reasonable approximation to the fair value.

For trade and other receivables, the company applies a simplified approach in calculating Expected Credit Losses (ECL). The company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company establishes a provision matrix that is based on shared credit risk characteristics and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The company generally considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

11. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	31 March 2026	31 March 2025
	£'000	£'000
Cash at bank – third party	16,641	98
Cash at bank – affiliate company – Banque Eni S.A.	-	14,903
	16,641	15,001

Cash and cash equivalents comprise cash on hand, the company's current bank accounts and short-term deposits originally due, generally, within 90 days, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Bank account held with Banque Eni S.A. was closed in Jun-25.

The company has full availability of its bank accounts without any restrictions.

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Notes to the Financial Statements

For the year ended 31 March 2026

12. Long term loans

Long term loans consist of the following:

	31 March 2026	31 March 2025
	£'000	£'000
Amounts owed to third parties	405,070	-
	405,070	-

Amounts owed to third parties are related to a syndicate loan with multiple lenders for the following four (4) facilities:

- Long Term Debt Facility
- Medium Term Debt Facility
- Standby Capex Facility
- Revolving Credit Facility

These debt facilities are denominated in UK pounds with a nominal interest rate on a fixed rate over SONIA and were acquired in April 2025 to fund the construction of the Project. The borrowings' carrying amount at reporting date is £405,070K and is secured by a charge over all the company's assets and by collateral encompassing all present and future interests of the company.

Relevant details as of 31 March 2026 include:

Key Terms	Long Term Debt Facility	Medium Term Debt Facility	Standby Capex Facility	Revolving Credit Facility
Facility amount	625,000,000	1,250,000,000	475,000,000	150,000,000
Facility term	15 years	10 years	10 years	10 years
Drawn amount	137,000,000	274,000,000	-	-
Interest rate	SONIA + margin	SONIA + margin	SONIA + margin	SONIA + margin
Interest payments	Payable monthly in arrears	Payable monthly in arrears	Payable monthly in arrears	Payable monthly in arrears
Repayment profile	Primarily bullet payment at maturity	Primarily bullet payment at maturity	Primarily bullet payment at maturity	Bullet payment at maturity
Covenants	RAR and Hedge ratio	RAR and Hedge ratio	RAR	RAR

Borrowings are initially recognised at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method. The carrying amount of the loan approximates its fair value due to the variable interest rate. At the reporting date, the company was in compliance with all covenant requirements.

The movement schedule as of 31 March 2026 is as under:

Description	Long Term Debt Facility	Medium Term Debt Facility	Total
	£'000	£'000	£'000
Balance at 01 April 2025	-	-	-
Proceeds from borrowings	137,000	274,000	411,000
Repayments	-	-	-
Amortised transaction costs	(2,020)	(3,910)	(5,930)
Balance at 31 March 2026	134,980	270,090	405,070

liverpool bay ccs limited

Notes to the Financial Statements

For the year ended 31 March 2026

Long term loans (continued)

No drawdowns were made against the Stand-by Capex and Revolving Credit facilities.

No loan repayments were made during the period in line with the respective loan agreements. The weighted average effective interest rate on drawn facilities as of 31 March 2026 was 5.98%.

Accounting policy – Long term loans

Borrowings are recognised initially at fair value less attributable transaction costs. Fees paid on the establishment and maintenance of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the amortisation of fees is deferred until the draw-down occurs. Subsequent to initial recognition, borrowings are stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is amortised over the period of the borrowings using the effective interest method. To the extent it is not probable that some or all of the facility will be drawn down, the fees is recognised as a trade and other receivables for liquidity services and amortised on a straight-line basis over the term of the loan facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the company has a right to defer settlement of the liability for at least 12 months after the reporting period.

13. Trade and other payables

Trade and other payables consist of the following:

	31 March 2026	31 March 2025
	£'000	£'000
Payable to related parties		
Eni CCUS Holding Limited – immediate parent company	56,140	5,353
Eni UK Limited – affiliate company	500	18,809
Eni S.p.A. – affiliate company	703	798
Eni International Resources Limited – affiliate company	1,161	-
Eni Progetti – affiliate company	77	-
Eni Vibes – affiliate company	27	-
Trade payables – third parties	23,063	6,027
Other payables	41,407	10,636
	123,078	41,623

Trade and other payables mainly arise in relation to services received in connection with the construction of T&S infrastructure (CCS asset under construction). Other payables mainly include third party accruals.

Trade and other payables are unsecured, bear no interest and are generally due within 30 days after the end of the calendar month to which the payables relate.

Accounting policy – Trade and other payables

Trade and other payables are initially recognised at their fair value being the transaction price and subsequently measured at amortised cost. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Management believes that the carrying amounts are a reasonable approximation to the fair value.

Notes to the Financial Statements

For the year ended 31 March 2026

14. Share Capital

	31 March 2026 £'000	31 March 2025 £'000
Allotted and fully paid at 31 March 2026 (204,810,000 ordinary shares of £1 each) (2025: 208,810,000 ordinary shares of £1 each)	204,810	208,810

The following table shows the movements in share capital:

Share capital	Number of shares 000	Par value 31 March 2026 £'000
At 1 January 2024	117,310	117,310
Shares issued during the period – allotted and fully paid	91,500	91,500
At 31 March 2025	208,810	208,810
Shares issued during the period – allotted and fully paid	99,000	99,000
Shares cancelled during the period – reduction of share capital	(103,000)	(103,000)
At 31 March 2026	204,810	204,810

On 24 April 2025, following a solvency statement made by the company directors and a special resolution passed by the company's shareholder, the company completed a reduction of its issued share capital from £208,810,000 to £105,810,000 by cancelling 103,000,000 ordinary shares of £1.00 each.

During the year ended 31 March 2026, 99,000,000 ordinary shares of £1 each were allotted to the immediate parent company, Eni CCUS Holding Limited, at par value for cash consideration.

Under the Companies Act 2006, there is no requirement for the company to have an authorised share capital, and the company's Articles of Association do not set a maximum amount of shares that the company may allot.

15. Other Reserves

The following table shows a breakdown of 'Other Reserves' and movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

Other Reserves	Hedging reserve £'000	Capital reduction reserve £'000	Employee Share Options Program (ESOP) reserve £'000	Total Other Reserves £'000
At 1 January 2024	-	-	-	-
Movements for the period	-	-	-	-
At 31 March 2025	-	-	-	-
Revaluation of hedging instruments - gross	18,638	-	-	18,638
Deferred Tax	(4,659)	-	-	(4,659)
Reclassification to profit or loss	(497)	-	-	(497)
Deferred Tax	124	-	-	124
Other Comprehensive Income	13,606	-	-	13,606
Transfer to Property, plant and equipment	(467)	-	-	(467)
Deferred Tax	117	-	-	117
Cancellation of ordinary shares	-	103,000	-	103,000
Dividends paid	-	(103,000)	-	(103,000)
Contribution from Eni S.p.A. for ESOP	-	-	1	1
At 31 March 2026	13,256	-	1	13,257

Notes to the Financial Statements

For the year ended 31 March 2026

Other Reserves (continued)

Cash flow hedge reserve

The hedging reserve includes the cash flow hedge reserve and the costs of hedging reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, see note 9 for details. Amounts are subsequently either transferred to the initial cost of property, plant and equipment or reclassified to profit or loss as appropriate.

Capital reduction reserve

On 24 April 2025, following a special resolution passed by the company's shareholder, the company completed a reduction of its issued share capital from £208,810,000 to £105,810,000 by cancelling 103,000,000 ordinary shares of £1.00 each.

On the same date, the Board approved an interim dividend of £103,000,000 (£1.00 per ordinary share), payable to its then sole shareholder, Eni CCUS Holding Limited. The dividend was paid on 12 May 2025. No dividends were paid during the financial period ended 31 March 2025.

ESOP reserve

On 1 November 2025, Eni S.p.A. granted the company's employees rights to receive Eni S.p.A.'s ordinary shares under the equity-settled share-based payment plan ("ESOP"). The awards vest after 3 years of service (vesting period from 1 November 2025 to 31 October 2028). There are no market-based performance conditions. Awards are forfeited if the employee leaves before vesting. The amount recognised during the year was £1K following measurement and recognition from Eni S.p.A.

Equity-settled share-based payments are measured at the grant-date fair value of the shares and recognised as employee benefits expense over the vesting period, based on the company's estimate of the number of shares expected to vest. The corresponding credit is recognised in equity within 'Other Reserves'. Charges are reversed for awards that do not vest.

16. Summary of other potentially material accounting policies

This note provides a list of other potentially material accounting policies adopted in the preparation of these financial statements to the extent that they have not already been disclosed in the other notes above. These policies have been consistently applied to all of the years presented, unless otherwise stated.

a. Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and in accordance with the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

As permitted by FRS 101, the company is eligible to take advantage of the disclosure exemptions available under that standard in relation to:

- (a) the requirements of paragraphs 10(d) 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- (b) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - 1. paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements; and
 - 2. paragraph 118(e) of IAS 38 Intangible Assets.
- (c) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c) -135(e) of IAS 36, Impairment of Assets;
- (d) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective;
- (e) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- (f) the requirements of IAS 7 Statement of Cash Flows;

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Notes to the Financial Statements

For the year ended 31 March 2026

Summary of other potentially material accounting policies (continued)

Basis of preparation (continued)

- (g) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- (h) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (i) the requirements of paragraphs 44-52 of IFRS 2 Share-based Payment; and
- (j) the disclosure requirements of IFRS 13 Fair Value Measurement

The disclosure exemptions are available considering the company is consolidated on a line-by-line basis in the financial statements of the immediate parent company, Eni CCUS Holding Limited. Where required, equivalent disclosures are given in the group financial statements of Eni CCUS Holding Limited. The group financial statements of Eni CCUS Holding Limited are available from the registered office address stated above and from the Companies House website:

<https://www.gov.uk/government/organisation/companies-house>.

The accounting policies have been applied consistently, other than where new policies have been adopted.

With the exception of (f) and (g) above, the company has taken advantage of the above disclosure exemptions. Management has decided to present the cash flow statement and disclosures in relation to related parties and segmental reporting in the financial statements to align with the reporting requirements of the Licence. This approach reflects the fact that the company has obtained a derogation from the regulator to submit its statutory accounts in place of separate regulatory accounts. Accordingly, these disclosures have been included as a matter of regulatory alignment and transparency.

New and amended standards adopted

The company has applied the following standard(s) and amendment(s) for the first time for the annual reporting commencing on 1 April 2025:

- Amendments to IAS 21 – Lack of Exchangeability

The amendment(s) listed above did not have any material impact on the amounts recognised in prior periods and does not have a material impact on the entity in the current and future periods and on foreseeable future transactions.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2026 reporting periods and have not been early adopted by the company. These include:

- Amendments to Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual reporting periods beginning on or after 1 January 2026);
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027), where applicable;

These standards do not have a material impact on the company in the current reporting period, with the exception of IFRS 18. Management is currently assessing the applicability and potential impact of IFRS 18 on future transactions.

Notes to the Financial Statements

For the year ended 31 March 2026

Summary of other potentially material accounting policies (continued)

b. Going concern

The financial statements have been prepared on a going concern basis. The directors are satisfied that, following financial close for the HyNet Project in April 2025, the company has access to adequate financial resources. These resources comprise project debt financing and equity commitments from Eni International B.V. and on behalf of GIP (together referred to as 'Equity Guarantors'), which are shareholders of company's immediate parent company. The directors consider that these resources will enable the company to operate for the foreseeable future being no less than twelve months from the date of signing the financial statements and meet its obligations as they fall due.

During the assessment, the directors have considered the impact of the transaction related to the sale of a stake of 49.99% in Eni CCUS Holding Limited to GIP. The directors have evaluated the financial position of the Equity Guarantors to support the company to meet its obligations in the going concern period in the manner described in the Shareholders' Agreement dated 18 December 2025.

As a consequence, the directors have a reasonable expectation that the company is well placed to manage its business risks and generate sufficient funds to continue in operational existence for the foreseeable future being not less than twelve months from the date of signing of these financial statements. Accordingly, the directors have adopted the going concern basis in preparing the financial statements.

c. Financial instruments

Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

With the exception of trade and other receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade and other receivables that do not contain a significant financing component, or for which the company has applied the practical expedient, are initially measured at transaction price.

The company classifies its financial assets in the following categories: Financial assets designated at fair value through OCI (equity instruments) and financial assets at amortised cost (debt instruments). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The company's financial assets at amortised cost include trade and other receivables.

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to the Financial Statements

For the year ended 31 March 2026

Summary of other potentially material accounting policies (continued)

Financial instruments (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition or where the financial assets are considered to have low credit risk, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). Management considers 'low credit risk' to be when they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. For credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

In order to determine whether there has been a significant increase in credit risk, the company compares the risk of a default occurring over the expected life of the financial instrument as at the reporting date with the risk of default as at the date of initial recognition.

For trade and other receivables and contract assets, the company applies a simplified approach in calculating Expected Credit Losses (ECL). The company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company establishes a provision matrix that is based on shared credit risk characteristics and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company generally considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

Other financial liabilities are measured at amortised cost and classified in the balance sheet as trade and other payables.

17. Critical estimates and judgements

The company's financial statements are prepared in accordance with FRS 101. This requires the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses reported in the financial statements, as well as amounts included in the notes there to, including discussion and disclosure of contingent liabilities. Estimates made are based on complex or subjective judgements, past experience and other assumptions deemed reasonable in consideration of the information available at the time. Estimates and judgements are continually evaluated. Although the company uses its best estimates and judgements, actual results could differ from the estimates and assumptions used.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to final outcome deviating from estimates and assumptions made. Detailed information about each of these estimates and judgements is included in other notes, together with information about the basis of calculation for each affected line item in the financial statements.

Notes to the Financial Statements

For the year ended 31 March 2026

Critical estimates and judgements (continued)

A summary of significant judgements is as follows:

- a. Capitalisation of Carbon Capture and Storage costs – note 7
- b. Impairment of Carbon, Capture and Storage Assets – note 7
- c. Fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company classifies its financial instruments into a three-level hierarchy prescribed under IFRS 13, based on whether the inputs to valuation techniques are observable or unobservable. During the reporting period, all of the company's financial instruments measured at fair value were classified within Level 2. This categorisation reflects management's judgement that while the instruments are not traded in active markets (which would classify them as Level 1), their fair values are determined using valuation techniques that rely entirely on significant inputs derived from directly or indirectly observable market data, rather than entity-specific, unobservable inputs (which would classify them as Level 3).

If the inputs used to measure the fair value of an asset or liability are categorised across different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of the company's financial instruments is shown in the table below. The company has not disclosed the fair values for cash and cash equivalents, trade and other receivables and trade and other payables as their carrying amounts are a reasonable approximation of the fair value.

	31 March 2026 Fair value £'000	31 March 2025 Fair value £'000
Financial assets at fair value that qualify for hedge accounting		
Hedging derivatives – foreign currency forwards and swaps	5,434	-
Hedging derivatives – interest rate swaps	12,240	-
	17,674	-
Financial liabilities at amortised cost		
Borrowings – floating rate loans	405,070	-
	405,070	-

Notes to the Financial Statements

For the year ended 31 March 2026

Critical estimates and judgements (continued)

The fair value determination methodology applied for valuing these financial instruments is as follows:

Foreign currency forwards and swaps

The fair value is determined as the present value of the difference between the contracted forward exchange rate and the forward exchange rate at the reporting date applied to the notional amount, discounted to the reporting date using appropriate currency-specific discount rates. Forward exchange rates are derived from observable spot exchange rates and interest rate differentials between the relevant currencies. The valuation incorporates credit risk adjustments, including counterparty credit risk (CVA) and company's own non-performance risk (DVA), where applicable. The fair value measurements of foreign currency forwards and foreign currency swaps are classified within Level 2 of the fair value hierarchy, as the valuation techniques use observable market inputs, including:

- Spot foreign exchange rates
- Forward foreign exchange curves
- Yield curves for relevant currencies

These instruments do not rely on quoted prices in active markets.

Interest rate swaps

The fair value is determined as the net present value of the expected future cash flows associated with each leg of the swap, discounted to the reporting date using market-based discount rates. Future cash flows are estimated based on forward interest rate curves derived from observable yield curves at the reporting date. The valuation also incorporates credit risk adjustments, including the company's own credit risk and the counterparty's credit risk where appropriate. The fair value measurement of the interest rate swap is classified within Level 2 of the fair value hierarchy, as it is based on observable market data, including interest rate yield curves and forward rates, but does not use quoted prices in active markets.

Borrowings, floating rate loans

The carrying value of borrowings approximates their fair value. The company's borrowings consist entirely of long-term loans bearing variable interest rates that are linked to observable market benchmarks (e.g., SONIA) and are reset at regular intervals. Due to the variable nature of the interest rates, which reprice frequently to reflect current market conditions, the carrying amounts of these borrowings approximate their fair values at the reporting date. The fair value of borrowings is classified within Level 2 of the fair value hierarchy, as the valuation is based on observable inputs, including market interest rate curves.

There were no transfers between the different fair value hierarchy levels during the year. The company's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

18. Risk Management

The company's risk management strategy consists of:

a. Capital risk management

The company defines capital as equity attributable to the company's shareholders. The company is subject to externally imposed capital requirements, by both Ofgem and financial lenders. These capital requirements include gearing levels, being the ratio of net debt to the regulatory asset value (RAV). The forecast gearing position is closely monitored by the directors against the external capital requirements.

The company's objectives when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The company's gearing level remains in line with the company's capital management strategy and is fully compliant with the financing arrangements and regulatory obligations.

liverpool bay ccs limited

Notes to the Financial Statements

For the year ended 31 March 2026

Risk management (continued)

b. Financial risk management

The principal financial risks to which the company is exposed to are summarised below:

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions. Recognised financial assets and liabilities not denominated in £	Cash flow forecasting Sensitivity analysis	Foreign currency forwards and swaps
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Credit risk	Cash and cash equivalents, trade and other receivables, derivative financial instruments	Aging analysis Credit ratings	Diversification of bank deposits, Investment guidelines for debt instruments and allocation of FX and Interest Rates derivatives
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The company's risk management is predominantly controlled by the treasury function under policies approved by the board. The company's treasury function identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity.

In line with project financing arrangements, the directors have authorised the use of derivative financial instruments to reduce the risk of loss arising from changes in market risks, and for economic hedging reasons. Derivatives are used to hedge interest rate risk (to change the basis of interest cash flows from floating to fixed) and foreign exchange rate risk.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate loans, and PPE at the fixed foreign currency rate for the hedged purchases.

i. Interest rate risk

The company's interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. The company's finance strategy defines long term objectives for the management of interest rate risk, in addition to compliance with the hedging policies contained in the financing documentation. These include, amongst other things, restrictions on over hedging and requirements as to the amount of the company's debt which bears a floating rate of interest. Management reviews the hedging instruments quarterly to ensure restrictions are met.

All drawn debt at 31 March 2026, which is based on floating rates, is hedged via interest rate swaps at fixed rates. The settlement dates largely coincide with the dates on which interest is payable on the underlying debt and the notional value of these instruments match the expected future drawings for committed borrowings. The swap contracts require a monthly settlement of net interest receivable or payable.

Notes to the Financial Statements

For the year ended 31 March 2026

Risk management (continued)

Financial risk management (continued)

Interest rate risk (continued)

The hedge ratio is established on a 1:1 basis between the forward starting swaps notional and the expected debt drawdown profile, which is based on the financial model of the Project. Interest rate swap hedge relationships are generally maintained for the term of the underlying financing arrangements. Discontinuation and redesignation of hedging relationships does not occur frequently and would typically arise only in connection with refinancing activities, amendments to underlying debt arrangements, termination of hedging instruments, or where hedge accounting criteria are no longer met.

Derivatives are only used for economic hedging purposes and not as speculative investments. The company has designated derivatives within hedging relationships and has therefore applied hedge accounting.

During the reporting period, there were no forecast transactions for which cash flow hedge accounting had been applied in a previous period that were no longer expected to occur.

The table below summarises the sensitivity at 31 March 2026 of the company's OCI to changes in interest rates for the company's derivatives only. The sensitivity analysis excludes the company's borrowings. A hypothetical 1% increase in interest rates would result in the following movement in fair value of the interest rate swaps as at 31 March 2026:

	31 March 2026		31 March 2025	
	£'000	£'000	£'000	£'000
	+100bps	-100bps	+100bps	100bps
Other Comprehensive Income	<u>98,006</u>	<u>(107,261)</u>	<u>-</u>	<u>-</u>

ii. Foreign exchange rate risk

The company is exposed to foreign exchange fluctuations primarily relating to non-GBP (mainly EUR and USD) expenditures. The company's exposure to foreign currency risk at the end of the reporting period, expressed in GBP, was as follows:

Description	31 March 2026		31 March 2025	
	EUR £'000	USD £'000	EUR £'000	USD £'000
Trade and other payables	387,573	16,287	-	-
Foreign currency forwards	<u>(387,573)</u>	<u>(16,287)</u>	<u>-</u>	<u>-</u>

The company manages this risk by entering into foreign currency derivatives, primarily:

- forward exchange contracts;
- foreign currency swaps;

These derivatives are used to hedge highly probable forecast transactions and are entered into with counterparties that meet the company's credit criteria. The company does not enter into speculative FX positions. The company has hedged all of its 'highly probable' foreign currency expenditures until September 2028.

liverpool bay ccs limited

Notes to the Financial Statements

For the year ended 31 March 2026

Risk management (continued)

Financial risk management (continued)

Foreign exchange rate risk (continued)

As per the company's hedging policy, the critical terms of the forwards and swaps must align with the hedged items. The company manages these exposures on a time-period basis and designates the relevant group of highly probable forecast EUR and USD cash flows as the hedged item. The hedge ratio is determined based on the actual quantity of forecast transactions hedged and the notional amounts of derivatives used on a net basis, ensuring the relationship remains unbiased. The company uses dynamic hedging to maintain consistency with its risk management objective. The company only designates the spot component of foreign currency derivatives in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the discounted spot market exchange rate is defined as the forward points. It is discounted, where material. The changes in the forward element of the foreign currency forwards that relate to hedged items are registered as costs of hedging reserve.

Management monitors foreign exchange exposure on a regular basis and maintains a policy of hedging all highly probable forecast foreign currency transactions.

During the reporting period, there were no forecast transactions for which cash flow hedge accounting had been applied in a previous period that were no longer expected to occur.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant as of 31 March 2026.

The impact on equity reflects the change in the fair value of forward contracts designated as effective cash flow hedges.

Currency	Change in Rate	Impact on Equity (OCI) £'000
USD	+10% (Strengthening)	1,628
USD	-10% (Weakening)	(1,628)
EUR	+10% (Strengthening)	38,757
EUR	-10% (Weakening)	(38,757)

iii. Liquidity risk

Liquidity risk is the risk that the company will not be able to fund on a timely basis its capital expenditure program or service its debt. At 31 March 2026, the company had total liquidity of £16.6 Million. The company has access to debt facilities and equity commitments from Equity Guarantors to meet the obligations when due. The company had access to undrawn borrowing facilities of approximately £2,089K at the end of the reporting period. The loan facilities can be drawn at any time if covenants are respected and have an average maturity of 10.3 years (2025: -).

The company monitors funding to ensure availability of required liquidity, including capital expenditures and debt service payments, through cash management.

liverpool bay ccs limited

Notes to the Financial Statements

For the year ended 31 March 2026

Risk management (continued)

Financial risk management (continued)

Liquidity risk (continued)

The table below analyses the company's undiscounted cash flows on borrowings and net-settled derivative financial instruments, into relevant maturity groupings based on the remaining period to the contractual maturity date at the Balance Sheet date.

As of 31 March 2026	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
Non-derivative financial liabilities					
Trade & other payables	123,078	-	-	-	123,078
Borrowings	23,681	23,745	72,988	544,853	665,267
Derivatives					
Derivative liability – net settled	2,029	3,506	(1,627)	18,491	22,399

Balances due within 12 months equal their carrying balances, because the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

As of 31 March 2025, trade and other payables with maturity of less than 1 year amounted to £41,623K. There were no outstanding balances in relation to borrowings and derivatives as of 31 March 2025.

iv. Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost, favourable derivative financial instruments and deposits with banks and financial institutions, as well as outstanding receivables.

The company's maximum exposure to credit risk is the carrying amount of financial assets set out below.

	31 March 2026 £'000	31 March 2025 £'000
Financial assets that qualify for hedge accounting		
Derivative financial instruments	17,674	-
	17,674	-
Financial assets at amortised cost		
Cash and cash equivalent	16,641	15,001
Trade and other receivables	32,125	4,051
	48,766	19,052

Trade and other receivables above primarily include VAT receivable from HMRC and exclude advances and prepayments. Trade and other receivables are measured at amortised cost under IFRS 9.

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Notes to the Financial Statements

For the year ended 31 March 2026

Risk management (continued)

Financial risk management (continued)

Credit risk (continued)

Credit risk from cash and cash equivalents is concentrated in a single counterparty as the company is bound by the Account Bank Agreement to manage its cash with a single bank. On the other hand, credit risk arising from derivative financial instruments is mitigated through diversification as the company looks for its mark-to-market position and diversifies the counterparties if a concentration against a single institution is identified.

There were no significant differences between the carrying amounts and the fair values of any of the financial assets as at 31 March 2026.

19. Capital and other commitments

Capital commitments represent amounts that the company is committed to as at the Balance Sheet date, in line with its contractual obligations.

As at 31 March 2026, the company's capital commitments consisted of contracts for future capital expenditures not provided in the financial statements for a value of £940.97 million.

20. Post balance sheet events

The directors have considered events subsequent to the reporting date and concluded that there are no material events requiring adjustment to or disclosure in these financial statements except for the following:

- On 20 May 2026 Eni CCUS Holding Limited raised third-party financing of £525,000,000 to fund part of the equity commitment for the Project associated with the construction phase. Following this, the company's Equity Guarantors consist of Eni International B.V. and GIP.
- Subsequent to 31 March 2026, the company issued 70,200,000 fully paid ordinary shares of £1.00 each to Eni CCUS Holding Limited. In addition, the company drew down a further £395,000,000 under its existing loan facilities.