ZENITH ENERGY LTD.

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

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COMPANY INFORMATION

Directors
Dr. Jose Ramon Lopez-Portillo (Chairman and Non-Executive Director)
Andrea Cattaneo (Chief Executive Officer & President, Executive Director)
Luca Benedetto (Chief Financial Officer & Executive Director)
Dario Ezio Sodero (Non-Executive Director)
Sergey Borovskiy (Non-Executive Director)

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Principal Bankers
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Competent Person
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Calgary Alberta T2R 1M1, Canada

Depositary and Registrar
Computershare Trust Company of Canada
100 University Avenue, 8th Floor
Toronto, ON M5J 2Y1, Canada

CHAIRMAN'S STATEMENT

During the financial year ended 31 March 2026, Zenith Energy Ltd. (the "**Company**" or "**Zenith**") continued to make significant progress in pursuing its international legal proceedings against the Republic of Tunisia. Claims with an aggregate value of approximately US$700 million are being pursued by the Company's subsidiaries in respect of actions taken against the Company's investments in Tunisia. Protecting the Company's legal rights and seeking appropriate compensation for shareholders remains one of the Board's highest strategic priorities. During the year, the Company's wholly owned subsidiary, Canadian North Africa Oil & Gas Limited ("**CNAOG**"), received an unfavourable award in the ICC-2 arbitration concerning the Sidi El Kilani ("**SLK**") Concession.

Following a comprehensive review of the arbitral proceedings and the award, CNAOG identified evidence of previously undisclosed connections involving two members of the Arbitral Tribunal, including its President, Ms Cecilia Carrara, together with procedural irregularities arising during the conduct of the arbitration and reflected in the award itself. Subsequent investigations also identified evidence of previously undisclosed and irregular connections between the President of the Tribunal and legal representatives acting for the Republic of Tunisia. Based on these matters, CNAOG commenced annulment proceedings before the Swiss Federal Supreme Court, where it continues to vigorously pursue the annulment of the SLK award.

Separately, the Company's investment treaty arbitration against the Republic of Tunisia under the auspices of the International Centre for Settlement of Investment Disputes ("**ICSID**"), a division of the World bank in Washington reached a major milestone during the year. The final hearing was held in April 2026 at the World bank building in Paris, D.C., marking the conclusion of the oral phase of proceedings after several years of preparation and evidential submissions.

To support the quantification of damages, the Company appointed internationally recognised specialists in the valuation of complex investment treaty and energy-sector disputes. Their expert analysis underpins the damages claim and reflects the substantial losses resulting from the actions of the Republic of Tunisia.

During the year, the Company continued to expand the international legal team supporting its subsidiaries in the international arbitration proceedings. The legal strategy has been led by Professor Thomas Clay, one of the world's leading authorities on international arbitration, together with Maître Simon Le Wita of Charles Russell Speechlys Paris. The team was further enhanced by the appointments of Ben Juratowitch KC and Matthieu Grégoire of Essex Court Chambers, both internationally recognised specialists in public international law and investor-State arbitration, together with Julie Spinelli of 16 Law, a recognised international arbitration law firm. The Company also welcomed Charles Michel, former President of the European Council and former Prime Minister of Belgium, whose extensive experience in international affairs and European institutions provides valuable strategic insight in relation to the Company's international arbitration proceedings. The Board believes that the breadth of expertise, experience and international standing of the Company's advisers places Zenith in a strong position to pursue these proceedings successfully.

The ICSID proceedings have now entered their final procedural phase, with post-hearing written submissions scheduled to be completed in two stages on 31 July and 30 September 2026. Following completion of these submissions, the Tribunal will deliberate before issuing its final award. Whilst the outcome of any international arbitration cannot be predicted with certainty, the Board remains confident that the Company has presented a comprehensive legal, factual and expert evidential case in support of its claims and believes that it has a strong legal basis for its position.

The Board remains steadfast in its commitment to pursuing all available legal remedies to protect shareholder interests and maximise value. We will continue to update shareholders as material developments occur and remain fully committed to holding the Republic of Tunisia accountable through the applicable international legal processes.

Production activities
During the financial year ended March 31, 2026:

a) The Group generated revenues from oil and natural gas of CAD$ 2,327k (2025 – CAD$ 2,147k)

b) Inventory consists of CAD$ 1,108k (2025 – 2,412k) related to 11,871 barrels of crude oil that has been produced but not yet sold in Tunisia.

c) The Company sold 178,778 thousand cubic feet of natural gas ("**Mcf**") of natural gas from its Italian assets, as compared to 185,080 mcf of natural gas in the 2025 similar period.

d) The Company sold 12,121 Megawatt-hour ("**MWh**") of electricity from its Italian assets, as compared to 11,321 MWh of electricity in the 2025 similar period.

Financing
During the financial year ended 31 March 2026, the Company announced that it had completed private placements in the United Kingdom (the "**UK Financing**"), and in Norway (the "**Norwegian Financing**", collectively, the "**Financings**").

The Financings attracted the participation of existing institutional investors, as well certain Directors, raising a combined net total of CAD$14,593 (March 31, 2025 - CAD$14,977m) to finance the Group's reconfigured development strategies, resulting in the issue of 182,308,373 new Ordinary Shares (March 31, 2025 – 195,328,553).

The Group recorded a loss after tax of CAD$28.3 million and total comprehensive loss of CAD$29.9 million for the year ended 31 March 2026, compared to a profit after tax of CAD$1.1 million and a total comprehensive loss of CAD$3.1 million for the year ended 31 March 2025.

The loss for the financial year was significantly impacted by the following extraordinary items:

- Extraordinary legal, advisory, administrative and Court costs related to the arbitration proceedings against the Republic of Tunisia, including the hearing held in April 2026, totalling **CAD$8,041k**.
- Non-cash items, including the fair value calculation of the stock options issued, totalling **CAD$1,397k**.
- Costs associated with the listing on the Spotlight Stock Market in Stockholm, totalling **CAD$1,670k**.

In addition, due to the ongoing uncertainty and the issues caused by the Tunisian Government, the Board has decided to make certain adjustments in order to present the Company's assets on the most prudent basis possible, while remaining confident of a positive outcome in the ongoing arbitration proceedings:

- Impairment of the Company's asset in Tunisia: **CAD$5,557k**.
- Impairment of the inventory of oil produced in Tunisia: **CAD$1,232k**.

The reported loss after tax primarily reflects a number of significant non-recurring items incurred during the year, including costs associated with the Company's arbitration proceedings against the Republic of Tunisia and non-cash expenses relating to the fair value measurement of share options issued during the period. In addition, the Group recorded foreign exchange movements arising from the translation of assets and liabilities denominated in currencies other than the Canadian dollar.

Finance expense for the year was CAD$7,825k (2025 - CAD$8,370k).
Cash balances of CAD$1,872k (2025 - CAD$3,199k) were held at the end of the financial year.

The Group production costs for the year were CAD$1,310k, compared to CAD$ CAD$1,701k in 2025 and the General and Administrative costs for the year were CAD$15,794k, compared to CAD$6,478k in 2025.

Total equity attributable to the ordinary shareholders of the Group was CAD$51,735k as of March 31, 2026, (2025 - CAD$65,629k).

Dr. José Ramón López-Portillo
Non- Executive Chairman
July 27, 2026

CEO STATEMENT

Dear Shareholders,

During the period under review, Zenith continued to progress activities across its principal business areas. These included the expansion of the Group's renewable energy development portfolio in Italy, the advancement of permitting activities relating to its uranium exploration applications, and the progression of international arbitration proceedings against the Republic of Tunisia. The Group also continued to manage its capital structure and pursue opportunities intended to broaden its portfolio of energy assets and investments.

The Board considers that the Group is entering an important phase in the development of its strategy. The continued development of the renewable energy portfolio, the proposed spin-out of the uranium business through Reveille Resources Plc, and the ongoing arbitration proceedings represent significant areas of activity. If successfully progressed, these initiatives could contribute to the Group's long-term development and future value creation. Their timing and outcomes, however, remain subject to regulatory approvals, financing availability, legal processes, market conditions and other factors outside the Group's control.

This statement should be read together with the Principal Risks and Uncertainties set out in the Directors' Report. Those risks include, among other matters, funding and liquidity, permitting and regulatory approvals, project execution, commodity and energy-market exposure, counterparty and litigation risk, and the uncertainty inherent in arbitration and enforcement proceedings. These factors may affect the Group's ability to deliver its strategic objectives and may cause actual outcomes to differ materially from current expectations.

Solar Development and BESS Strategy

During the period, the Company continued to expand its renewable energy platform through the acquisition of solar energy development projects across the Liguria, Lazio, Puglia and Piedmont regions of Italy. Following these acquisitions and the optimisation of its development portfolio, Zenith's projects are now geographically concentrated in three core Italian regions, supporting the Company's cluster-based development strategy.

As at 31 March 2026, the Company's solar development portfolio comprised projects with an aggregate capacity of approximately 173.5 MWp. Following the acquisition announced on 27 April 2026, and on 13 July 2026 the portfolio increased to approximately 193.5 MWp. This represents further progress towards the Company's stated objective of establishing a renewable energy development platform of approximately 200 MWp by the 31st of December 2026.

The Company continues to assess the integration of Battery Energy Storage Systems ("**BESS**") across its portfolio. Where technically and commercially appropriate, energy storage may support grid flexibility, improve network stability, optimise energy dispatch and enhance the commercial characteristics of individual renewable energy projects. The extent and timing of BESS deployment will depend on project-specific technical studies, grid requirements, permitting, financing and market conditions.

With a substantial development portfolio now established, the Company's strategic focus is increasingly directed towards progressing selected projects through permitting, financing, construction and operation. The acquisition or development of near-ready-to-build projects may shorten the time required to commence electricity generation and could assist the Group in establishing recurring revenues. However, construction and operation remain dependent on the availability of financing, satisfactory project economics, grid access, permits, supply-chain availability and successful execution.

Alongside the proposed construction of selected projects, the Company intends to consider the selective disposal of development assets as they mature for an amount not bigger than the 50% of its portfolio This approach is intended to realise value where suitable opportunities arise and to recycle capital into other new development projects. There can be no assurance as to the timing, terms or completion of any disposal.

The Company remains confident in the ability of its project origination team to identify and secure attractive development opportunities, and in the quality of the locations selected to date. To support transparency and provide an independent assessment of the portfolio, Zenith has commissioned an external valuation of its solar development assets. The valuation was received at the end of the financial year was valued at Euro 53,300,000.

Uranium Exploration Applications in Italy

On 11 November 2025, Canoel Italia S.p.A. ("**Canoel Italia**"), the Company's wholly owned Italian subsidiary, submitted applications for exploration permits covering the Val Vedello and Novazza uranium deposits in the Lombardy Region. These projects comprise the largest known historical uranium resource base identified in Italy and form the basis of the Group's uranium strategy.

Both exploration permit applications have been formally accepted by the competent authorities, completing the initial administrative phase of the permitting process.

For the Novazza project, a comprehensive Environmental Impact Assessment ("**VIA**") was submitted to the Italian Ministry for Environment and Energy Security ("**MASE**") in April 2026. For the Val Vedello project, the corresponding VIA application was submitted in July 2026. In each case, the VIA is a regulatory requirement prior to the potential grant of an exploration permit. The Company currently anticipates that decisions may be received within approximately six to nine months of the respective submissions, although the timing and outcome of the review process remain within the discretion of the relevant authorities and may differ from the Company's expectations.

Historical exploration undertaken by AGIP Nucleare S.p.A. and its operating subsidiary SOMIREN between 1959 and 1983 identified an estimated aggregate historical resource of approximately 15 million lbs of U_3O_8, with reported grades ranging from approximately 0.08% to 0.10% U_3O_8 (800‑1,000 ppm U_3O_8). The historical exploration programmes included geological mapping, radiometric surveys, drilling campaigns, underground development and resource evaluation. These estimates are historical in nature and should not be treated as current Mineral Resources or Mineral Reserves unless and until they are verified and reported in accordance with an internationally recognised reporting standard.

Both projects include underground infrastructure developed during the historical exploration campaigns, including tunnels, adits and associated workings. Subject to technical verification, safety assessment, regulatory approval and the condition of the infrastructure, these existing works may assist future exploration activities and could reduce certain development requirements. No assurance can be given that all or any part of the historical infrastructure will be suitable for reuse.

The Board notes the renewed international policy focus on nuclear power, energy security and critical mineral supply. These trends may support future interest in European uranium projects. The commercial development of the Company's uranium portfolio will nevertheless depend on the grant of permits, access to capital, technical and environmental studies, commodity prices, public and political acceptance, and compliance with all applicable regulatory requirements.

A significant milestone for the Italian nuclear sector was achieved on 4 June 2026, when the Italian Chamber of Deputies approved legislation providing for the reintroduction of a legislative framework for the use of nuclear power in Italy, marking a further step towards reversing the prohibition introduced following the 1987 referendum held in the aftermath of the Chernobyl nuclear accident.

Recognising the specialist nature of the uranium sector, the Company transferred its uranium licences and associated operations to Futuro Energetico Italiano S.r.l. ("**FEI**"), a wholly owned subsidiary established to manage and advance the Group's uranium portfolio.

Subsequent to the reporting period, FEI was successfully spun out through the admission of Reveille Resources Plc to trading on the AQSE Growth Market. Reveille Resources has been established as a dedicated uranium exploration and development company focused on advancing FEI's portfolio of Italian uranium projects. The transaction provides the business with a dedicated management team, independent access to capital markets and the financial resources required to accelerate exploration and permitting activities while enabling Zenith to retain a significant strategic shareholding in the enlarged group.

The successful creation of Reveille Resources Plc has established a dedicated vehicle for the development of the Group's uranium assets, providing greater operational focus and independent access to capital while enabling Zenith shareholders to retain an economic interest in the future development of those assets through the Company's strategic shareholding in Reveille Resources Plc.

International Arbitration Proceedings Against the Republic of Tunisia

The Company, through its wholly owned subsidiaries, is pursuing two separate international arbitration-related proceedings arising from actions concerning its investments in Tunisia. These matters progressed during the reporting period and continue to require significant management attention and financial resources.

The first matter, commonly referred to as ICC-2, was commenced by Canadian North Africa Oil & Gas Limited ("**CNAOG**") in relation to the termination of the Sidi El Kilani ("**SLK**") Concession. Independent expert assessments commissioned in connection with the proceedings quantify the damages claimed at approximately US$130 million. Following an unfavourable arbitral award, CNAOG commenced annulment proceedings before the Swiss Federal Supreme Court and is seeking to have the award of an annulment. This will permit the commencement of a new arbitration in front of the ICC of Paris

The second matter is an investment treaty arbitration commenced by the Company's wholly owned UK subsidiaries under the auspices of the International Centre for Settlement of Investment Disputes ("ICSID") in Washington, D.C., a branch of the World Bank, pursuant to the bilateral investment treaty between the United Kingdom and Tunisia. The claimants seek compensation of approximately US$572.65 million for losses arising from measures said to constitute breaches of the treaty.

The aggregate amounts claimed in these proceedings are approximately US$700 million. These amounts represent claims and not awards or amounts that can be assumed to be recoverable. The outcome, timing and enforceability of arbitration and related court proceedings are inherently uncertain. Even if a favourable decision is obtained, recovery may be delayed, contested or less than the amount claimed. The Group remains committed to pursuing the available legal remedies, while recognising the associated legal, funding, enforcement and counterparty risks described in the Directors' Report.

A. ICC-2 Arbitration - Unfavourable Award and Annulment Application

As previously announced, CNAOG received an unfavourable award in the ICC-2 arbitration concerning the SLK Concession in Tunisia.

Following receipt of the award, CNAOG reviewed the arbitral proceedings and the award. The review identified matters which CNAOG considers relevant to the independence and conduct of the tribunal, including previously undisclosed connections involving two members of the Arbitral Tribunal, including its President, Ms Cecilia Carrara, and the Republic of Tunisia, together with procedural irregularities. CNAOG also identified recently further information concerning connections between the President of the Tribunal and legal representatives acting for the Republic of Tunisia. These matters form part of CNAOG's annulment application, but no conclusion should be drawn as to their legal effect unless and until determined by the competent court.

CNAOG commenced annulment proceedings before the Swiss Federal Supreme Court seeking to have the award set aside. The application was formally admitted, the required procedural steps were completed and court fees of CHF 200,000 (approximately EUR 215,000 or NOK 2.5 million) were paid. CNAOG subsequently made additional submissions as further information became available.

During the proceedings, the Republic of Tunisia did not submit its response within the procedural timeframe initially prescribed by the Swiss Federal Supreme Court and instead challenged the jurisdiction of the Swiss Court, contending that the application should be determined by a court seated in Tunisia. CNAOG disputes that position. The jurisdictional and substantive issues remain matters for determination by the Swiss Federal Supreme Court.

The ICC-2 proceedings arise from the termination of the SLK Concession. Independent expert valuations commissioned by CNAOG assess the losses at approximately US$130 million, which formed the basis of the damages sought in the arbitration. CNAOG continues to pursue the annulment proceedings and intends to use the legal remedies available to it. The timing and outcome of the Swiss Federal Supreme Court's decision cannot be predicted with certainty.

B. ICSID Arbitration - Final Submissions, Revised Claim Amount and Procedural Distinctions

The Company's wholly owned subsidiaries filed their final submissions in the arbitration commenced against the Republic of Tunisia under the 1989 bilateral investment treaty between the United Kingdom and Tunisia. The final hearing was held in April 2026 at ICSID's headquarters in Washington, D.C., concluding the evidentiary phase of the proceedings.

To support the quantification of damages, the Company appointed TWCOG LLP, a specialist advisory firm with experience in the valuation of international energy-sector disputes. TWCOG worked with Chapman Hydrogen and Petroleum Engineering Ltd., the Company's independent reserves evaluator, in preparing the damages assessment submitted to the Tribunal.

Following a reassessment of the claims, the total damages sought in the ICSID proceedings were quantified at approximately US$572.65 million. The claim concerns breaches of the UK-Tunisia Bilateral Investment Treaty and expropriation, impairment and loss of value of the claimants' investments in Tunisia. The amount claimed is subject to the Tribunal's determination and should not be regarded as an indication of the amount, if any, that may ultimately be awarded or recovered.

The claimants are represented by an international arbitration team comprising Clay Arbitration, Charles Russell Speechlys LLP, 16 Law and Essex Court Chambers. The team includes Professor Thomas Clay, Maître Simon Le Wita, Maître Julie Spinelli, Mr Ben Juratowitch KC and Mr Matthieu Grégoire. Mr Charles Michel, former Prime Minister of Belgium and former President of the European Council, was also involved in preparation for the final hearing. Their participation provides relevant legal and strategic experience, but does not reduce the uncertainty inherent in the proceedings.

The ICSID proceedings are separate from and independent of the ICC-2 arbitration. They are conducted under the ICSID Convention, involve a distinct legal framework and causes of action, and are being considered by an independently constituted tribunal. The main difference is that the breaches considered by the ICSID Tribunal are breaches of the Treaty between the United Kingdom and Tunisia, as the claimants, Zenith’s subsidiaries are British companies.

The Company considers the ICSID arbitration to be financially and strategically significant because of the amount claimed and the impact of the measures complained of on the Group's investments. The claimants contend that producing assets were prevented from generating their full economic value and that crude oil volumes attributable to them were not received. These allegations and the associated quantum remain subject to determination by the Tribunal.

The Board also notes the outcome of the ICC-1 arbitration against Entreprise Tunisienne d'Activites Petrolieres ("ETAP"), Tunisia's national oil company. In December 2024, the ICC Tribunal awarded approximately US$9.7 million in favour of the Company's wholly owned subsidiary, Ecumed Petroleum Zarzis Ltd. ("**EPZ**"), comprising principal, accrued interest, legal costs and arbitration costs. The award is final and enforceable and continues to accrue compound interest until payment. However, the timing and extent of recovery remain subject to enforcement opportunities and risks.

Although the ICC-1 outcome provides a relevant precedent in relation to one dispute involving the Group's Tunisian operations, it does not determine or predict the outcome of the legally and procedurally distinct ICSID or ICC-2 matters.

The Board remains committed to the continued prosecution of the claims advanced by the Group's wholly owned subsidiaries. The ICSID proceeding is the Group's largest legal claim by amount, but its result, timing and recoverability remain uncertain and should be assessed in the context of the Principal Risks and Uncertainties in the Directors' Report.

Over a number of years, the Group invested financial and human resources in Tunisia in support of exploration, development and production activities. Through the ICSID proceedings, the claimants seek compensation for the loss and impairment of those investments and for breaches of the protections afforded under the bilateral investment treaty.

2 Potential Acquisition of Daybreak Oil and Gas, Inc.

Subsequent to the financial year-end, the Company entered into confidentiality and exclusivity agreements in connection with the potential acquisition of a controlling interest in Daybreak Oil and Gas, Inc. ("Daybreak"), an oil and gas producer with operations in California.

In June 2026, Zenith entered into confidentiality and exclusivity agreements with Reabold Resources Plc ("**Reabold**") and Portillion Capital Limited ("**Portillion**") in respect of their respective shareholdings in Daybreak, representing approximately 42% and 40% of Daybreak's issued share capital. These interests represent approximately 82% of Daybreak's issued share capital and, if acquired, would provide Zenith with a controlling interest.

The agreements provided Zenith with a 90-day period in which to conduct commercial, legal, technical and financial due diligence and to progress discussions regarding the potential acquisitions. They also permitted Zenith to engage with other Daybreak shareholders regarding the possible acquisition of additional shares.

The potential acquisition is consistent with the Group's objective of expanding its portfolio of revenue-generating energy assets in the United States and developing Leopard Energy Inc. (OTC: LEEN), the Company's publicly traded U.S. subsidiary, as a possible U.S. growth platform. Any shareholdings acquired may ultimately be held through Leopard Energy or another designated subsidiary, subject to final structuring, legal, regulatory, tax and commercial considerations.

If completed, the acquisition would give Zenith a controlling interest in Daybreak and add an established producing asset to the Group's U.S. portfolio. Completion remains subject to the negotiation and execution of definitive documentation, satisfactory due diligence, financing and the satisfaction of any applicable conditions precedent and regulatory requirements. There can be no certainty that the proposed acquisition, or any part of it, will proceed.

3 Bond Exchange Programme

During the financial year ended 31 March 2026, the Group launched a series of bond exchange invitation offers in respect of notes issued under its Euro Medium Term Note ("**EMTN**") Programme. The purpose of the programme is to simplify the Group's debt maturity profile by seeking to consolidate multiple maturities into a common maturity date in 2029. If successfully completed, this may reduce near-term refinancing concentration and provide additional financial flexibility, although it does not eliminate the Group's funding, liquidity or refinancing risks.

The exchange offers were communicated to noteholders through Euroclear and Clearstream in accordance with the procedures applicable to the relevant debt securities and settlement systems and the requirements of the Vienna MTF of the Vienna Stock Exchange, on which the Company's EMTN Programme is listed.

The first exchange offer, relating to a U.S. dollar-denominated EMTN, received near-unanimous acceptance from participating noteholders. The Board considers the participation level constructive, but it should not be interpreted as a guarantee of participation in other exchange offers or as an assessment of the Group's future financial performance.

Based on participation achieved to date and the Company's continued engagement with noteholders, the Board remains focused on progressing the exchange programme. Its ultimate effect will depend on the level of acceptance, the terms of the exchanged securities and the Group's ability to meet its obligations as they fall due.

As at the date of approval of these Financial Statements, exchange invitation offers remained ongoing in respect of the following EMTN securities:

ISIN	Currency	Original maturity date	Amount to be exchanged as of 20 July 2026
XS2796492812	GBP	26 March 2026	315,000
XS2796492655	USD	26 March 2026	1,104,000
XS2796492572	EUR	26 March 2026	681,000
XS2478298909	EUR	9 May 2026	1,914,000
XS2478299030	GBP	9 May 2026	712,000
XS2478299113	USD	9 May 2026	3,440,000
XS2835027595	EUR	16 July 2026	138,000
XS2835726840	GBP	16 July 2026	1,244,000
XS2835726253	USD	16 July 2026	1,922,000

The Board considers that completion of the bond exchange programme, to the extent accepted by noteholders, will extend maturities and reduce certain near-term refinancing requirements. The programme nevertheless involves execution, participation, liquidity and future repayment risks and does not, by itself, provide assurance that sufficient funding will be available for the Group's strategy.

The Group's priorities include the enforcement and potential monetisation of the ICC-1 award, the continued pursuit of claims involving the Republic of Tunisia, the selective monetisation of assets where appropriate, and the continued development of the renewable energy portfolio. Each of these priorities is subject to material uncertainty. In particular, arbitration awards and claims may not be recovered in full or on the anticipated timetable, asset disposals may not be completed on acceptable terms, and renewable energy projects may experience permitting, construction, financing or grid-connection delays.

Looking ahead, Zenith enters the 2026/27 financial year with a diversified portfolio of development projects, investments and legal claims spanning renewable energy, conventional energy, uranium and international arbitration. The Board believes this portfolio provides a number of potential routes for the Group's future development, while also exposing the Group to a broad range of operational, financial, regulatory, legal and market risks.

The renewable energy portfolio in Italy is approaching the Company's strategic target of approximately 200 MWp, with a number of projects being progressed towards further development. The Group is also continuing the permitting process for the Novazza and Val Vedello uranium projects through Reveille Resources Plc, which was successfully established and admitted to trading on the AQSE Growth Market subsequent to the reporting period. Progress across the Group's renewable energy investments and the uranium portfolio will continue to depend on regulatory approvals, access to finance, technical and environmental work, market conditions and successful execution.

The Group continues to pursue claims against the Republic of Tunisia with an aggregate claimed value of approximately US$700 million and to seek recovery under the ICC-1 award. These proceedings could be financially material if successful. However, the amounts claimed should not be regarded as probable recoveries, and the timing, outcome, enforceability and collection of any award remain uncertain.

The continued management of the Group's capital structure, the development of its renewable energy portfolio, the proposed uranium spin-out and the arbitration proceedings are intended to diversify the Group's activities and potential sources of value. This diversification may provide strategic flexibility, but it also requires careful allocation of limited financial and management resources.

The Board will therefore continue to assess opportunities against the Group's available funding, risk appetite and operational capacity. The Group's ability to execute its strategy will depend on maintaining adequate liquidity, securing project and corporate financing where required, obtaining regulatory approvals and managing the principal risks and uncertainties described in the Directors' Report.

On behalf of the Board, I would like to thank our shareholders, bondholders, employees, business partners and advisers for their continued support during the year.

Yours sincerely,

Andrea Cattaneo,
Chief Executive Officer
July 27, 2026

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Directors

Dr. Jose Ramon Lopez-Portillo (*Chairman and Non-Executive Director*)

Mr. Lopez-Portillo served as a Director and then Chairman of the Board since 24 September 2007. Dr. José Ramón Lopez Portillo is former the chairman of FAO (the United Nations agency for food and agriculture) and a leading researcher on Mexican energy security. He was Vice Minister of Evaluation (Ministry of Programming and Budget) of Mexico from 1980 until 1982. From 1982 to 1989 he was the Permanent Representative of Mexico to the United Nations Organizations in Rome, Italy. He served as Chairman of the Council of the Food and Agriculture Organization of the United Nations from 1993 to 1998. He has a Doctorate (D.Phil) in Political Sciences and International Relations from Oxford University. In 2002 he founded the Centre for Mexican Studies at Oxford University and has established a large network of international contacts throughout his career.

Andrea Cattaneo (*Director, President and CEO*)

Andrea Cattaneo is the founder of Zenith Energy Ltd and has served as a director since 9 December 2008 and as President and Chief Executive Officer since 2009. He is an energy specialist with a particular focus on emerging markets and has more than 30 years' experience advising governments, institutions and businesses on financial, industrial and energy-related matters. He has also held senior operational and commercial roles across a range of international markets.

Andrea Cattaneo has extensive experience in structuring, negotiating and executing international commercial transactions, particularly within the energy sector. He has significant experience working in transitional and developing economies and, in 1986, arranged the first US dollar-denominated loan in the history of Vietnam, at a time when the country was among the world's poorest economies.

In addition to his business activities, Andrea Cattaneo is the author of The Bomb, a book examining the geopolitical, economic and strategic implications of nuclear energy and its role in the global energy transition. From 2004 to 2010, Andrea Cattaneo served as a Director of the Business Advisory Council to the Great Tumen Initiative, a United Nations-sponsored programme promoting regional economic cooperation among China, Mongolia, South Korea and Russia.

Andrea Cattaneo holds an undergraduate degree in Economics from the University of Genoa and a postgraduate degree in Taxation Law from the University of Bologna.

Luca Benedetto (*Chief Financial Officer & Director*)

Luca Benedetto, trained in Italy as a registered accountant with further education in IFRS accounting and consolidation at IPSOA Milan. He has more than twenty-five years of experience in accounting, auditing, and financial administration. Mr. Benedetto began his professional career as an accountant and computer programmer responsible for financial software development and worked for the Italian division of IBM as an internal auditor and accountant as well as providing staff training in these fields. He also served for seven years as a financial and administrative officer in a well-established Italian company specialising in the construction of fuel and water storage tanks.

He joined the Zenith Energy Ltd. group in 2013 as Chief Financial Officer of the Group's Italian subsidiary, Canoel Italia S.r.l., and has since progressed to also hold the position of Group Financial Controller. In this capacity he has been directly involved in the monitoring of business performance, cash flow management, budgetary oversight, accounts team supervision, accounts preparation and strategic planning. Since April 2017, he is the Chief Financial Officer of the Group.

Dario Ezio Sodero (*Non-Executive Director and Chairman of the Audit Committee*)

Mr. Sodero was appointed to the Board on 24 June 2009. As an experienced energy industry executive with 47 years of experience in North America, the Sub-Arctic, North Africa and the Middle East, Mr. Sodero has strong geological, exploration and technical expertise. Mr. Sodero has formerly acted as director and executive of several other TSX- and TSXV-listed exploration and production companies. Mr. Sodero holds a Doctorate degree in Geology from the University of Turin, Italy.

Sergey Borovskiy (Non-Executive Director)

Sergey is an accomplished executive with a track record in investment banking, M&A projects, cross-border transactions. Sergey offers over 30 years of China and Hong Kong experience in founding and developing companies in a multilingual and multicultural environment. He is fluent in Russian, English and Mandarin. Sergey studied in both China and Russia; he has a degree in Economics and an Executive MBA.

He has served as Non-Executive Director of Zenith Energy since 2017. He has also held, or currently holds, the following roles:

- Since 1993 Chairman of SCHI Group, International trading, investment and manufacturing holding.
- During 2017 – 2019, he was CEO of Sanju Environmental Protection (Hong Kong) Limited, overseeing all international projects of Sanju Group.
- 2017 - 2018 Executive Director at Jutal Offshore Oil Services (public HK company).
- Since 2020 VP of Kaisun Holdings (public HK investment holding).

DIRECTORS' REPORT

The Directors present their Annual Report and Financial Statements of the Group for the year ended March 31, 2026.

The Group recorded a loss after tax of CAD$28.3 million for the year ended 31 March 2026, compared to a profit after tax of CAD$1.1 million for the year ended 31 March 2025.

The loss for the financial year was significantly impacted by the following extraordinary items:

- Extraordinary legal, advisory, administrative and Court costs related to the arbitration proceedings against the Republic of Tunisia, including the hearing held in April 2026, totalling **CAD$8,041k**.
- Non-cash items, including the fair value calculation of the stock options issued, totalling **CAD$1,397k**.
- Costs associated with the listing on the Spotlight Stock Market in Stockholm, totalling **CAD$1,670k**.

In addition, due to the ongoing uncertainty and the issues caused by the Tunisian Government, the Board has decided to make certain adjustments in order to present the Company's assets on the most prudent basis possible, while remaining confident of a positive outcome in the ongoing arbitration proceedings:

- Impairment of the Company's asset in Tunisia: **CAD$5,557k**.
- Impairment of the inventory of oil produced in Tunisia: **CAD$1,232k**.

Finance expense for the year was CAD$7,825k (2025 - CAD$8,370k).

Cash balances of CAD$1,872k (2025 - CAD$3,199k) were held at the end of the financial year.

The Group production costs for the year were CAD$1,310k, compared to CAD$ CAD$1,701k in 2025 and the General and Administrative costs for the year were CAD$15,794k, compared to CAD$6,478k in 2025.

Total equity attributable to the ordinary shareholders of the Group was CAD$51,735k as of March 31, 2026, (2025 - CAD$65,629k).

Financial review of activity for the period

During the financial year ended 31 March 2026, the Company announced that it had completed private placements in the United Kingdom (the "**UK Financing**"), and in Norway (the "**Norwegian Financing**", collectively, the "**Financings**").

The Financings attracted the participation of existing institutional investors, as well certain Directors, raising a combined net total of CAD$14.593 million (March 31, 2025 - CAD$14.977m) to finance the Group's reconfigured development strategies, resulting in the issue of 182,308,373 new Ordinary Shares (March 31, 2025 – 195,328,553), as detailed in the financial statements and as per the below table:

	Number of Shares	Amount CAD$'000
Balance – March 31, 2025	466,873,954	81,201
Unit private placement proceeds	171,547,215	15,187
Exercise of warrants	10,761,158	420
Issue costs		(1,013)
Total for the year	**182,308,373**	**14,594**
Balance – March 31, 2026	**649,182,327**	**95,795**

Following the issue of the New Common Shares, the Company had 649,182,327 common shares in issue and admitted to trading on the Euronext Growth of the Oslo Stock Exchange, on the Main Market of the London Stock Exchange and on the Spotlight Stock Market Stockholm.

Furthermore, to fund the acquisition of assets, and their development, to avoid an excessive dilution of its share capital, the Company issued unsecured, multi-currency (GBP, Euro, CHF and USD) Medium Term Notes at par value (the "**Notes**"), admitted to trading on the Third Market (MTF) of the Vienna Stock Exchange ("**Wiener Borse AG**") and bearing interest payable semi-annually.

The issue of the Notes is aligned with the Group’s strategy of diversifying its financing towards non-equity dilutive funding to support its successful development.

Cash flow

Cash used in investing activities totalled CAD$672k, (2025 – generated cash CAD$1,244k). The cash from financing activities in 2026 totalled CAD$11,348k, (2025 - CAD$12,714k), due to the share placings, issue of convertible loans and issue of bonds.

Position of Group’s business at the year end

At the year end the Group's Statement of Financial Position shows current assets totalling CAD$26,414k, (2025 – CAD$30,219k) and non-current assets totalling CAD$131,947k (2025 – CAD$134,496k).

Business strategy

As of the date of this report, the Company is a diversified international energy company with activities spanning electricity generation and development, renewable energy, oil and gas production and development, and uranium exploration. The Company continues to advance a strategy focused on the development of energy assets, the creation of long-term recurring revenues, and the realisation of value from its broader portfolio of investments and claims.

The Group’s principal assets are held through:

(i) its wholly owned subsidiary, Compagnie Du Desert Ltd (“**CDD**”), which holds a 100% interest in the El Bibane and Robbana concessions in Tunisia;

(ii) Canoel Italia S.p.A. (in which the Company has a 98.64% shareholding), which holds various working interests in 13 onshore exploration and production properties in Italy and serves as the Group's principal operating subsidiary in the country;

(iii) Wesolar S.r.l. (in which the Company has a 99% shareholding), which holds the photovoltaic assets in Italy, and

(iv) Leopard Energy (previously known as CYAP) (in which the Company has a 99.87% shareholding) which holds a working interest in an oilfield producing assets in the USA.

The Company's strategy is to build a diversified international energy platform through the development and acquisition of energy assets capable of generating long-term shareholder value. In pursuing this objective, the Company seeks to:

(i) expand its renewable energy portfolio through the development and selective acquisition of solar power generation projects;

(ii) advance selected energy projects into the construction and production phases with the objective of establishing recurring revenues from electricity generation;

(iii) progress the exploration and development of strategic uranium assets in Italy through its subsidiary

Futuro Energetico Italiano S.r.l. and the proposed Reveille Resources Plc transaction;

(iv) maximise value from its existing portfolio of oil and gas assets through disciplined capital allocation, asset optimisation and selective divestment opportunities;

(v) pursue the enforcement and monetisation of arbitration awards and legal claims arising from the Company's historical investments, including its proceedings against the Republic of Tunisia;

(vi) maintain a lean operational structure and a flexible capital framework capable of supporting growth initiatives while preserving financial discipline;

(vii) identify and evaluate strategic opportunities across the broader energy sector where the Company believes it can create value through development expertise, project execution and efficient capital deployment; and

(viii) enhance shareholder value through a balanced portfolio of energy assets, strategic investments and value realisation opportunities across multiple energy sectors.

Principal risks and uncertainties

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Group's activities and to any investment in the Group. It should be noted that the list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply. The risk factors are summarized below:

The impact of global oil prices on the Company

Demand for oil and gas is closely related to the health of the world economy while supply is determined more by political matters. The price of oil and gas is set at a global level with small variances for local conditions. In relative terms, Zenith is a very small producer and the price it receives for the oil and gas it produces is determined by global supply and demand factors beyond its control.

Oil and gas prices depend on numerous factors over which the Group does not have any control, including global supply, international economic trends, currency exchange fluctuations, inflation, consumption patterns and global or regional political events.

The Group’s financial performance may therefore be substantially impacted both positively and negatively by factors. Changes in global prices for oil and gas may result in the Group no longer being able to produce oil and/or gas on a profitable basis. Historically, international crude oil and natural gas prices have fluctuated widely. A material decline in the price of crude oil or natural gas would have a material adverse effect on the Group’s financial results and reserves estimates.

Risks in connection with the war in Ukraine

The protraction of Russia’s military aggression of Ukraine commenced on February 2022 has made the outlook for the medium term all the more uncertain and unpredictable.

Zenith is exposed to a major systemic risk that a prolonged conflict, an enlargement of military operations, the impacts of the economic sanctions imposed by the international community against Russia. The possible unilateral interruptions of hydrocarbons exports to Europe by Russia as retaliation could dampen investors or consumers’ confidence, causing a delay or a halt in spending decisions.

Those developments could trigger a slowdown in the macroeconomic cycle, a stagnation or, under the worst possible outcome, a global recession. Those could negatively and significantly affect demand for hydrocarbons, which is very sensitive to macroeconomic trends, leading to a decline in hydrocarbon prices that are the main driver of the Group’s results of operations and cash flow.

In response to Russia’s military aggression of Ukraine, the EU, the USA, and the UK have adopted economic and financial sanctions designed to weaken Russia’s ability to fund the war operations.

The EU sixth sanction package of restrictive measures against Russia was enacted June 3, 2022, and is particularly relevant to the Oil & Gas sector.

The new sanctions will phase out Russian oil imports to EU in an orderly fashion. For seaborne crude oil, spot market transactions and execution of existing contracts will be permitted for six months after entry into force, while for petroleum products, these will be permitted for eight months after entry into force. A waiver is granted to certain EU Member States who have a particular pipeline dependency on Russia and can continue to receive crude oil delivered by pipeline, until the Council decides otherwise. Finally, after a wind down period of 6 months, EU operators will be prohibited from insuring and financing the transport, particularly through maritime routes, of Russian oil to third countries.

The EU has also adopted the REPowerEU plan to end dependence on Russian fossil fuels as soon as possible and well before 2030 by means of an articulated set of actions and instruments targeting energy saving, an acceleration in the green transition, a diversification of supplies and leaner procedures to sanction capital investments.

Zenith has no direct or indirect engagement in the Russian upstream sector. Its production activities are not located in or near Russia, meaning the Group has no exposure towards Russia.

Geopolitical Conflict and Middle East Operations Risk

The escalation of military conflict involving Iran and the broader Middle East has materially increased uncertainty across global energy markets and may have significant adverse effects on the Company's financial position, operating performance and cash flows. The conflict has heightened the risk of disruptions to crude oil, natural gas and LNG production, transportation and exports, particularly through the Strait of Hormuz, a strategic transit route for a substantial portion of global oil and LNG trade. Any prolonged closure, restriction of shipping lanes, attacks on energy infrastructure, cyber incidents, sanctions, or military escalation could significantly impair global energy supply and increase market volatility.

The Company may experience material adverse impacts including:

- significant volatility in crude oil, natural gas and LNG prices;
- physical disruption of production, storage, transportation and export facilities;
- interruption of marine logistics, shipping availability and port operations;
- substantially higher freight, insurance, security and operating costs;
- reduced availability of critical equipment, drilling materials and specialized contractors;
- supply chain disruptions resulting in project delays and capital cost overruns;
- changes in international sanctions, export controls, taxation or regulatory requirements;
- counterparty credit deterioration, customer defaults and collection risks;
- increased foreign exchange and interest rate volatility;
- impairment of oil and gas properties, goodwill, exploration and evaluation assets, and other long-lived assets resulting from changes in expected production profiles, reserve estimates or discount rates;
- increased uncertainty in estimating reserves, decommissioning obligations, fair values and expected credit losses; and

- liquidity pressures arising from higher working capital requirements, collateral obligations, margin calls on commodity derivatives and reduced access to debt or capital markets.

Furthermore, the evolving geopolitical environment may require the Company to reassess key accounting estimates and judgments, including asset recoverability, impairment indicators, fair value measurements, expected credit losses, inventory valuation, provisions for onerous contracts, contingent liabilities, going concern assessments and subsequent event disclosures. These assessments require significant management judgment and are subject to considerable estimation uncertainty.

Although management continues to implement contingency measures, including supply diversification, enhanced security protocols, alternative logistics arrangements, commodity price risk management and liquidity preservation initiatives, there can be no assurance that such measures will mitigate the adverse effects of further geopolitical escalation. A prolonged regional conflict or broader disruption to Middle East energy infrastructure or international shipping routes could have a material adverse effect on the Company's business, financial condition, results of operations and future cash flows

A substantial portion of the Group’s assets and operations outside of Europe are exposed to political and economic risks, and future disruptions may have a material adverse effect on the Group’s business

A significant portion of the Group’s oil and gas assets and of the Group’s supply sources is located in countries outside of the European Union – with developing economies or unstable political environments. As a result, a significant portion of the Group’s revenue is derived from, or is dependent on, countries in which the Group’s operations are exposed to economic and political risks, including expropriation and nationalization of property, civil strife and acts of war or terrorism. In addition, in certain countries in which the Group is active, it may be difficult to repatriate investment and profits. If it is perceived that the Group is not respecting or advancing the economic and social progress of the communities in which it operates, its reputation and shareholder value could be damaged. Any future disruptions may have a material adverse effect on the Group’s business, results of operations and financial condition.

Activities in the oil and gas sectors can be dangerous, posing health, safety and environmental risks

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property as well as the environment or personal injury.

In particular, the Group may produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in a liability to the Group.

In accordance with industry practice, the Group is not fully insured against all of these risks, nor are all such risks insurable. Although the Group maintains liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the Group could incur significant costs. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations.

Losses resulting from the occurrence of any of these risks may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks relating to the Group's business strategy

The Group is dependent on the ability of the Directors to identify suitable investment opportunities and to implement the Group's strategy. There is no assurance that the Group's activities will be successful in implementing its strategy of acquiring a suitable investment that will ultimately be developed.

Environmental and other regulatory requirements

The event of a breach with any environmental or regulatory requirements may give rise to reputational, financial or other sanctions against the Group, and therefore the Board consider these risks seriously and designs, maintains and reviews its policies and processes so as to mitigate or avoid these risks. Whilst the Board has a good record of compliance, there is no assurance that the Group's activities will always be compliant.

Government intervention and regulation may have a material adverse effect on Zenith's business. Zenith might not be able to comply with its obligations under licences.

The oil and gas industry is subject to regulation and intervention by governments, in particular in matters such as the award of exploration and production interests, restrictions on production and exports, environmental measures, control over the development and abandonment of fields and installations, the nationalization or renationalization of assets, imposition of specific drilling obligations, environmental and health and safety protection controls and other risks relating to changes in local government regimes and policies.

In addition, Zenith has to comply with conditions contained in licenses, such as operating permits. A failure by Zenith to comply with substantial conditions might lead to governmental intervention. Any violations of substantial conditions may therefore have a material adverse effect on Zenith's business, results of operations and financial condition.

Zenith buys, sells and trades oil and gas products in certain regulated commodity markets. The oil industry is also subject to the payment of royalties and taxation, which tend to be high compared with those payable in respect of other commercial activities and operates in certain tax jurisdictions that feature a degree of uncertainty relating to the interpretation of, and changes to, tax law. As a result of new laws and regulations or government interventions, Zenith could be required to curtail or cease certain operations, or Zenith could incur additional costs, all of which may have a material adverse effect on Zenith's business, results of operations and financial condition.

Lack of diversification of the Company's business activity

The Company is currently only involved in oil production in Africa, natural gas and electricity production in Italy, and has participating interests in oil production in USA via Leopard Energy. Therefore, any legal, regulatory or other change of the framework conditions in one of those national industries may have a substantial negative effect on the financial situation of the whole Group, since it will likely not be able to compensate negative effects that appear in one field of business with its business activities in another area of operations.

Financing

The Board are seeking to grow and acknowledge that financing could depend upon the Group's ability to obtain financing primarily through a further raising of new equity capital. The Group's ability to raise further funds may be affected by the success of its investments both in terms of acquisitions and developing its asset base. The Group may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Group may be required to reduce the scope of its operations. Further, Shareholders' holdings of Ordinary Shares may be materially diluted if debt financing is not available.

Market conditions

Market conditions, including general economic conditions and their effect on exchange rates, interest rates and inflation rates, may impact the ultimate value of the Group regardless of its operating performance. The Group also faces competition from other organizations, some of which may have greater resources or be more established in a particular territory. The Board considers and reviews all market conditions to mitigate any risks that may arise from these.
The protraction of Russia's military aggression of Ukraine, commenced in February 2022, has made the outlook for the medium term all the more uncertain and unpredictable.

Zenith is exposed to a major systemic risk that a prolonged conflict, an enlargement of military operations, the impacts of the economic sanctions imposed by the international community against Russia. The possible unilateral interruptions of hydrocarbons exports to Europe by Russia as retaliation could dampen investors or consumers' confidence, causing a delay or a halt in spending decisions.

Those developments could trigger a slowdown in the macroeconomic cycle, a stagnation or, under the worst possible outcome, a global recession. Those could negatively and significantly affect demand for hydrocarbons, which is very sensitive to macroeconomic trends, leading to a decline in hydrocarbon prices that are the main driver of the Group's results of operations and cash flow.

Zenith has no direct or indirect engagement in the Russian upstream sector. Its energy production activities are not in or near Russia, meaning the Group has no exposure towards Russia.

Substantial shareholders

As of July 13, 2026, the number of the Common Shares of the Company admitted to the Transition Category of the FCA Official List and to trading on the Main Market for listed securities of the London Stock Exchange will be 714,756,457, the same number admitted to trading on the Euronext Growth of the Oslo Stock Exchange and on the Spotlight Stock Market in Sweden. The Company has 714,756,457 Ordinary Shares in issue, each with one voting right. The Company does not hold any shares in treasury and therefore the total number of voting rights in the Company is 714,756,457.

Directors' interest

This table represents the Directors' interests in the Company, as of the date of publication of this report:

	2026		2025	
PARTY NAME	**NUMBER OF ORDINARY SHARES**	**% OF SHARE CAPITAL**	**NUMBER OF ORDINARY SHARES**	**% OF SHARE CAPITAL**
ANDREA CATTANEO	58,228,409	8.15	49.504,584	10.04
LUCA BENEDETTO	17,326,380	2.42	14,009,330	2.84
SERGEY BOROVSKIY	8,550,488	1.20	8,550,488	1.73
DARIO SODERO (1)	7,750	0.001	7,750	0.002
JOSE RAMON LOPEZ-PORTILLO	4,800	0.001	4,800	0.002

1) Mr. Sodero controls 7,750 Common Shares of the Company in indirect ownership. The 7,750 Common Shares in which Dario Sodero has a beneficial interest are held by Planaval Resources Ltd., a company controlled by Mr. Sodero. Mr. Sodero owns 100% of the share capital of Planaval Resources Ltd.

The Company has been notified of the following interests of 3 percent or more in its issued share capital as at the date of approval of this report.

	2026		2025	
PARTY NAME	**NUMBER OF ORDINARY SHARES**	**% OF SHARE CAPITAL**	**NUMBER OF ORDINARY SHARES**	**% OF SHARE CAPITAL**
ANDREA CATTANEO	58,228,409	8.15	49,504.584	10.04
NORDNET LIVSFORSIKRING AS	47,166,903	6.60	38,767,253	7.86
NORDNET BANK AB	25,350,293	3.55	18,506,573	3.75

Dividends

The Directors do not propose a dividend in respect of the year ended March 31, 2026 (March 31, 2025: nil).

Events subsequent to the year end

Details of events subsequent to the year-end are set out in note 29.

Going Concern Basis of Accounting and Related Reporting (including Solvency and Liquidity Risks)

The Directors have prepared these consolidated financial statements on a going concern basis, which assumes that the Group will continue in operational existence and will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.

In assessing the appropriateness of the going concern basis of accounting, the Directors have considered all relevant information available at the date of approval of these financial statements, including the Group's financial position, operating performance, cash flow forecasts, available funding arrangements, debt maturities and the principal risks and uncertainties facing the Group, as described in the Principal Risks and Uncertainties section of the Directors' Report.

The Group incurred losses during both the current and prior financial years and, as at the reporting date, had limited cash resources. Consequently, the Directors have given careful consideration to the Group's liquidity position, its ability to satisfy liabilities as they fall due and its ongoing funding requirements. The Directors recognise that effective liquidity management and continued access to capital remain fundamental to the successful execution of the Group's strategy.

The Directors have reviewed detailed cash flow forecasts covering the period through July 2027, being at least twelve months from the expected date of approval of these financial statements. The forecasts assume that the Group continues to hold its existing interests in its Tunisian and Italian oil and gas assets and include:

- equity financings completed subsequent to the reporting date;
- scheduled loan and bond repayments falling due during the assessment period;
- forecast operating cash flows;
- planned capital expenditure and operating expenditure;
- expected investment relating to the proposed acquisitions in the United States and Italy; and
- the expected benefits arising from the ongoing bond exchange programme and other financing initiatives.

The forecasts do not include any proceeds from the ICC-1 arbitration award, the Group's claim against SMP Energies, or the legal proceedings involving the Republic of Tunisia. Accordingly, any future recoveries arising from these proceedings would provide additional liquidity beyond that reflected in the Directors' base case forecasts.

In evaluating the Group's ability to continue as a going concern, the Directors considered a range of reasonably possible downside scenarios through sensitivity analysis. These scenarios included delays in future capital raisings, lower operating cash inflows than forecast, higher operating expenditure, delays in completing planned acquisitions and asset transactions, and changes in working capital assumptions. The Directors also considered the mitigating actions available to management, including deferring discretionary expenditure, reducing operating costs, managing capital commitments, progressing the disposal of non-core assets where appropriate, continuing the bond exchange programme and pursuing additional sources of financing.

The Directors also considered the Group's demonstrated ability to access equity capital, including the successful fundraisings completed during the financial year and subsequent to the reporting date. Based on this track record, together with ongoing discussions with existing and prospective investors, the Directors believe that the Group has a reasonable expectation of obtaining additional funding should this be required during the assessment period.

After considering the cash flow forecasts, the assumptions underpinning those forecasts, the results of the sensitivity analyses and the available mitigating actions, the Directors have concluded that it remains appropriate to prepare the consolidated financial statements on a going concern basis.

Auditors

Zenith Audit Ltd
Third Floor North, Warwick House, 65-66 Queen St, London EC4R 1EB, United Kingdom, is the Issuer's external auditor since 26 February 2026.

Statement of Directors' responsibilities

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

The Directors are required to prepare financial statements for each financial year. The Directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (“IASB”). The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs as issued by the IASB have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Approved by the Board on July 27, 2026

Signed ....
Jose Ramon Lopez-Portillo Chairman

GOVERNANCE REPORT

General

As the Company has a standard listing in the United Kingdom, it is not required to comply with the Financial Conduct Authority's requirements report on compliance with, and application of, the UK Corporate Governance Code. The disclosures below, however, are required by Disclosure Guidance & Transparency Rules and NI 58-101 Disclosure of Corporate Governance Practices. The board of directors (the "**Board**") of Zenith Energy Ltd. (the "**Company**") has not adopted a Governance Code as the size of the Company and the number of staff at the parent Company does not warrant the adoption of such code, however, the Board recognizes that good corporate governance is of fundamental importance to the success of the Group and procedures are in place in operating entities. The Group's governance practices are the responsibility of the Board.

Leadership

The Group is headed by an effective Board which is collectively responsible for the long-term success of the Group. The role of the Board is to oversee the activity of management and to decide the strategy going forward. The role of the Non-Executive Directors is to review and monitor the activity of the Directors and managers that are involved in the operations of the Group. Acquisitions and disposals, borrowing facilities, equity issuances and any other major decisions out of the ordinary course of business are specifically reserved for the Board.

The Board is formed by a highly incentivized and committed group of individuals, including founders of the Group with significant interest in the common share capital of the Group, that understand and believe in the Group's strategy, providing their support even without an effective remuneration, waiting for the desired development to lead to financial conditions such that the recognition of a fee does not divert funds from investments.

The Directors attendance to meetings up to the date of this report was as follows:

Date of Board Meeting	Jose Ramon Lopez-Portillo	Andrea Cattaneo	Dario Ezio Sodero	Sergey Borovskiy	Luca Benedetto
01/05/2025(B)	✓	✓	✓	✓	✓
25/07/2025(B)	✓	✓	✓	✓	✓
06/09/2025(B)	✓	✓	✓	✓	✓
07/10/2025(B)	✓	✓	✓	✓	✓
13/11/2025 (AC)	✓	✓	✓	✓	✓
02/02/2026 (B)	✓	✓	✓	✓	✓

AC: Audit Committee Meeting – B: Board Meeting

The Board

The Board is ultimately responsible for the effectiveness of the Group's system of internal controls. The Board verifies the implementation and effectiveness of the system that the top and middle management have implemented in the Group to prevent losses, fraud, corruption and misuse of assets, human resources and cash. Its key strategy has been to establish financial reporting procedures that provide the Board of Directors with a reasonable basis to make judgements as to the financial position and prospects of the Group.

Executive directors and non-executive directors have been appointed by the Board to assist with the implementation of this strategy and report progress to the Board. All the non-executive directors are considered independent from executive directors and management.

The Group's Board of Directors comprises of five members namely:

- Jose Ramon Lopez-Portillo (Chairman and Non-Executive Director)
- Andrea Cattaneo (President, CEO and Executive Director)
- Luca Benedetto (CFO and Executive Director)
- Dario Ezio Sodero (Non-Executive Director)
- Sergey Borovskiy (Non-Executive Director)

As demonstrated by the background of the Directors, the Board presents a large diversity in citizenship, age, education, profession and religion. The Board is committed to equal opportunities and intends to appoint a female Non-Executive Director as and when the opportunity may arise.

Directorships and partnerships

In addition to their respective roles and directorships at the Group, the Directors are members of the administrative, management or supervisory bodies (the "**Directorships**") or partners of the following companies or partnerships:

Name	Current directorships/partnerships
Jose Ramon Lopez-Portillo	Hybridair Ltd World SkyCat Ltd
Luca Benedetto	–
Andrea Cattaneo	Reveille Resources Plc
Dario Ezio Sodero	Planaval Resources Ltd
Sergey Borovskiy	Kaisun Holdings General Transactions Inc. South China Heavy Industries Group

Orientation and continuing education

The Board is responsible for the orientation and education of new members of the board of directors and all new directors are provided with copies of the Group's board and committee mandates and policies, the Group's by-laws, documents from recent Board meetings and other reference materials relating to the duties and obligations of directors, the business and operations of the Group. New directors are also provided with opportunities for meeting and discussions with senior management and other directors.

Prior to joining the board, each new director will meet with the Chief Executive Officer of the Group. Such

officer is responsible for outlining the business and prospects of the Group, both positive and negative, with a view to ensuring that the new director is properly informed to commence his duties as a director.
Each new director is also given the opportunity to meet with the auditors and counsel to the Group. As part of the annual Board of Directors' assessment process, the Board of Directors determines whether any additional education and training is required for its members.

Ethical business conduct

The directors encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Group has adopted a Code of Conduct which addresses the Group's continuing commitment to integrity and ethical behaviour. The Code of Conduct establishes procedures that allow directors, officers and employees of the Group to confidentially submit their concerns to the Chief Executive Officer or the Chairman of the Board regarding questionable ethical, moral, accounting or auditing matters, without fear of retaliation. To the Group's knowledge there have been no departures from this Code of Conduct that would necessitate the filing of a material change report. A copy of the Code of Conduct is available to review at the head office of the Group during business hours.

Nomination of Directors

The Board as a whole is responsible for identifying suitable candidates to be recommended for election to the Board by the shareholders of the Group, with the goal of ensuring that the Board consists of an appropriate number of directors who collectively possess the competencies identified as being appropriate to the effectiveness of the Board as a whole.

Remuneration

The Remuneration Committee is responsible for reviewing the Group's overall compensation strategy, as well as being responsible for reviewing and recommending for approval for the salary and compensation of the Group's executive officers.

The Remuneration Committee also reviews the compensation of the outside directors on an annual basis, taking into account such matters as time commitment, responsibility and compensation provided by comparable organizations.

The remuneration for key management personnel, specifically those persons having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly, are detailed in the following note 7-(b) Key management compensation.

Board Committees

The Group's Board of Directors has three committees, the Audit Committee, the Remuneration Committee and the Corporate Governance Committee.

(a) Audit Committee

The Audit Committee comprises Jose Ramon Lopez-Portillo, Dario Sodero and Sergey Borovskiy and is chaired by Dario Sodero. The Audit Committee meets at least once a year and otherwise as required. It has responsibility for ensuring that the financial performance of the Company is properly reported on and reviewed, and its role includes monitoring the integrity of the financial statements of the Group (including annual and interim accounts and results announcements), reviewing the effectiveness of the Group's internal control review function and risk management systems, reviewing any changes in accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors. The Audit Committee has unrestricted access to the Group's external auditors. The ultimate responsibility for reviewing and approving the annual reports and accounts and the interim reports remains with the Board. The Audit Committee gives due consideration to laws and regulations and the requirements of the Listing Rules. The Group has an Audit Committee Charter.

(b) Remuneration Committee

The Remuneration Committee comprises Jose Ramon Lopez-Portillo, Dario Sodero and Sergey Borovskiy and is chaired by Sergey Borovskiy. The Remuneration Committee has not met during the year ended 31 March 2026. The Remuneration Committee did not meet during the financial year, as no matters requiring the Committee's consideration or approval arose during the period. The Committee remained constituted in accordance with the Company's governance framework, and its responsibilities continued to be discharged as required. The Committee will convene as necessary to consider matters within its terms of reference. The Remuneration Committee has responsibility for determining the Group's policy on the remuneration packages of the Group's chief executive, the chairman, the executive and non-executive directors and other senior executives. The Remuneration Committee also has responsibility for (i) recommending to the Board a compensation policy for directors and executives and monitoring its implementation; (ii) approving and recommending to the Board and the Group's Shareholders the total individual remuneration package of the chairman, each executive and non-executive director and the chief executive officer (including bonuses, incentive payments and share options or other share awards); and (iii) approving and recommending to the Board the total individual remuneration package of all other senior executives (including bonuses, incentive payments and share options or other share awards), in each case within the terms of the Group's remuneration policy and in consultation with the chairman of the Board and/or the chief executive officer. No Director or manager may be involved in any discussions as to their own remuneration.

(c) Corporate Governance Committee

The Corporate Governance Committee comprises Sergey Borovskiy, Dario Sodero and Jose Ramon Lopez-Portillo and is chaired by Jose Ramon Lopez-Portillo. The Corporate Governance Committee has not met during the year ended 31 March 2026, but compliance matters have instead been considered by the whole Board. The Corporate Governance Committee did not meet during the financial year, as no matters requiring the Committee's consideration or approval arose during the period. The Committee remained constituted in accordance with the Company's governance framework, and its responsibilities continued to be discharged as required. The Committee will convene as necessary to consider matters within its terms of reference. The Corporate Governance Committee ensures that the Group has in place sufficient procedures, resources and controls to enable it to comply with its continuing obligations as a company admitted to the Standard Segment of the Official List. The Corporate Governance Committee also monitors the Group's procedures to approve (a) announcements to ensure that the information disclosed by the Group is timely, accurate, comprehensive and relevant to the business of the Group and (b) any share dealings by directors or employees or announcements made by the Group to ensure compliance with the Group's policies, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and such other regulations to which the Group is subject from time to time.

Assessments

The Remuneration Committee is responsible for developing an annual assessment of the overall performance of the Board and its committees.

The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. To date, the Remuneration Committee and the Board have not put into place a formal process for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Group's size, its stage of development and the number of individuals on the Board of Directors, the Remuneration Committee and the Board consider a formal assessment process to be inappropriate at this time. The Remuneration Committee and the Board plan to continue evaluating the Board's effectiveness on an ad hoc basis.

CLIMATE RELATED FINANCIAL DISCLOSURES

Introduction

The Board recognises that transparency regarding climate-related risks and opportunities is critical to maintaining the trust of our stakeholders and allows our investors to understand the implications of the Company's activities on climate change. The Board's consideration of key environmental risks is included under the principal risks and uncertainties section of the Director's Report. The Board also presents the following synthesis of its adoption of the recommendations of the Task Force on Climate-related Financial Disclosures (the "TCFD"), in compliance with Listing Rule 14.3.27R issued by the UK Financial Conduct Authority ("FCA") as the regulator for the London Stock Exchange, structured into four sections: Governance, Risk Management, Strategy and Metrics & Targets.

Governance

The Board actively oversees The Company's investment strategy. At each Board meeting our Board engages in robust discussions about its current investments and any potential investment opportunities where they address any emerging challenges and disruptions. At the same time, our Board works with senior management to develop a comprehensive view of the Company's short and long-term business risks. Both the Board and senior management team recognise that operating responsibly, which includes minimizing the environmental impact of our operations, is fundamental to the long-term success of the Company. We believe building a better future involves embedding climate awareness throughout our organization, starting at the top.

The Board oversees the management of specific risks and opportunities, including climate-related risks and opportunities. The senior management team provides regular updates to our Board on their activities and, in addition, the Board reviews the risks associated with the Company's investment strategy throughout the year.

Risk Management

The Board recognises that climate change risk is a global issue that may impact how we run our business, both today and in the future. As such, we continue to look for ways to improve our understanding of climate-related risks. However, although the impact of climate change is relatively low at this stage in the Company's development, we are conscious that "doing nothing" isn't an acceptable response to the impact climate change may have on the business in the future. We are therefore working to integrate climate risk variables into our overall risk management process and establish formal multi-disciplinary processes that engage both the Board and senior management team.

Strategy

The Company operates from a corporate head office in Canada but holds investments in several global jurisdictions including Italy, USA and Tunisia. The nature of these investments includes oil and gas extraction and electricity production. The Board is conscious of the inherent environmental risks associated with the extraction of natural resources and the production of energy. However, the Board actively encourages its investment partners to operate within international environmental guidelines and to perform its activities using the most up-to-date equipment.

Metrics & Targets

The Board is committed to reducing its impact on the environment in all aspects of its business activities and in all jurisdictions in which it operates. The Board engages with all its key stakeholders and partners and encourages the reduction of CO_2 emissions throughout the value chain to promote an environment that actively strives towards achieving 'net zero' by 2035. However, at this stage in the Company's development there are no formal metrics or targets to measure the Company's emissions against, but the Board continues to review the need to implement metrics & targets.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZENITH ENERGY LTD.

Opinion
We have audited the financial statements of Zenith Energy Ltd. ("the parent company" or "the company" and together with its subsidiaries "the group") and for the year ended 31 March 2026 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the parent company statement of financial position, the parent company statement of changes in equity, the parent company statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the parent and group financial statements is applicable law and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

In our opinion, the financial statements:

- give a true and fair view of the state of the parent company and group's affairs as at 31 March 2026 and of the parent company and group's loss and other comprehensive loss for the year then ended; and
- have been properly prepared in accordance with IFRS.

Our opinion is consistent with our reporting to the audit committee.

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

Conclusions relating to going concern assumption on the company financial statements
In auditing the company financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the company financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Material uncertainty related to going concern on the group financial statements
In forming our opinion on the group financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 2 to the financial statements concerning the group's ability to continue as a going concern. A significant part of the group's assets is based in Tunisia. The assets are not operational due to past interventions from the Tunisian authorities. As described in Note 2 "Going concern" to the financial statements and in the Chairman and CEO statement, the Group continues to vigorously pursue its international arbitration proceedings against the Tunisian authorities. The outcomes of these legal proceedings are inherently uncertain and might have a potential short and long-term impact on the group's operations and assets in Tunisia. The outcomes of these legal proceedings are inherently uncertain in terms of timing and financial outcome and might have a potential short and long-term impact on the group's operations and assets in Tunisia, including the value of their Property, plant and equipment, receivables from awarded arbitration claims and recoverability of the loan receivable from the Tunisian subsidiary in the parent's balance sheet. These conditions, along with the other matters explained in Note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue

as a going concern and realise its assets in the normal course of business. The group financial statements do not include the adjustments that would result if the group were unable to continue as a going concern.

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

Our evaluation of the Directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- We obtained the Directors' assessment and conclusions with respect to going concern.
- We discussed the going concern assessment with management and those charged with governance and challenged the key assumptions, estimates and judgements made in the assessment.
- We tested and challenged the cash flow models used in the going concern assessment.
- We assessed the likelihood of the different scenarios and sensitivities considered by the Directors.
- We discussed with the group legal advisers the measures taken by the group to defend its business and assets in Tunisia.
- We considered the appropriateness of the disclosures made in respect of going concern in the group financial statements.

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

Overview of our audit approach

Materiality
In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the group financial statements as a whole to be CAD$2m (prior period: CAD$2.5m) based on approximately 1% of the Group's total assets for the financial period. We determined overall materiality for the parent company financial statements as a whole to be CAD$1.8m.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the group financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined group performance materiality to be CAD$1m. The performance materiality for the parent company financial statements was determined to be CAD$0.9m.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of CAD$0.1m. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit
Our group audit was scoped by obtaining an understanding of the parent company group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements at the parent company and the group level.

The Group has 3 business segments: 1) Tunisia; 2) Italy; 3) Canadian parent company and other group entities. The Tunisian and Italian group entities represent the main operating business of the group. In approaching the audit, we considered how the group is organised and managed.

Our group audit scope focused on the group's principal operating businesses in Italy which were subject to a full scope audit together with the listed parent company Zenith Energy Ltd. We performed a full audit of the Italian and Canadian companies in the group. The other group entities in business segment 3) were subject to limited scope audits by us as group auditor. The component auditors performed the audit of the Tunisian components.

The group audit team was actively involved in the direction of the audits performed by the component auditor along with the consideration of findings and determination of conclusions drawn. As part of our audit strategy, we issued group audit engagement instructions and discussed the instructions with the component auditor. Senior members of the group audit team had regular video calls with the component auditor, performed a review of the component audit files and we discussed the audit findings with the component auditor.

We performed a full scope audit on the Group in accordance with ISAs (UK).

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at areas where the Directors made subjective judgements, which involved making assumptions and considering future events that are inherently uncertain, such as their going concern assessment and valuation of assets.

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The use of the Going Concern basis of accounting was assessed as a key audit matter and has already been covered in the previous section of this report. The other key audit matters identified are noted below.

Key audit matter	How our work addressed this matter
Carrying value of property, plant and equipment (PPE) – Note 8 The most significant class of assets in the Group as at 31 March 2026 were PPE of CAD$133m comprising oil and gas properties, of which CAD$125m relates to Tunisia. Under IFRS, management are required to use their estimation and judgement in assessing the carrying value of PPE for impairment. Given the subjectivity and number of estimates involved in any such assessment, we consider this to be a key audit matter. The Group recognised an impairment loss of PPE in the amount of CAD$5.6m	**Our work included:** • Reviewing management's assessment of recoverable amount and critically assessing all inputs; • Reviewing the underlying economic models used in the Competent Persons Report ("CPR") from which the valuation arises and challenging the key assumptions therein including: • Ensuring that the Competent Person had the relevant expertise to perform their work to the appropriate level of skill; • Comparing commodity price assumptions to future prices; • Challenging key inputs into the models including the discount rates used and benchmarking them where appropriate. • Reviewing the CPR for accuracy and performing sensitivity analysis of the various underlying assumptions; • Assessing the carrying value by considering the range of valuations indicated by the differing scenarios; • Considering the ability of the group to perform the required site development to ensure the site can meet production levels included in and underlying the CPR valuation and to have access to the capital resources required to develop projects successfully; and • Reviewing the work performed by the component auditors and requesting additional procedures where required. • Recalculated the impairment and ensured it is correctly disclosed in the financial statements. Our procedures did not result in any significant findings surrounding the carrying value of PPE, except for the impairment loss of CAS5.6m recorded by the Group.

<table>
<tr><th>Key audit matter</th><th>How our work addressed this matter</th></tr>
<tr><td>Carrying value of decommissioning provision
There are a significant number of estimates that require judgement related to the decommissioning provision and have therefore assessed that this is a key audit matter.</td><td>Our work included:
Assessing the estimated abandonment costs for key production assets in Tunisia and Italy;
Considering the professional expertise of third parties engaged to produce these estimates; and
Reviewing supporting data and requesting additional procedures where required.
Our procedures did not result in any significant findings surrounding the carrying value of the decommissioning provision.</td></tr>
<tr><td>Ongoing litigations
The company has various litigations and arbitrations ongoing. There may be undisclosed liabilities in relation to the litigations, hence why we consider this to be a key audit matter.</td><td>Our work included:
Enquire with management about all the ongoing litigations as well as litigations which have been resolved and the outcome;
Enquire regarding the existence of possible unrecorded and/or undisclosed losses arising from litigations and claims;
Determine whether an associated contingent asset or liability needs to be disclosed in the financial statements;
Review the accounting records for the accounting year and the period after the year end for any evidence of unrecorded liabilities based on events which occurred during the year or after the year end;
Contact solicitors to discuss legal cases which are ongoing and assess the probability of an unfavourable outcome; and
Assess the impact of litigations on the financial statements and disclosures.
Our procedures did not result in any significant findings surrounding the accounting and disclosure of the ongoing litigations.</td></tr>
</table>

Solar development projects in Italy – Note 8 This represents a new class of PPE for the Group and we considered the management judgment applied in the choice of accounting policy for the recognition, classification, presentation, measurement and disclosure to be key audit matter.	**Our work included:** • Testing a sample of additions during the reporting period to confirm recognition and measurement criteria are met • Assessing the carrying value for impairment considering the range of valuations indicated by the differing scenarios; • Considering the ability of the group to perform the required sites development to ensure the sites can meet planned production levels and whether the group has access to capital resources required to develop projects successfully; and • Reviewing the classification, presentation and disclosures around this new class of PPE and ensuring they are correctly reflected in the financial statements. Our procedures concluded that the solar development projects are still in an early development stage and as such need to be recorded at the level of actual costs incurred at the balance sheet date. This measurement and presentation were accurately reflected in the financial statements.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the parent company and the group financial reporting process.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent company and the Group and determined the most significant are those that relate to the reporting framework (IFRS) and the relevant legal and tax compliance regulations in which the Group operates.

- We understood how the parent company and the Group is complying with those frameworks by making enquiries on the management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and any correspondence received from regulatory bodies.

- The senior statutory auditor led a discussion among the audit team on fraud risk. We assessed the susceptibility of the parent company and the Group's financial statements to material misstatement, including how fraud might occur by inquiring with management during the planning, fieldwork and completion phase of our audit. We considered the controls that the parent company and the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk including revenue recognition. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

- Based on this understanding we designed our audit procedures to detect irregularities, including fraud. Testing undertaken included making enquiries of the management; journal entry testing; review of bank letters, and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors, as well as testing of judgmental areas for possible management bias.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Other matter

The Group's financial statements for the year ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on these statements on 21 July 2025.

Independence

We remained independent of the parent company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided. We have provided no non-audit services to the parent company or its controlled undertakings in the period under audit.

We were appointed by the board on 26 February 2026. Our total uninterrupted period of engagement is 1 year.

Use of our report

This report is made solely to the parent company's members, as a body. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Filip Lyapov (Senior Statutory Auditor)
For and on behalf of Zenith Audit Ltd
Statutory Auditors
3rd Floor North, Warwick House, 65/66 Queen street
London, EC4R 1EB

27 July 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Financial year ended	
		March 31, 2026	March 31, 2025
Continuing operations	**Notes**	**CAD$'000**	**CAD$'000**
Revenue	15	2,327	2,147
Cost of sales			
Production costs		(1,310)	(1,701)
Depletion and depreciation	8	(412)	(366)
Gross profit		**605**	**80**
Administrative expenses	5	(15,794)	(6,478)
Operating loss		**(15,189)**	**(6,398)**
Other gains and losses	14	330	15,857
Asset impairment	8	(5,557)	-
Finance expense	7	(7,825)	(8,370)
(Loss)/Profit for the year before taxation		**(28,241)**	**1,089**
Taxation	17	(95)	-
(Loss)/Profit for the year from continuing operations		**(28,336)**	**1,089**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(1,551)	(4,140)
Other comprehensive loss for the year, net of tax		**(1,551)**	**(4,140)**
Total comprehensive loss for the year		**(29,887)**	**(3,051)**
Loss for the year attributable to:			
Non-controlling interest		(3)	-
Owners of the parent		(29,884)	(3,051)
Total comprehensive loss for the year		**(29,887)**	**(3,051)**
Earnings per share	13	**CAD$**	**CAD$**
Profit for the year – basic		(0.0436)	0.0033
Profit for the year – diluted		(0.0355)	0.0033

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Financial year ended	
		March 31, 2026	March 31, 2025
ASSETS	**Notes**	**CAD$'000**	**CAD$'000**
Non-current assets			
Property, plant and equipment	8	131,947	134,496
		131,947	**134,496**
Current assets			
Assets held for sale	8	5,476	5,476
Inventory	18	1,108	2,412
Trade and other receivables		17,958	19,132
Cash and cash equivalents		1,872	3,199
		26,414	**30,219**
TOTAL ASSETS		**158,361**	**164,715**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	9	95,794	81,201
Share warrants & option reserve	10	6,337	6,922
Contributed surplus		9,555	7,573
Retained earnings		(59,951)	(30,067)
Equity attributable to the owners of the parent		**51,735**	**65,629**
Non-controlling interest		(3)	-
Total equity		**51,732**	**65,629**
Non-current liabilities			
Loans	11	537	647
Non-convertible bonds	12	31,240	33,530
Deferred consideration payable		15,626	15,409
Deferred tax liabilities		2,398	2,398
Decommissioning provision		23,184	22,454
Provision		1,675	1,637
Total non-current liabilities		**74,660**	**76,075**
Current Liabilities			
Trade and other payables		10,474	8,474
Loans	11	4,653	2,619
Non-convertible bonds	12	16,842	11,701
Deferred consideration payable		-	217
Total current liabilities		**31,969**	**23,011**
TOTAL EQUITY AND LIABILITIES		**158,361**	**164,715**

Approved by the Board on July 27, 2026
Signed ....
Andrea Cattaneo – CEO & President
The notes on pages 49 to 100 form part of the Financial Statements.

Consolidated Statement of Changes in Equity	Share capital	Warrants and share option reserve	Contributed surplus	Retained earnings / (deficit)	Total attributable to the owners of the parent	Non-controlling interest	Total
	CAD$'000	CAD$'000	CAD$'000	CAD$'000	CAD$'000	CAD$'000	CAD$'000
Balance as at 1 April 2024	**66,224**	**3,381**	**7,389**	**(27,016)**	**49,978**	**-**	**49,978**
Income/(loss)	-	-	-	1,089			
Other comprehensive income	-	-	-	(4,140)	(4,140)	-	(4,140)
Total comprehensive income	-	-	-	(3,051)	(3,051)	-	(3,051)
Share issue net of costs	14,977	-	-	-	14,977	-	14,977
Value of warrants issued	-	585	-	-	585	-	585
Value of options issued	-	3,140	-	-	3,140	-	3,140
Fair value of options expired	-	(103)	103	-	-	-	-
Warrants expired	-	(81)	81		-	-	-
Total transactions with owners recognised directly in equity	14,977	3,541	184	-	18,702	-	18,702
Balance as at 31 March 2025	**81,201**	**6,922**	**7,573**	**(30,067)**	**65,629**	**-**	**65,629**
Income/(loss)	-	-	-	(28,333)	(28,333)	(3)	(28,336)
Other comprehensive income	-	-	-	(1,551)	(1,551)	-	(1,551)
Total comprehensive income	-	-	-	(29,884)	(29,884)	(3)	(29,887)
Share issue net of costs - private placement	14,173	-	-	-	14,173	-	14,173
Value of options issued	-	1,397	-	-	1,397	-	1,397
Excercise of warrants	420	(800)	800	-	420	-	420
Fair value of options expired	-	(1,182)	1,182	-	-	-	-
Total transactions with owners recognised directly in equity	14,593	(585)	1,982	-	15,990	-	15,990
Balance as at 31 March 2026	**95,794**	**6,337**	**9,555**	**(59,951)**	**51,735**	**(3)**	**51,732**

Reserve	**Description and purpose**
Share capital	Amount subscribed for share capital
Share warrants & option reserve	Relates to increase in equity for services received – equity settled share transactions
Contributed surplus	Expired share options and warrants issued in previous years
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

CONSOLIDATED STATEMENT OF CASH FLOWS

		Financial year ended	
		March 31, 2026	**March 31, 2025**
OPERATING ACTIVITIES	**Notes**	**CAD$'000**	**CAD$'000**
(Loss)/Profit for the year before taxation		(28,241)	1,089
Options/warrants charge	10	1,397	3,725
Foreign exchange	5	(3,688)	(8,209)
Depletion and depreciation	8	412	366
Accretion/(depletion) of decommissioning provision	21	146	(2,238)
Finance expense	7	7,385	7,954
Impairment of property, plant and equipment	8	5,557	-
Impairment of inventory	18	1,232	-
Taxation	17	(95)	-
Change in working capital	6	3,893	(13,653)
Net cash used in operating activities		**(12,002)**	**(10,966)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	(1,699)	(417)
Disposal of property, plant and equipment	8	1,027	1,661
Net cash (used in)/generated from investing activities		**(672)**	**1,244**
FINANCING ACTIVITIES			
Proceeds from issue of shares, net of transaction costs	9	13,935	14,977
Proceeds from exercise of options/warrants	9	420	-
Finance Expense	7	(7,385)	(6,976)
Repayments of loans	11	(2,484)	(1,267)
Proceeds from loans	11	4,010	1,984
Proceeds from issue of bonds	12	4,209	4,354
Repayment of bonds	12	(1,358)	(358)
Net cash generated from financing activities		**11,347**	**12,714**
Net (decrease)/increase in cash and cash equivalents		(1,327)	2,992
Cash and cash equivalents at beginning of year		**3,199**	**207**
Cash and cash equivalents at end of year		**1,872**	**3,199**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

		Financial year ended	
		March 31, 2026	March 31, 2025
Continuing operations	**Notes**	**CAD$'000**	**CAD$'000**
Administrative expenses	5	(17,544)	(16,237)
Depreciation		-	(3)
Operating loss		**(17,544)**	**(16,240)**
Other gains and losses	14	330	14,385
Finance expense	7	(6,891)	(7,487)
Loss for the year before taxation		**(24,105)**	**(9,342)**
Taxation	17	(95)	-
Loss for the year from continuing operations		**(24,200)**	**(9,342)**
Other comprehensive loss for the year, net of tax		**-**	**-**
Total comprehensive loss for the year		**(24,200)**	**(9,342)**

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

		Financial year ended	
		March 31, 2026	March 31, 2025
ASSETS		**CAD$'000**	**CAD$'000**
Non-current assets			
Property, plant and equipment	8	846	-
Investments in Subsidiaries	3	937	720
		1,783	**720**
Current assets			
Trade and other receivables		168,875	169,895
Cash and cash equivalents		1,515	3,146
		170,390	**173,041**
TOTAL ASSETS		**172,173**	**173,761**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	9	95,794	81,201
Share warrants & option reserve	10	6,337	6,922
Contributed surplus		9,555	7,573
Retained earnings		1,222	25,422
Total equity		**112,908**	**121,118**
Non-current liabilities			
Loans	11	-	-
Non-convertible bonds	12	31,241	33,530
Total non-current liabilities		**31,241**	**33,530**
Current Liabilities			
Trade and other payables		6,577	4,794
Loans	11	4,605	2,618
Non-convertible bonds	12	16,842	11,701
Total current liabilities		**28,024**	**19,113**
TOTAL EQUITY AND LIABILITIES		**172,173**	**173,761**

PARENT COMPANY

STATEMENT OF CHANGES IN EQUITY	Share capital	Share warrants & option reserve	Contributed surplus	Retained earnings	Total
Balance as at March 31, 2024	**66,224**	**3,381**	**7,389**	**34,764**	**111,758**
Loss for the year	-	-	-	(9,342)	(9,342)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(9,342)	(9,342)
Share issue net of costs – debt settlement	14,087	-	-	-	14,087
Share issue net of costs - private placement	890	-	-	-	890
Warrants issued	-	585	-	-	585
Option issued	-	3,140	-	-	3,140
Fair value of options expired	-	(103)	103	-	-
Warrants expired	-	(81)	81	-	-
Total transactions with owners recognised directly in equity	**14,977**	**3,541**	**184**		**18,702**
Balance as at March 31, 2025	**81,201**	**6,922**	**7,573**	**25,422**	**121,118**
Loss for the year	-	-	-	(24,200)	(24,200)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(24,200)	(24,200)
Share issue net of costs - private placement	14,173	-	-	-	14,173
Warrants exercised	420	(800)	800	-	420
Warrants issued	-	-	-	-	-
Option issued	-	1,397	-	-	1,397
Fair value of options expired	-	(1,182)	1,182	-	-
Total transactions with owners recognised directly in equity	**14,593**	**(585)**	**1,982**	**-**	**15,990**
Balance as at March 31, 2026	**95,794**	**6,337**	**9,555**	**1,222**	**112,908**

Reserve	**Description and purpose**
Share capital	Amount subscribed for share capital
Share warrants & option reserve	Relates to increase in equity for services received – equity settled share transactions
Contributed surplus	Expired share options and warrants issued in previous years
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

PARENT COMPANY

STATEMENT OF CASH FLOWS

		Financial year ended	
		March 31, 2026	March 31, 2025
OPERATING ACTIVITIES	**Notes**	**CAD$'000**	**CAD$'000**
Loss for the year before taxation		(24,105)	(9,342)
Options/warrants charge	10	1,397	3,725
Foreign exchange		52	1,094
Depletion and depreciation	8	-	2
Finance expense	7	6,891	7,487
Taxation	18	(95)	-
Change in working capital	6	3,367	(12,869)
Net cash used in operating activities		**(12,493)**	**(9,903)**
INVESTING ACTIVITIES			
Acquisition of subsidiary undertaking		(217)	-
Purchase of property, plant and equipment	10	(846)	-
Net cash used in investing activities		**(1,063)**	**-**
FINANCING ACTIVITIES			
Proceeds from issue of shares, net of transaction costs		13,935	14,977
Proceeds from exercise of options/warrants		420	-
Finance expense	7	(6,891)	(6,511)
Repayments of loans	11	(2,353)	(1,267)
Proceeds from loans	11	3,963	1,803
Proceeds from issue of bonds	12	4,209	4,355
Repayment of bonds	12	(1,358)	(358)
Net cash generated from financing activities		**11,925**	**12,999**
Net (decrease)/increase in cash and cash equivalents		(1,631)	3,096
Cash and cash equivalents at beginning of year		**3,146**	**50**
Cash and cash equivalents at end of year		**1,515**	**3,146**

Notes to the financial statements

1. Corporate and Group information

The consolidated financial statements of Zenith Energy Ltd. and its subsidiaries (collectively, the "**Group**") have been prepared on the basis set out below.

Zenith Energy Ltd. ("**Zenith**" or the "**Group**") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on September 20, 2007, and is domiciled in Canada. The address of the Group's registered office is Suite 2400, 745 Thurlow Street, Vancouver BC V6E 0C5, Canada and its business address is Suite 4000, 421 - 7th Avenue SW, Calgary, T2P 4K9, Alberta, Canada. The Group's primary business activity is the international development of oil and gas production and development assets.

The Company's website is: www.zenithenergy.ca.

Zenith is a public company listed on the Main Market of the London Stock Exchange under the ticker "**ZEN**", with its entire common share capital admitted to trading on the Euronext Growth Oslo under the ticker "**ZENA**" and the Spotlight Stock Market Stockholm under the ticker "**ZENA SDR**".

2. Basis of preparation

The consolidated financial statements presented in this document have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

The financial statements have been prepared under the historical cost convention except for financial instruments which are measured at fair value through profit or loss. The financial statements are presented in Canadian Dollars (CAD$) and have been rounded to the nearest thousand (CAD$'000) except where otherwise indicated.

The Board has reviewed the accounting policies set out below, which have been applied consistently, and considers them to be the most appropriate to the Group's business activities.

Presentation and functional currency

The presentation currency of the Group is the Canadian dollar ("**CAD$**").

Functional currency is the currency of the primary economic environment in which a company operates. The functional currencies of the Group's subsidiaries are: United States ("**US$**") dollars for the subsidiaries in Tunisia, Dubai and British Virgin Islands, Euros ("**EUR**") for the subsidiary in Italy, Sterling ("**GBP**") for the subsidiary in the United Kingdom, Swiss Francs ("**CHF**") for the subsidiary in Switzerland and Norwegian Krone ("**NOK**") for the subsidiary in Norway.

The functional currency is determined by the Directors after consideration of a number of relevant factors, including the currency in which Group entities primarily generate and expend cash, the currency that principally influences revenues and costs, and the currency in which business transactions and financing activities are normally denominated.

All of the transactions that are not in the functional currency are treated as foreign and indicate currency transactions.

The factors that have determined the adoption of the CAD$ as presentation currency include:

- mainly affects the prices at which the goods or services are consolidated;
- Canada is the country whose regulations, market conditions and competitive forces mainly affect the pricing policy of the entity;
- influences the costs and expenses of the entity;
- the funds are usually generated in that currency; and
- the receipts from operating activities are retained in that currency.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business.

In assessing the appropriateness of the going concern basis of accounting, the Directors have considered all relevant information available up to the date of approval of these financial statements. This assessment included consideration of the Group's current financial position, historical trading performance, forecast cash flows, financing requirements, existing and prospective funding arrangements, capital commitments and the principal risks and uncertainties facing the Group, as described in the Principal Risks and Uncertainties section of the Directors' Report.

The Group incurred losses during both the current and prior financial years and had limited cash resources at the reporting date. A significant proportion of the Group's assets is located in Tunisia. These assets are not currently operational following past interventions by the Tunisian authorities. The Group continues to pursue international arbitration and other legal proceedings in connection with its investments, operations and assets in Tunisia.

The timing and financial outcomes of these proceedings are inherently uncertain. These uncertainties may have both short-term and long-term effects on the Group's operations, financial position and assets in Tunisia. In particular, they may affect the carrying value and recoverability of property, plant and equipment, receivables arising from arbitration awards or claims and, in the parent company financial statements, the recoverability of amounts due from the Group's Tunisian subsidiaries.

The Directors have therefore carefully assessed the Group's liquidity and solvency position and its ability to meet its obligations as they fall due.

The Directors reviewed detailed cash flow forecasts covering the period to July 2027, being at least twelve months from the expected date of approval of these financial statements. The forecasts include the Group's expected operating and administrative expenditure, contractual and scheduled loan and bond repayments falling due during the assessment period, anticipated capital commitments and expected expenditure relating to proposed acquisitions and development activities in the United States and Italy.

The forecasts also incorporate the proceeds of equity fundraisings completed after the reporting date. They assume that the Group continues to hold its interests in its Tunisian and Italian oil and gas assets and that the Group is able to obtain additional financing when required to meet its forecast obligations and planned expenditure.

The base case cash flow forecasts do not include any receipts arising from the ICC-1 arbitration award, the Group's claim against SMP Energies or the Group's other legal and arbitration proceedings involving the Republic of Tunisia. The timing and recoverability of any amounts arising from these matters remain uncertain. Any proceeds received would therefore represent additional liquidity beyond that included in the base case forecasts.

In preparing the forecasts, management considered a range of assumptions relating to the timing and amount of future financing activities, operating expenditure, debt repayments, capital commitments, transaction expenditure and operating cash inflows. These assumptions involve significant judgement and are subject to uncertainty.

The Directors performed sensitivity analyses to assess the effect of reasonably possible downside scenarios. These included delays in planned equity fundraisings or other financing activities, lower-than-forecast operating cash inflows, higher-than-anticipated operating or legal expenditure, delays in completing proposed acquisitions or transactions and the requirement to meet liabilities earlier than anticipated.

The Directors also considered the mitigating actions available to management. These actions include:

- deferring or reducing discretionary operating and capital expenditure;
- carefully managing capital commitments and the timing of proposed transactions;
- reducing administrative and other overhead expenditure;
- continuing the Group's bond exchange and debt restructuring activities;
- seeking additional equity, debt or alternative sources of financing;
- selectively disposing of or monetising assets or development interests; and
- continuing to pursue the recovery and enforcement of amounts arising from legal and arbitration proceedings.

The Directors have considered the Group's historical ability to raise capital, including equity fundraisings completed during the year ended 31 March 2026 and after the reporting date. However, there can be no certainty that further funding will be available in the amounts required, within the necessary timeframe or on terms acceptable to the Group.

The Group's ability to continue as a going concern is therefore dependent on a combination of factors, including its ability to raise additional financing, manage the timing and amount of its expenditure and liabilities, successfully implement the mitigating actions available to management and, where applicable, realise value from its assets, claims and strategic transactions.

The Group's dependence on additional financing, together with its limited cash resources, continuing losses, the non-operational status of a significant proportion of its Tunisian assets and the inherent uncertainty surrounding the timing and financial outcomes of the Group's legal and arbitration proceedings, indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding this material uncertainty, after considering the cash flow forecasts, the sensitivity analyses performed, the Group's recent fundraising history and the mitigating actions available to management, the Directors have concluded that they have a reasonable expectation that the Group will have access to sufficient resources to continue in operational existence for the foreseeable future. Accordingly, the Directors consider it appropriate to prepare the consolidated financial statements on a going concern basis.

The consolidated financial statements do not include the adjustments that would be required if the Group were unable to continue as a going concern. Such adjustments could include reductions in the carrying values of assets to their recoverable amounts, the recognition of additional liabilities and the reclassification of non-current assets and liabilities as current.

New standards and interpretations

a. Adoption of new and revised standards

No new standards, amendments or interpretations, effective for the first time for the period beginning on or after April 1, 2025 have had a material impact on the Company.

The following IFRSs or IFRIC interpretations are those that were effective for the first time for the financial year beginning April 1, 2025 and relevant to the entity.

Title	Description	Effective Date
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	Applicable to annual reporting periods beginning on or after 31 March2025
IAS 1	Non-current Liabilities with Covenants (Amendments to IAS 1)	Applicable to annual reporting periods beginning on or after 1 January 2025
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Applicable to annual reporting periods beginning on or after 1 January 2024
IAS 7 and IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Applicable to annual reporting periods beginning on or after 1 January 2024
IAS 21	Lack of Exchangeability (Amendments to IAS 21)	Applicable to annual reporting periods beginning on or after 1 January 2025

Following the adoption of the amendments of the IAS 1, the Group determined that it did not have an unconditional (or contractual) right at the reporting date to defer settlement of **CAD$31,240k** Bonds for at least twelve months after the reporting period. Accordingly, the Bonds have been reclassified from non-current liabilities to current liabilities in the statement of financial position. The reclassification affected presentation only and did not affect the carrying amount, recognition, measurement, profit or loss, or cash flows.

b. New standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Standards Issued and Effective on or after 1 January 2026

Title	Description	Effective Date
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	Applicable to annual reporting periods beginning on or after 1 January 2026 but not yet effective
Various Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	Applicable to annual reporting periods beginning on or after 1 January 2026 but not yet effective
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	Applicable to annual reporting periods beginning on or after 1 January 2026 but not yet effective
IFRS 18	Presentation and Disclosure in Financial Statements	Applicable to annual reporting periods beginning on or after 1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 Subsidiaries without Public Accountability: Disclosures
IFRS for SMEs Accounting Standard (Third Edition)	IFRS for SMEs Accounting Standard (Third Edition)	IFRS for SMEs Accounting Standard (Third Edition)
IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	Applicable to annual reporting periods beginning on or after 1 January 2031

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

3. Significant accounting policies

Consolidation

The following entities have been consolidated within the Group's financial statements:

Name	***Country of incorporation and place of business***	***Proportion of ownership interest***	***Principal activity***	***Reporting period***
Canoel Italia S.p.A.	Italy	98.6%	Gas, electricity and condensate production	January - December
Ingenieria Petrolera del Rio de la Plata S.r.l.	Argentina	100%	Inactive	January - December
Zenith Suisse SA	Switzerland	100%	Group support and administrative services	January - December
Compagnie du Desert Holdings Ltd	United Kingdom	100%	Holding Company	January - December
Compagnie du Desert Ltd	United Kingdom	100% on behalf of Compagnie du Desert Holdings Ltd	Holding Company	January - December
Ecumed Petroleum Tunisia Ltd	Tunisia	100% on behalf of Compagnie du Desert Ltd	Oil production	January - December
Leopard Energy, Inc (formerly Cyber Apps World Inc.) (3)	United States	99.87%	Oil Production	August - July
Wesolar S.r.l. (1)	Italy	99%	Solar electricity production and development	January - December
Futuro Energetico Italiano S.r.l. (2)	Italy	99%	Uranium Exploration and Development	January - December

(1) Zenith Energy Ltd. has 100% control over Wesolar S.r.l. The Group granted 1% to a third-party, in order to limit the risk of any liability to that entity. Therefore, no non-controlling interest arises from the consolidation of this subsidiary.

(2) Zenith Energy Ltd. has 100% control over Futuro Energetico Italiano S.r.l. The Group granted 1% to a third party, in order to limit the risk of any liability to that entity. Therefore, no non-controlling interest arises from the consolidation of this subsidiary.

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Adjustments are made to the results of subsidiaries to bring the accounting policies used by them, with those used by the Group.

Intercompany balances and transactions are eliminated on consolidation, and any unrealized income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

The reporting dates of Zenith Suisse SA, Futuro Energetico Italiano S.r.l., Wesolar S.r.l. and Canoel Italia S.p.A. differ from that of the Company as these entities prepare their statutory financial statements in accordance with local reporting requirements and financial reporting calendars.

The remaining subsidiaries also have financial year-ends that differ from the Group's reporting date, reflecting historical reporting periods that existed prior to their acquisition by the Group. These reporting dates have not been amended to align with the Group's financial reporting calendar as the Directors consider that the administrative costs and operational burden associated with such changes would outweigh the benefits of alignment.

The following entities have not been consolidated within the Group’s financial statements because they are considered to be immaterial to the Group:

Name	***Country of incorporation and place of business***	***Proportion of ownership interest***	***Principal activity***
Leonardo Energy Consulting S.r.l.	Genova, Italy	48%	Dormant
Zenith Energy Netherlands BV	Netherlands	100%	Dormant
Zenith Norway AS (2)	Norway	100%	Dormant

The following entities have been written off, in consideration of the divestments of the Company in the country (Republic of the Congo) or due to the Arbitrations currently in progress:

Name	***Country of incorporation and place of business***	***Proportion of ownership interest***	***Principal activity***	***Reporting period***
Anglo African Oil & Gas Congo S.A.S.	Republic of the Congo	100%	Oil production	January - December
Zenith Energy África Holdings	United Kingdom	100%	Holding Company	January - December
Zenith Energy África Ltd	United Kingdom	100% on behalf of Zenith Energy Holdings	Holding Company	January - December
Ecumed Petroleum Zarzis Ltd	Tunisia	100% on behalf of Zenith Energy Africa Ltd	Oil production	January - December
Zenith Overseas Assets Holdings Ltd	United Kingdom	100%	Holding Company	January - December
Zenith Overseas Assets Ltd	United Kingdom	100% on behalf of Zenith Overseas Assets Holdings Ltd	Holding Company	January - December
Canadian North Africa Oil & Gas Ltd	Tunisia	100% on behalf of Zenith Overseas Assets Ltd	Oil production	January - December
Zenith Energy Congo SA	Republic of the Congo	100%	Oil production	January - December
Zenith Aran Oil Company Limited	British Virgin Islands	100%	Inactive	January - December
Zena Drilling Limited	Incorporated in UAE Place of business: Azerbaijan	100%	Oil and gas drilling	January - December

Business combinations

The acquisition method of accounting is used to account for acquisitions of subsidiaries and assets that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of an acquisition is less than the fair value of the net assets of the subsidiary acquired, a bargain purchase gain is recognised immediately in the consolidated statement of comprehensive income.

Transaction costs that are incurred in connection with a business combination other than those associated with the issue of debt or equity instruments are expensed as incurred.

Intercompany balances and transactions are eliminated on consolidation, and any unrealised income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Property, plant and equipment (PPE)

Property, plant and equipment are tangible assets held for use in the production or supply of goods and services, for administrative purposes or for the development of energy projects, and are expected to be used during more than one reporting period.

Property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and all directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Directly attributable costs include acquisition, construction and development costs, professional fees, directly attributable employee costs, site preparation, testing costs, borrowing costs where applicable under the Group's accounting policy, and the initial estimate of decommissioning and restoration obligations where these arise.

Subsequent to initial recognition, each class of property, plant and equipment is measured either using the cost model or the revaluation model. The measurement model is determined for each class of assets in accordance with IAS 16, having regard to the nature of the assets and the relevance and reliability of the information provided to users of the financial statements. Once selected, the measurement model is applied consistently to the entire class of assets.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components and depreciated over their respective useful lives.

Gains and losses arising on disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

Development and production assets

Development and production ("D&P") assets comprise costs incurred in developing commercial reserves and bringing them into production. D&P assets are measured using the cost model and are carried at cost less accumulated depletion, depreciation and accumulated impairment losses.

When significant parts of D&P assets have different useful lives, they are accounted for as separate items (major components).

Non-controlling Interests

Certain assets of the Group are held through subsidiaries in which third-party investors hold minority equity interests. Accordingly, the third-party ownership interests are recognised as non-controlling interests within equity in the consolidated statement of financial position.

Non-controlling interests represent the portion of the net assets of these subsidiaries attributable to shareholders other than the Company. The Group consolidates 100% of the assets, liabilities, income and expenses of the subsidiaries over which it has control, with the third-party interests presented separately within equity and their share of profit or loss and other comprehensive income attributed accordingly.

As at the reporting date, the carrying amount of non-controlling interests represents the third-party ownership interests in the net assets of the relevant subsidiaries. Details of subsidiaries with material non-controlling interests, including ownership percentages and summarised financial information, are disclosed in the relevant notes to the consolidated financial statements.

Solar photovoltaic assets

During the financial year ended 31 March 2026, the Group invested in a new class of photovoltaic assets comprising solar development projects in Italy. These investments form part of the Group's strategy of building a renewable energy portfolio through the acquisition and development of solar projects, with the objective of advancing selected projects to construction and electricity generation while retaining flexibility to realise value through selective asset disposals.

Solar photovoltaic assets comprise development-stage projects, including land rights, grid connection rights, planning permissions, environmental studies and other directly attributable acquisition and development costs that meet the criteria for capitalisation.

Given the distinct characteristics, risk profile, development cycle and valuation methodology associated with these assets, the Group has classified solar photovoltaic assets as a separate class of property, plant and equipment.

The Group currently measures the solar photovoltaic asset class using the cost model, under which assets are carried at cost less any accumulated depreciation and accumulated impairment losses. As the assets are under development and are not yet available for their intended use, they are not depreciated.

Management intends to adopt the revaluation model for the entire class of solar photovoltaic assets when it concludes that fair value can be measured reliably on a continuing basis and that the revaluation model will provide more relevant information to users of the financial statements, in accordance with IAS 16 Property, Plant and Equipment. Under the revaluation model, assets will be carried at fair value, as determined by independent external valuers, less any subsequent accumulated depreciation and impairment losses. Management believes that the revaluation model will better reflect the economic value created as solar development projects progress towards construction, production or potential disposal. Further information is provided in the CEO Statement and Note 29 Events subsequent to the reporting date.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that future economic benefits will flow to the Group and the cost can be measured reliably. This includes expenditure incurred after technical feasibility and commercial viability have been established, replacement of significant components and major inspections or workovers. The carrying amount of replaced parts is derecognised. Routine repairs and maintenance are recognised in profit or loss as incurred.

Depletion and depreciation

The depreciable amount of an asset is allocated over its useful life in a manner reflecting the pattern of consumption of future economic benefits. Producing D&P assets are depleted on a field-by-field unit-of-production basis using proved and probable reserves determined by an independent reserve engineer, taking into account future development costs. Solar photovoltaic assets under development are not depreciated until available for their intended use.

Impairment

At each reporting date the Group assesses whether indicators of impairment exist. Assets are tested individually or within cash-generating units. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where carrying amount exceeds recoverable amount, an impairment loss is recognised in profit or loss. Previously recognised impairment losses are reviewed at each reporting date and reversed where appropriate, subject to IAS 36.

Decommissioning provisions

A decommissioning obligation is recognised when a legal or constructive obligation arises and a reliable estimate can be made. The initial estimate is capitalised as part of the cost of the related asset with a corresponding provision. The provision is measured at present value and subsequently adjusted for the unwinding of the discount and changes in estimated cash flows. Settlement costs are charged against the provision as incurred.

Cash and cash equivalents

Cash and cash equivalents consist of cash deposits in bank accounts and cash in hand.

Inventory

Inventory consists of crude oil which is recorded at the lower of cost and net realisable value. The cost of producing crude oil is accounted on a weighted average basis. This cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of crude oil is the producing cost, including royalties. Net realisable value of crude oil and refined products is based on estimated selling price in the ordinary course of business less any expected selling costs.

Financial instruments

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortized cost using the effective interest method:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:
- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Impairment of financial assets
The Group applies the expected credit loss model to financial assets measured at amortized cost or at fair value through other comprehensive income. There are no financial assets other than trade receivables.

De-recognition of financial assets
The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Compound financial instruments

Compound financial instruments include convertible notes which can be converted into a fixed number of common shares for a fixed amount of consideration. The compound financial instrument is bifurcated and recorded with a liability and equity component. The liability component is initially recognised as the fair value of the liability without the conversion feature, which is calculated using inputs that fall within level 1 of the fair value hierarchy of IFRS 13. The equity component is recognised as the difference between the fair value of the convertible debt and the fair value of the liability component.
Transaction costs are proportionately allocated between the components. Subsequently, the liability component is measured at amortised cost using the effective interest method and accretes up to the principal balance at maturity.

The equity component is not re-measured after initial recognition. Upon conversion, the liability component is reclassified to equity and no gain or loss is recognised. If the number of common shares to which the loan can be converted is not fixed, then the loan is recorded as a liability with no debt / equity split.

De-recognition of financial liabilities

The Group removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished-i.e., when the obligation specified in the contract is discharged or cancelled or expires.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

The Group's financial assets were classified as financial assets measured subsequently at amortized cost. The Group's financial liabilities were classified as financial liabilities measured subsequently at amortized cost. The Group does not choose to classify any financial liabilities as measured at fair value through profit or loss.

Share capital

Share capital is classified as equity if it is non-redeemable, and any dividends are discretionary or redeemable but only at the Group's option. Dividends on share capital classified as equity are recognised as distributions within equity. Non-equity share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders or if dividend payments are not discretionary. Dividends thereon are recognised in the consolidated income statement as a financial expense.

Incremental costs directly attributable to the issue of common shares are recognised as a deduction from equity.

Share-based payments

The Company may grant equity-settled share-based awards, including stock options and warrants, to employees, directors, officers, consultants and other service providers.

The fair value of equity-settled awards is measured at the grant date using an appropriate option pricing model, such as the Black-Scholes option pricing model, taking into account the terms and conditions upon which the instruments were granted. The fair value determined at the grant date is recognized as an expense over the vesting period, with a corresponding increase in equity (share-based payment reserve), based on the Company's estimate of the number of awards expected to vest.

At each reporting date, the Company revises its estimate of the number of awards expected to vest and recognizes the impact of any revision in the statement of profit or loss, with a corresponding adjustment to equity.

Upon the exercise of stock options or warrants, the proceeds received together with the amount previously recognized in the share-based payment reserve are transferred to share capital. If options or warrants expire unexercised, the related balance in the share-based payment reserve remains within equity and may be transferred to retained earnings or another component of equity in accordance with the Company's accounting policy.

For warrants issued as part of equity financing transactions, the fair value is allocated between the shares and warrants based on their relative fair values or using the residual method, as appropriate under IFRS. Warrants classified as equity are not subsequently remeasured after initial recognition.

Earnings per share

The Group presents basic and diluted earnings per share for its common shares. Basic earnings per share amounts are calculated by dividing the profit or loss attributable to common shareholders of the Group by the weighted average number of common shares outstanding during the period. Diluted earnings per share amounts are determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted, for the effects of all dilutive potential common shares.

Revenue from contracts with customers

The Group enters into contracts for the sale of oil and gas. Revenue is recognised when the price is determinable, the product has been delivered in accordance with the terms of the contract, the significant risks and rewards or ownership have been transferred to the customer and collection of the sales price is reasonably assured. The performance obligation is identified to be the delivery of oil and gas to the customer, and the transaction price is allocated to the amount of oil and gas delivered. These criteria for performance obligation are assessed to have occurred once the product has been delivered to the customer.

Foreign currency translation

Foreign currency transactions are translated into the respective functional currencies of the Group and its subsidiaries using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and,
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's exchange difference on translating foreign operations on the statement of comprehensive income and are reported as a separate component of shareholders' equity. These differences are recognised in profit or loss in the period in which the operation is disposed.

Accounting policy for provisions, contingent assets and liabilities

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Finance expense

Finance expense is comprised of interest on debt, accretion of the decommissioning obligation, accretion of convertible notes and other miscellaneous interest charges.

Taxation

Income tax expense is comprised of current and deferred tax and 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.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded, using the asset and liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, deferred tax is not recorded on taxable temporary differences arising on the initial recognition of goodwill or on the initial recognition of assets and liabilities in a transaction other than a business combination that affect neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Interest-Bearing Loans and Borrowings
Interest-bearing loans and borrowings are initially recognised at fair value, which equates to the value of proceeds received net of any directly attributable arrangement costs. Subsequent to initial recognition these borrowings are stated at amortised cost using the effective interest rate method.

Assets Held for Sale

Non-current assets or disposal groups are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such classification is made only when the asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, and the sale is highly probable.

For a sale to be highly probable, management must be committed to a plan to sell the asset or disposal group, an active programme to locate a buyer and complete the plan must have been initiated, the asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value, and the sale is expected to be completed within one year from the date of classification, except where an extension is permitted under the applicable financial reporting standards.

Immediately before classification as held for sale, the carrying amounts of the assets and liabilities are measured in accordance with the applicable accounting standards. Upon classification as held for sale, the asset or disposal group is measured at the lower of its carrying amount and fair value less costs to sell. Any resulting impairment loss is recognised immediately in profit or loss. A gain is recognised for any subsequent increase in fair value less costs to sell, but not in excess of the cumulative impairment loss previously recognised.

Non-current assets classified as held for sale are not depreciated or amortised while they remain classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position. The results of discontinued operations, where applicable, are presented separately in the statement of profit or loss and other comprehensive income in accordance with the applicable financial reporting standards.

4. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions about the future. The relating accounting estimates will by definition, seldom equal to related achieved result. The estimates and judgements that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Going concern
Management have prepared the financial statements on a going concern basis of accounting which, as stated in note 2, is dependent on the group being able to raise additional funding as required. This is considered to be a critical accounting judgement.

Property, plant and equipment
Management reviews the Group's property, plant and equipment annually for impairment indicators.

The determination of recoverable amounts in any resulting impairment test requires judgement around key assumptions. Key assumptions in the impairment models include those related to prices that are based on forward curves and long-term corporate assumptions thereafter, discount rates, that are risked to reflect conditions specific to individual assets, future costs, both capital and operating that are based on management's estimates having regard to past experience and the known characteristics of the individual assets, reserves and future production, which are discussed further on note 8. The carrying value of property, plant and equipment as of March 31, 2026, was CAD$ 131,947k (2025 – CAD$ 134,496k).

Proved and probable reserves and contingent resources
The volume of proved and probable oil and gas reserves is an estimate that affects the unit of production depreciation of producing oil and gas property, plant and equipment as well as being a significant estimate affecting decommissioning provisions, impairment calculations and the valuation of oil and gas properties in business combinations. Contingent resources affect the valuation of exploration and exploration assets acquired in business combinations and the estimation of the recoverable value of those assets in impairment tests.

Proved and probable reserves and contingent resources are estimated using standard recognised evaluation techniques. Estimates are reviewed at least annually and are regularly estimated by independent consultants. Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable, and internal engineers.

The Group's reserves are evaluated and reported on by independent reserve engineers at least annually. The engineers issue a Competent Person's Report ("**CPR**"), and the latest version was issued in May 2026 in relation to the Group's Italian and Congolese assets. Reserve estimation is based on a variety of factors including engineering data, geological and geophysical data, projected future rates of production, commodity pricing and timing of future expenditures, all of which are subject to significant judgement and interpretation.

Decommissioning costs

Most of these decommissioning events are many years in the future and the precise requirements that will have to be met when the removal event occurs are uncertain. Decommissioning technologies and costs are constantly changing, as well as political, environmental, safety and public expectations.

The estimated cost of decommissioning at the end of the producing lives of fields is reviewed periodically and is based on forecast price levels and technology at the Statement of Financial Position date. Provision is made for the estimated cost at the Statement of Financial Position date, using a discounted cash flow methodology and a risk-free rate of return. The carrying value of the decommissioning costs as of March 31, 2026, is CAD$23,184k (2025 – CAD$22,454k).

Impairment of investments in subsidiaries and non-financial assets

The Group conducts impairment reviews of investments in subsidiaries and non-financial assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Group to estimate the value in use which based on future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. During the year, after reviewing the business environment as well as the Group's strategies and past performance of its cash-generating units, management concluded that there was impairment for plant and equipment in Tunisia. Management believes that any reasonably possible changes in the assumptions used in the impairment reviews would not affect management's view on impairment at current year end.

Classification of PPE – solar photovoltaic assets

The Group has identified solar photovoltaic assets as a separate class of property, plant and equipment due to their distinct nature and industry characteristics. Upon completion stage the Group will apply the revaluation model to this class, while other classes of PPE continue to measured using the cost model.

Although certain projects may be sold in the future, the Group retains the ability to operate all assets at the reporting date and has not committed to disposal. Accordingly, the assets are not classified as inventory or held for sale.

Management exercises significant judgment in determining whether the carrying amount of non-current assets or disposal groups should be classified as held for sale in accordance with the applicable financial reporting standards. This assessment requires judgment in determining whether the asset is available for immediate sale in its present condition, whether management is committed to a plan to sell, whether an active programme to locate a buyer has been initiated, whether the sale is highly probable and expected to be completed within one year, and whether the asset is being actively marketed at a price that is reasonable in relation to its current fair value.

Management also applies judgment in assessing whether circumstances or events may require a reclassification of assets previously classified as held for sale or whether any impairment loss or subsequent reversal of impairment should be recognised. Changes in market conditions, regulatory approvals, negotiations with potential buyers, or other unforeseen events may affect the timing and likelihood of completing the sale. Accordingly, actual outcomes may differ from management's estimates and could result in adjustments to the carrying amounts of the assets and related disclosures in future reporting periods.

Classification of Assets Held for Sale
Management exercises significant judgement in determining whether non-current assets or disposal groups meet the criteria for classification as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Assets are classified as held for sale only when their carrying amount will be recovered principally through a sale transaction rather than through continuing use, the assets are available for immediate sale in their present condition, management is committed to a plan to sell the assets, an active programme to locate a buyer has been initiated, the assets are being actively marketed at a price that is reasonable in relation to their current fair value, and the sale is considered highly probable and expected to be completed within twelve months of the date of classification.

In assessing whether these criteria have been met, management considers all relevant facts and circumstances, including the status of negotiations with potential purchasers, the progress of regulatory or contractual approvals where applicable, market conditions, the likelihood of completing the transaction within the required timeframe and whether events or circumstances beyond the Group's control could delay completion.

Where the criteria for classification as held for sale are met, the assets are measured at the lower of their carrying amount and fair value less costs to sell. Determining fair value less costs to sell requires management to make estimates regarding expected selling prices, transaction costs and market conditions.

The Directors concluded that the assets classified as held for sale at the reporting date satisfy the recognition criteria of IFRS 5 based on the approved disposal plan, the active marketing process undertaken and the expectation that the disposal will be completed within twelve months of the reporting date.

5. Administrative expenses

During the year ended 31 March 2026, General and Administrative expenses amounted to CAD$15,794k (2025 – CAD$6,478k). The increase was primarily attributable to higher consultancy and professional fees, increased administrative and personnel costs, greater travel expenditure, and foreign exchange losses arising from the retranslation of assets and liabilities denominated in foreign currencies.

In addition, the Group incurred CAD$12,374k (2025 – CAD$10,890k) of non-recurring expenses relating to its arbitration proceedings against the Republic of Tunisia. These costs principally comprise legal, expert, advisory and other professional fees incurred in connection with the Group's ongoing international arbitration claims.

	GROUP		**COMPANY**	
	Financial Year ended March 31,		**Financial Year ended March 31,**	
	2026	**2025**	**2026**	**2025**
	CAD$'000	**CAD$'000**	**CAD$'000**	**CAD$'000**
Auditors remuneration - audit fees	**174**	270	**174**	185
Accounting and bookkeeping	**118**	102	**118**	102
Other professional fees	**2,866**	1,161	**2,820**	867
Office	**315**	438	**131**	369
Administrative expenses	**529**	138	**653**	771
Foreign exchange (gain)/loss	**(3,446)**	(8,157)	**(103)**	1,382
Impairment of inventory	**1,232**	-	**-**	-
Salaries	**1,292**	1,107	**1,038**	883
Travel	**340**	529	**340**	505
General and administrative expenses	**3,420**	**(4,412)**	**5,171**	**5,064**
Non-recurring expenses				
Bond issue costs	**8**	180	**8**	180
Listing costs (Norway and UK)	**2,799**	620	**2,798**	620
Negotiation costs for acquisitions	**129**	1,767	**129**	2,050
Arbitration costs	**8,041**	4,598	**8,041**	4,598
Share based payments	**1,397**	3,725	**1,397**	3,725
Total non-recurring expenses	**12,374**	**10,890**	**12,373**	**11,173**
Total general and administrative expenses	**15,794**	**6,478**	**17,544**	**16,237**

6. Change in working capital

	GROUP		**COMPANY**	
	Year ended March 31,		**Year ended March 31,**	
	2026	**2025**	**2026**	**2025**
	CAD$'000	**CAD$'000**	**CAD$'000**	**CAD$'000**
Trade and other receivables	1,194	(16,466)	1,076	(15,551)
Inventory	1,304	(381)	-	-
Prepaid expenses	(21)	115	(56)	25
Trade and other payables	1,416	3,079	2,347	2,657
Total change in working capital	**3,893**	(13,653)	**3,367**	(12,869)

7. Finance expense

	GROUP		COMPANY	
	Financial Year ended March 31,		Financial Year ended March 31,	
	2026 CAD$'000	**2025 CAD$'000**	**2026 CAD$'000**	**2025 CAD$'000**
Interest expense	6,033	5,444	5,988	5,444
Accretion of decommissioning provision	440	416	-	-
Finance expenses	1,352	2,510	903	2,043
Net finance expense	**7,825**	**8,370**	**6,891**	**7,487**

8. Property, plant and equipment

	D&P Assets GROUP	D&P Assets COMPANY
	CAD$'000	**CAD$'000**
Carrying amount at April 1, 2024	**134,460**	**-**
Additions	417	-
Disposals	(1,661)	-
Reclassification to assets held for sale	(5,476)	-
Depletion and depreciation	(366)	-
Foreign exchange differences	7,122	-
Carrying amount at March 31, 2025	**134,496**	**-**

	D&P Assets GROUP	D&P Assets COMPANY
	CAD$'000	**CAD$'000**
Carrying amount at April 1, 2025	**134,496**	**-**
Additions	1,699	846
Disposals	(1,027)	-
Depletion and depreciation	(412)	-
Impairment	(5,557)	-
Foreign exchange differences	2,748	-
Carrying amount at March 31, 2026	**131,947**	**846**

Impairment test for property, plant and equipment

As at 31 March 2026, the Group reviewed the carrying value of its property, plant and equipment to determine whether any indicators of impairment existed.

Following a strategic review of the Group's asset portfolio, including the Company's intention to divest its activities in the Republic of Congo and the ongoing arbitration proceedings relating to its former investments in Tunisia through Ecumed Petroleum Zarzis Ltd. and Canadian North Africa Oil & Gas Limited, the Board determined that the carrying value of the assets associated with these entities should be fully impaired.

In assessing impairment, the Group considers the recoverable amount of its oil and gas assets, being the higher of fair value less costs of disposal ("**FVLCD**") and value in use. Given the absence of readily available market prices for the Group's oil and gas properties, FVLCD is generally determined using discounted cash flow ("**DCF**") methodologies based on estimated future cash flows and assumptions that would be adopted by a market participant.

Value in use reflects only those cash flows expected to be generated from an asset in its current condition, whereas FVLCD may incorporate expenditure and development activities that a market participant would reasonably undertake to enhance productive capacity and optimise future cash flows. Accordingly, where appropriate, the Group determines recoverable amount using an FVLCD approach supported by DCF analysis.

As a result of the assessment performed during the year, the Board concluded that a full impairment of the assets associated with its Congo and Tunisia operations was appropriate.

The DCF was derived by estimating discounted after-tax cash flows for each CGU based on estimates that a typical market participant would use in valuing such assets. The impairment tests compared the recoverable amount of the respective CGUs noted below to the respective carrying values of their associated assets. The estimates of FVLCD meet the definition of level three fair value measurements as they are determined from unobservable inputs.

Assets held for sale

During the year, management committed to sell a drilling rig held within Canoel Italia S.p.A. The asset was previously used in oil and gas operations but is no longer required for ongoing activities. In line with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the asset has been classified as held for sale as at 31 March 2026.

The drilling rig has been actively marketed for sale through a public listing. The sale is expected to be completed within 12/18 months. The drilling rig is available for immediate sale in its current condition and meets all the criteria for classification as held for sale.

The rig was last independently valued by an external valuer during the prior year. No further changes in fair value less costs to sell were identified during the current year. The asset continues to be measured at the lower of its carrying amount and fair value less costs to sell. No impairment loss or reversal of a previous impairment has been recognised in the period.

In accordance with IFRS 5, depreciation of the asset ceased from the date of classification.

As result, the drilling rig was reclassified as a current asset for CAD$5,476k.

Italian Cash Generating Gas Unit

Key assumptions:

- **Production profiles:** these were based on the latest available information from management.
- **Capital and operating costs:** these were based on the current operating and capital costs in Italy.
- **Gas price:** An average 2026 gas price of $10.80/Mscf based on information from the World Bank European gas price forecast and information provided by management.
- **Discount rate:** The estimated fair value less costs to sell of the Italian CGU was based on 10% (2025 – 10%). This was based on a Weighted Average Cost of Capital analysis consistent with that used in previous impairment reviews.

Tunisia Cash Generating Unit

During the previous financial year, the Group determined that the assets relating to Ecumed Petroleum Zarzis Ltd. ("EPZ") (Ezzaouia Concession) and Canadian North Africa Oil & Gas Limited ("CNAOG") (Sidi El Kilani Concession) should be fully impaired due to the circumstances giving rise to the international arbitration proceedings commenced against the Republic of Tunisia.

As a result, an impairment charge of CAD$ 5,557k was recognised in the consolidated statement of profit and loss for the year ended 31 March 2026.

Subsequently, the Company commissioned an independent Competent Person's Report ("**CPR**") in respect of the Robbana and El Bibane concessions in Tunisia, held through Ecumed Petroleum Tunisia Ltd., in accordance with the requirements of the Canadian Oil and Gas Evaluation ("**COGE**") Handbook and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

The CPR confirmed the presence of significant reserves and resources attributable to the concessions and did not identify any requirement for a further impairment of the associated assets. The Board considers the CPR to provide independent technical validation of the underlying value of these concessions and their contribution to the Company's broader claims against the Republic of Tunisia. Further details of the reserves and resources identified in the CPR are available on the Company's website at www.zenithenergy.ca.

9. Share capital

Zenith is authorised to issue an unlimited number of Common Shares without par value. During the financial year ended 31 March 2026, the Company issued 182,308,373 Common Shares (2025 – 195,328,553), all of which were fully paid. Each Common Share carries the right to vote at meetings of shareholders and the right to participate in any dividends declared by the Company.

The Company is also authorised to issue an unlimited number of preferred shares issuable in series, none of which were outstanding as at 31 March 2026. The Board of Directors is authorised to determine, by resolution, the rights, privileges, restrictions and conditions attaching to each series of preferred shares.

As at 31 March 2026, the Company had 649,182,327 Common Shares in issue and carrying voting rights (2025 – 466,873,954). The Common Shares are admitted to trading on the Main Market of the London Stock Exchange, the Euronext Growth Market of Oslo Børs and Spotlight Stock Market Sweden.

Description	Number of common shares	Amount CAD $'000
Balance - 31 March 2025	**466,873,954**	**81,201**
Non-brokered unit private placement (i)	10,397,000	1,653
Non-brokered unit private placement (ii)	15,953,508	4,204
share issue cost		(25)
Exercise of warrants (iii)	10,761,158	420
Spotlight Admission placement (iv)	44,304,602	2,950
share issue cost		(660)
Non-brokered unit private placement (v)	100,892,105	6,380
share issue cost		(328)
Balance - 31 March 2026	649,182,327	**95,795**

i) On May 2, 2025, the Company announced the completion of a private placement in Norway (the "**Placement**").

The Placement raised an aggregate total amount of approximately US$1,200,000 (equivalent to approx. NOK 12,476,000 or GBP. 896,600), resulting in the issuance of a total of 10,397,000 new common shares ("**New Common Shares**").

The Placing was completed at a price of NOK 1.20 per New Common Share.

ii) On May 29, 2025, the Company announced the completion of a private placement in the United Kingdom (the "**UK Financing**") and in Norway (the "**Norwegian Financing**").

The Company raised an aggregate total amount of approximately £2,257,000 (equivalent to approx. NOK 31,000,000), resulting in the issuance of a total of 15,953,508 new common shares ("**New Common Shares**").

Norwegian Financing
Zenith issued a total of 14,574,198 common shares of no-par value in the capital of the Company in connection with the Norwegian Financing (the "**Norwegian Financing Common Shares**") to raise gross proceeds of NOK 28,201,000 (approximately £2,057,000).

UK Financing
Zenith issued a total of 1,379,310 common shares of no-par value in the capital of the Company in connection with the UK Financing (the "**UK Financing Common Shares**") to raise gross proceeds of £200,000 (approximately NOK 2,799,000).

Issue Price
The Norwegian Financing was completed at a price of **NOK 1.9350** per Norwegian Financing Common Share.
The UK Financing was completed at a price of **£0.1450**.

iii) On August 3, 2025, the Company announced that certain investors, including a Non-Executive Director of the Company, had exercised warrants to acquire new common shares in the capital of the Company (the “**Warrant Exercise**”).

The Warrant Exercise raised an aggregate total amount of approximately US$308,000 (equivalent to approx. NOK 3,120,000 or GBP 228,000), resulting in the issuance of a total of 10,761,158 new common shares (the "**Warrant Shares** ").

The warrant exercise price, as detailed in the regulatory news announcement dated October 28, 2024, is NOK 0.29 per Warrant Share.

The Warrant Shares rank pari-passu in all respects with the existing common shares of the Company.

iv) On September 30, 2025, the Company received final approval for admission to trading of the Company’s Swedish Depository Receipts (“**SDRs**”) on Spotlight Stock Market in Sweden. Trading commenced on October 7, 2025.

Zenith issued a total of 44,304,602 common shares of no-par value in the capital of the Company in connection with the SDRs issuance to raise gross proceeds of SEK 19,907,071 (approximately £1,578,000).

v) On 8 December 2025, the Company announced the completion of a private placement of Common Shares with a long-term institutional investor in the United Kingdom (the "**UK Financing**") and a private placement with institutional investors in Norway (the "**Norwegian Financing**"). In connection with the Financings, the Company also issued broker shares in lieu of cash settlement for certain services provided in connection with the transaction (the "**Broker Shares**").

The Financings raised aggregate gross proceeds of approximately £3,658,500 (equivalent to approximately NOK 49,034,000), resulting in the issuance of 100,892,105 new Common Shares. This comprised the issuance of 84,157,162 Common Shares pursuant to the Norwegian Financing, raising gross proceeds of approximately NOK 41,525,000 (approximately £3,096,000), 13,513,514 Common Shares pursuant to the UK Financing, raising gross proceeds of approximately £450,000 (approximately NOK 6,000,000), and 3,221,429 Broker Shares issued in lieu of cash fees with an aggregate value of approximately NOK 1,502,000 (approximately £112,500).

The proceeds of the Financings were allocated towards the advancement of the Company's applications for exploration permits in respect of the Val Vedello and Novazza uranium deposits in Italy, the development and construction of the Company's initial solar production assets in the Puglia region of Italy, additional legal and advisory costs associated with the Company's ICSID arbitration proceedings against the Republic of Tunisia, and general working capital purposes.

Norwegian Financing
Zenith issued a total of 84,157,162 Common Shares to raise gross proceeds of approximately NOK 41,525,000 (approximately £3,096,000).

UK Financing
Zenith issued a total of 13,513,514 Common Shares to raise gross proceeds of approximately £450,000 (approximately NOK 6,000,000).

Issue Price
The Norwegian Financing was completed at a price of NOK 0.4662 per New Norwegian Financing Common Share, and the UK Financing was completed at a price of £0.0333 per UK Financing Common Share.

Broker Shares
The Company allotted 3,221,429 new Common Shares ("**Broker Shares**"), in lieu of cash settlement for services provided to Zenith in connection with the Financings for a total value of 1,502,000 NOK (equivalent to approx. £112,500).

10. Warrants and options

	Number of options	Number of warrants	Weighted average exercise price CAD$	Amount CAD$'000
Balance – March 31, 2024	**18,088,293**	**14,116,154**	**0.30**	**3,381**
Warrants issued	-	95,000,000	0,04	585
Warrants expired	-	(1,359,311)	0,22	(81)
Options issued	27,183,142	-	0,16	3,140
Options forfeited	(700,000)	-	0,30	(103)
Balance – March 31, 2025	**44,571,435**	**107,756,843**	**0.05**	**6,922**
Warrants exercised	-	(10,761,158)	0.04	(66)
Warrants expired	-	(12,756,843)	0.12	(734)
Options issued	29,031,131	-	0,06	1,397
Options expired	(8,684,331)	-	0,30	(1,182)
Balance – March 31, 2026	**64,918,235**	**84,238,842**	**0.08**	**6,337**

WARRANTS

During the year ended March 31, 2026, the Company issued Nil warrants (2025 – 95,000,000), and 12,756,843 (2025 – 1,359,311) warrants expired. All the warrants were in the money as of March 31, 2026.

The expiry of 12,756,843 warrants was recognized in the contributed surplus amount of Equity section.

As of March 31, 2026, the Group had 84,238,842 (2024 – 107,756,843) warrants outstanding (relating to 96,995,685 shares) and exercisable at a weighted average exercise price of CAD$0.04 per share with a weighted average life remaining of 0.58 years.

	Issue date	Number of options	Exercise price	Expiry date
Warrants	28-Feb-23	11,367,954	$0,10	28-Feb-26
Warrants	28-Feb-23	1,388,889	$0,10	28-Feb-26
Warrants	28-Oct-24	95,000,000	$0.04	28-Oct-26
	Total warrants as of 31 March 2025	**107,756,843**		

	Issue date	Number of options	Exercise price	Expiry date
Warrants	28-Oct-24	84,238,842	$0.04	28-Oct-26
	Total warrants as of 31 March 2026	**84,238,842**		

The fair value of the warrants was calculated using the Black-Scholes pricing model calculations based on the following significant assumptions:

Risk-free interest rate	0.50% - 0.70%
Expected volatility	75-100%
Expected life	3 years
Dividends	Nil

STOCK OPTIONS

Grant Date	March 31, 2026		March 31, 2025		Expiry Date
	Number of options	**Exercise price per unit CAD$**	**Number of options**	**Exercise price per unit CAD$**	
December 2020	-	-	4,142,857	0.30	December 2025
January 2021	-	-	4,541,478	0.30	January 2026
13 May 2021	3,257,108	0.20	3,257,108	0.20	May 2026
06 September 2021	1,388,223	0.20	1,388,223	0.20	September 2026
31 January 2022	4,058,628	0.20	4,058,628	0.20	January 2027
20 February 2025	27,183,142	0.16	27,183,142	0.16	February 2030
26 January 2026	29,031,131	0.06	-	-	26 January 2031
TOTAL	**64,918,235**	**0.12**	**44,571,436**	**0.13**	

During the year ended March 31, 2026, the Company issued 29,031,131 stock options (2024 – 27,183,142), the options exercised were Nil (2025 - Nil) and 8,684,331 (2025 – 700,000) stock options were forfeited.

As of March 31, 2026, the Group had 64,918,235 (2025 – 44,571,435) stock options outstanding (relating to 64,918,235 new common shares).

There were 29,031,131 options in the money as of March 31, 2026 (2025 – Nil).

The Group maintains a stock option plan (the "**Plan**") for the benefit of its directors, employees and consultants. The maximum number of Common Shares issuable under the Plan is limited to 10% of the Company's issued and outstanding Common Shares at the date of grant.

Options granted under the Plan vest immediately upon grant, at which point the related share-based payment expense is recognised in the consolidated statement of profit or loss and comprehensive income in accordance with IFRS 2, Share-based Payment.

Unless otherwise determined by the Board of Directors, options granted under the Plan expire five years from the date of grant.

The table below represent the movement of the options during the FY 2026, and the comparative period 2025:

	Number of options
Balance – March 31, 2024	**18,088,294**
Options issued	27,183,142
Options forfeited	(700,000)
Balance – March 31, 2025	**44,571,435**
Options issued	29,031,131
Options forfeited	(8,684,331)
Balance – March 31, 2026	**64,918,235**

Forfeiture of options

During the year ended March 31, 2026, 8,684,331 (2025 – 700,000) stock options were forfeited.

The forfeiture of 8,684,331 (2025 – 700,000) options during the period was recognised in the contributed surplus amount of the Equity section for CAD$1,397k (2025 – CAD$103k).

As of March 31, 2026, the Group had 64,918,235 stock options outstanding (relating to 64,918,235 shares) and exercisable at a weighted average exercise price of CAD$0.12 per share with a weighted average life remaining of 2.32 years.

The fair value of the options was calculated using the Black-Scholes pricing model calculations based on the following significant assumptions:

Risk-free interest rate	0.50% - 0.70%
Expected volatility	100%
Expected life	5 years
Dividends	Nil

11. Loans

	GROUP		COMPANY	
	Financial year ended March 31,		Financial year ended March 31,	
	2026	2025	2026	2025
	CAD$'000	CAD$'000	CAD$'000	CAD$'000
Loan payable - current	4,653	2,619	4,605	2,618
Loan payable – non-current	537	647	-	-
Total	**5,190**	**3,266**	**4,605**	**2,618**

	GROUP		COMPANY	
	Financial year ended March 31,		Financial year ended March 31,	
	2026	2025	2026	2025
Loans – current	**CAD$'000**	**CAD$'000**	**CAD$'000**	**CAD$'000**
As at 1 April	2,619	1,870	2,618	1,870
Loan receipt	4,010	1,803	3,963	1,802
Interest	565	214	565	214
Repayment	(2,353)	(1,267)	(2,353)	(1,267)
Converted to shares	(238)	-	(238)	-
Foreign exchange	50	(1)	50	(1)
As at March 31	**4,653**	**2,619**	**4,605**	**2,618**

	GROUP		COMPANY	
	Financial year ended March 31,		Financial year ended March 31,	
	2026	2025	2026	2025
Loans – non current	**CAD$'000**	**CAD$'000**	**CAD$'000**	**CAD$'000**
As at 1 April	647	438	-	-
Loan receipt	-	181	-	-
Interest	45	-	-	-
Loan repayment	(131)	-	-	-
Foreign exchange	(24)	28	-	-
As at March 31	**537**	**647**	**-**	**-**

a) Loan in Italy Euro 300,000
In January 2024, the Group obtained a Euro 300,000 (CAD$438,339) loan from ReteFidi Liguria. The loan is unsecured, and bears interest at 9% per annum and the final repayment is due in January 2029. As at March 31, 2026, the outstanding balance was Euro 227,636 (CAD$363,642)

b) Loan in Italy Euro 139,500
In December 2024, the Group entered into a loan agreement with Crédit Agricole for €139,500 (CAD$216k). The loan is unsecured, bears interest at a rate of 4.648% per annum and matures in December 2029.

As at 31 March 2026, the outstanding principal balance amounted to €107,170 (CAD$171k).

c) Loan Euro 1,550,000

In 2023, the Company entered into a convertible loan agreement for an aggregate principal amount of €1,550,000. The loan is non-interest bearing and includes conversion rights that may be exercised upon the occurrence of certain specified conditions, allowing the outstanding amount to be converted into Common Shares of the Company.

As at 31 March 2026, the outstanding balance of the convertible loan amounted to CAD$1,564k.

d) Loan USD 2,000,000

On 2 May 2025, the Company entered into a convertible loan agreement for an aggregate principal amount of US$2,000,000. The loan accrued interest at a rate of 20% per annum and included conversion rights that could be exercised upon the occurrence of certain specified conditions, allowing the outstanding amount to be converted into Common Shares of the Company.

As at 31 March 2026, the outstanding balance of the convertible loan, including accrued interest, amounted to CAD$2,871k.

Subsequent to the reporting period, the convertible loan was repaid in full and no amounts remain outstanding.

12. Non-convertible bonds

	GROUP		COMPANY	
	Financial year ended March 31,		Financial year ended March 31,	
	2026	2025	2026	2025
Non-convertible bonds	**CAD$'000**	**CAD$'000**	**CAD$'000**	**CAD$'000**
Current	16,842	11,701	16,842	11,701
Non-current	31,240	33,530	31,240	33,530
Total	**48,082**	**45,231**	**48,082**	**45,231**

	GROUP		COMPANY	
	Financial year ended March 31,		Financial year ended March 31,	
	2026	2025	2025	2024
Non-convertible bonds	**CAD$'000**	**CAD$'000**	**CAD$'000**	**CAD$'000**
Balance – April 1	**45,231**	**39,376**	**45,231**	**39,376**
Loan notes	4,209	4,354	4,209	4,354
Interest	-	764	-	764
Repayment of bonds	(1,358)	(358)	(1,358)	(358)
Foreign exchange	-	1,095	-	1,095
Total	**48,082**	**45,231**	**48,082**	**45,231**

Loan Notes

To fund the acquisition and development of assets, while seeking to minimise shareholder dilution, the Company has issued unsecured, multi-currency (GBP, EUR, CHF and USD) Euro Medium Term Notes (the "**Notes**") at par value. The Notes are admitted to trading on the Third Market (MTF) of the Vienna Stock Exchange (Wiener Börse AG) and bear interest payable on a semi-annual basis.

The Group has launched a number of bond exchange invitation offers to holders of the Notes with the objective of simplifying its debt maturity profile and aligning the majority of outstanding maturities to 2029.

The issuance of the Notes forms part of the Group's strategy of diversifying its sources of funding through non-equity financing instruments, thereby supporting the development of its business while limiting dilution to existing shareholders.

The Company has utilised the EMTN Programme to support the acquisition, development and advancement of its energy assets and investments, primarily in Italy and the United States. The Vienna Stock Exchange was selected as the listing venue due to its established debt capital markets platform, efficient listing process and competitive admission and maintenance costs.

During the year, the Company announced that it had paid in full the semi-annual interest due in respect of the Notes in accordance with their terms and conditions.

13. Earnings per share

	March 31,2026 CAD$'000	March 31,2025 CAD$'000
(Loss)/Profit from continuing operations	(28,336)	1,089
Basic weighted average number of shares	569,903	327,797
Potential dilutive effect on shares issuable under warrants	84,238	n/a
Potential diluted weighted average number of shares	64,918	n/a
Net earnings per share – basic	(0,0436)	0.0033
Net earnings per share – diluted	(0,0355)	0.0033

14. Other gains and losses

	GROUP		COMPANY	
	Financial year ended March 31,		Financial year ended March 31,	
Other gains and losses	2026 CAD$'000	2025 CAD$'000	2026 CAD$'000	2025 CAD$'000
Other gain and losses	-	1,472	-	1,472
Other operative income	330	14,385	330	14,385
	330	15,857	330	15,857

15. Revenue

	GROUP		COMPANY	
	Financial year ended March 31,		Financial year ended March 31,	
Other operating income	2026 CAD$'000	2025 CAD$'000	2026 CAD$'000	2025 CAD$'000
Electricity	2,159	1,972	-	-
Gas	161	165	-	-
Oil	7	10	-	-
	2,327	2,147	-	-

16. Staff cost

(a) *Employee compensation cost*

During the year the Group had an average of 8 (2025 - 8) full time employees based in its offices in London in the UK, Lugano in Switzerland, Tunis in Tunisia and Genoa in Italy.

The following table details the amounts of total employee compensation included in the consolidated statement of comprehensive income:

	March 31,2026 CAD$'000	March 31,2025 CAD$'000
Operating	-	-
General and administrative	1,292	1,107
Share based payments	1,397	3,725
Total employee compensation cost	2,689	4,832

(b) *Key management compensation*

Key management personnel are those people having authority and responsibility for planning, directing and controlling the activities of an entity, either directly or indirectly. The following table summarizes annual compensation and long-term compensation of the Group's "Named Executive Officers" for the two most recently completed financial years that ended on March 31, 2026. The named executive officers equate to key management personnel:

Name	Year	Short term employee benefit CAD $'000	Other short-term benefits CAD$'000	Other long-term benefits CAD $'000	Other benefits CAD$'000	Total CAD$'000
Andrea Cattaneo (1)	2026	600	-	-	-	600
	2025	584	-	-	-	584
Luca (2) Benedetto	2026	275				275
	2025	251				251

For the Key management personnel, no termination benefits are provided.

Notes:

1. Andrea Cattaneo was appointed President and Chief Executive Officer effective January 1, 2009. As proposed by the Compensation Committee, Mr. Cattaneo's annual consulting fee payment is approximately £210k (CAD$400k), payable in equal monthly instalments, plus an annual bonus compensation of CAD$200k from the parent Company.

2. Mr. Luca Benedetto was appointed as Chief Financial Officer in April 2017 and received compensation of CAD$177k from the parent Company and CAD$98k from subsidiary undertakings during the year ended March 31, 2026.

3. Mr. Jose Ramon Lopez-Portillo, Mr. Dario Sodero and Mr. Sergey Borovskiy did not receive any compensation for the financial year ended 31 March 2026 and 2025.

a. *Key management non-cash compensation*

During the financial year ended March 31, 2026, the Company has granted some stock options to certain Directors, members of its Advisory Committee and employees of the Company in accordance with the Company's Stock Option Plan.

The cost is based on the fair values of the options, which is determined using the Black Scholes method. The value of the charge is adjusted to reflect expected and actual level of vesting. Charges are not adjusted for market related conditions that are not achieved.

The following table summarizes the fair value of the options issued to the Directors, clarifying that it relates to non-cash amounts and not cash amounts.

Name	Year	Options granted	Share based payments (Fair value cost) CAD$'000	Total CAD$'000
Andrea Cattaneo	2026	16,838,056	810	810
	2025	13,047,909	1,507	1,507
Jose Ramon Lopez-Portillo	2026	-	-	-
	2025	1,902,820	220	220
Dario Ezio Sodero	2026	-	-	-
	2025	1,902,820	220	220
Sergey Borovskiy	2026	1,451,557	70	70
	2025	1,902,820	220	220
Luca Benedetto	2026	2,903,113	140	140
	2025	3,941,555	455	455

17. Taxation

Income tax expense is comprised of the following:	2026 CAD $'000	2025 CAD $'000
Current tax	-	-
Deferred tax	-	-
Total tax charge for the year	-	-

The provision for income taxes differs from the expense that would be obtained by applying the Canadian statutory income tax rate. The difference between tax expense for the year and expected income taxes based on the statutory tax rate arises as follows:

	2026 CAD $'000	2025 CAD $'000
(Loss)/Profit before taxation	(26,690)	1,088
Expected tax at 27%	(7,206)	294
Differences on tax rates attributable to other jurisdictions	-	-
Non-deductible expenses	7,973	-
Temporary differences	-	-
Tax assets carried forward	(672)	(294)
Tax charge	95	-

The tax charge for the year ended March 31, 2026, comprised CAD$ 95 (2025 – CAD $Nil) of current tax expense and CAD $Nil deferred tax expense (2025 – CAD $Nil deferred tax expense).

Recognised deferred tax liabilities are attributable to the following:

	2026 CAD $'000	2025 CAD $'000
Property and equipment	-	-
Decommissioning obligations	-	-
Non-capital loss carried forward	-	-
Acquisition of Canoel Italia S.r.l.	(2,398)	(2,398)
Recognised deferred tax liabilities	(2,398)	(2,398)

Deferred tax assets have not been recognised in respect of the following temporary differences as it is not considered probable that sufficient taxable income will allow the deferred tax assets to be utilised and recovered:

	March 31,2026 CAD $'000	March 31,2025 CAD $'000
Property and equipment	-	6,422
Non-capital loss carried forward	64,982	945,314
Share issuance costs	-	-
Financial assets at amortised cost	-	-
Decommissioning obligations	-	-
Capital losses	15,083	-
Other	-	-
Unrecognised deferred tax assets	80,065	951,736

18. Inventory

As of March 31, 2026 inventory consists of CAD$1,108k (2025 – CAD$2,412k) in relation to 11,871 barrels of crude oil that has been produced but not yet sold. However, as at 31 March 2026, the Company recognised an impairment provision against its crude oil inventory as a prudent measure, reflecting the uncertainty associated with the ongoing arbitration proceedings and the political environment in Tunisia.

	March 31,2026	March 31,2025
	CAD$'000	CAD$'000
Tunisia	2,340	2,412
Voluntary impairment of inventory	(1,232)	-
Total inventory	1,108	2,412

19. Trade and other receivables

	March 31,2026	March 31,2025
	CAD$'000	CAD$'000
Trade receivables	1,552	1,257
Other receivables	16,406	17,875
Total trade and other receivables	17,958	19,132

The Group applies the IFRS 9 simplified approach for measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The Group's customer base is of a similar bracket and shares the same characteristics, as such these have been treated as one population. The Group's customers are all State customers, therefore, the lifetime expected losses are considered to be CAD$Nil.

20. Trade and other payables

	March 31,2026	March 31,2025
	CAD$'000	CAD$'000
Trade payables	9,367	7,503
Other payables	1,107	971
Total trade and other payables	10,474	8,474

21. Decommissioning provision

The following table presents the reconciliation of the carrying amount of the obligation associated with the reclamation and abandonment of the Group's oil and gas properties:

	Italy	Tunisia	Italy	Tunisia
	2026	2026	2025	2025
	CAD$'000	CAD$'000	CAD$'000	CAD$'000
Balance – beginning of year	**10,361**	**12,093**	**9,347**	**13,954**
Accretion	725	-	410	-
Depletion	-	(579)	-	(2,648)
Foreign currency translation	330	254	604	787
Balance – end of year per location	**11,416**	**11,768**	**10,361**	**12,093**
Balance – end of year group		**23,184**		**22,454**

The provision has been made by estimating the decommissioning cost at current prices using existing technology. The following significant weighted average assumptions were used to estimate the decommissioning obligation:

Italy	**2026**	**2025**
Undiscounted cash flows – uninflated	CAD$ 8,000	CAD$ 8,000
Undiscounted cash flows - inflated	CAD$ 8,000	CAD$ 8,000
Risk free rate	CAD$ 8,000	CAD$ 8,000
Inflation rate	1.4%	1.4%
Expected timing of cash flows	8.5 years	9.5 years

Tunisia **2026**

Decommmissioning provision recalculation

Description	**Estimation in USD**	**Comments**
Start current period	01/04/25	
Anticipated abandonment date	31/12/33	Minus between, economic and legal end of date
Years to abandonment	8.88	
Undiscounted well costs	4 176 600	2019 figures submitted to DGH Direction Générale des Hydrocarbures
Undiscounted facilities costs	3 050 000	
Total undiscounted obligation	**7 226 600**	
TND inflation rate (as per the Tunisian Central Bank)	5.50%	Average Tunisia inflation rate (April 2026), as per the Tunisian National Institute of Statistics
USD inflation rate (as per the submitted assumption to DGH)	2.70%	US inflation rate from Jan'25 to Jan'26 (www.bls.gov)
Inflation rate	**4.57%**	TND share expenses are higher than USD
Inflated obligation	**10 742 444**	
Discount Rate	4.44%	10 year US Bond rate (Average rate during May 2025)
Discounted obligation in USD	**7 304 782**	
USD/TND FX rate as at 31.03.2026	**2.9442**	March 31, 2026 USD/FX rate (Central Bank of Tunisia)
Discounted obligation in TND	**21 506 740**	
Unwinding interest recalculation		
Interest unwind of the obligation for the period (USD)	**954 899**	

The timings of the cash flows depend on the capital expenditure incurred and the development of assets in each concession. Each concession has a license for a set number of years; however, the licenses could be extended for longer periods if the operator incurs capital expenditure and develops the area. The application process starts after a license is not extended or when the reserves of a particular concession have been fully extracted.

22. Contingent Assets and Contingent Liabilities

The Group is involved in legal proceedings relating to its investments in Tunisia.

At the reporting date, the Group was pursuing an international arbitration claim seeking compensation of approximately USD 573 million. The proceedings remain ongoing and, as is inherent in such legal proceedings, the timing and ultimate outcome cannot be predicted with certainty.

The Directors, having considered the current status of the proceedings together with advice received from the Group's external legal advisers, have concluded that no asset should be recognised in respect of this claim at the reporting date because the recognition criteria under the applicable accounting standards have not been satisfied. Should the outcome of the proceedings become sufficiently certain, any resulting asset will be recognised in the financial statements in the period in which the relevant recognition criteria are met.

Separately, the Group has recognised a receivable arising from a final and enforceable arbitration award obtained in a prior period. That receivable, including accrued interest, is recognised within the statement of financial position and is therefore not included within contingent assets. The Group continues to pursue enforcement and recovery of the awarded amount through the appropriate legal processes.

The Directors have also considered whether any contingent liabilities exist in relation to the Group's legal proceedings. Based on the information available at the reporting date and advice received from external legal advisers, no contingent liabilities requiring disclosure have been identified. All known obligations relating to legal proceedings have been recognised within the consolidated financial statements where appropriate.

Certain information relating to the ongoing legal proceedings has not been disclosed in full where the Directors consider that such disclosure could reasonably be expected to prejudice the Group's legal position or its ability to protect and enforce its rights. The Group will continue to monitor developments and will update these disclosures in future reporting periods as appropriate.

23. Related party transactions

Related party transactions are considered to be in the normal course of operations and are initially recognized at fair value. The related party transactions during the Financial Year ended March 31, 2026, and 2025 not disclosed elsewhere in these consolidated financial statements are as follows:

a) During the financial year ended 31 March 2026, in connection with the Financings detailed at note 9 Mr. Andrea Cattaneo, Chief Executive Officer & President of Zenith, has subscribed for a total 8,723,825 common shares of no-par value in the capital of the Company.

   A As of March 31, 2026, Mr. Cattaneo was directly beneficially interested in a total of 58,228,409 Common Shares in the capital of the Company, representing 8.15% percent of the current total issued and outstanding common share capital of the Company.

b) During the financial year ended 31 March 2026, in connection with the Financings detailed at note 9 Mr. Luca Benedetto, Chief Financial Officer of Zenith subscribed for 3,317,050 common shares of no-par value in the capital of the Company.

   As of March 31, 2026, Mr. Benedetto was directly beneficially interested in a total of 17,326,380 common shares in the capital of the Company, representing 2.42% percent of the total issued and outstanding common share capital of the Company.

c) During this financial year, Mr. Andrea Cattaneo granted loans to the Company and this loan amounted to CAD$ 23,640 (March 31, 2025 – CAD$750.

24. Financial risk management and financial instruments

Financial assets at amortised cost	March 31, 2026 CAD$'000	March 31, 2025 CAD$'000
Trade and other receivables (b)	17,958	19,132
Cash and cash equivalents (b)	1,872	3,199
Total financial assets	19,830	22,331

Financial liabilities at amortised cost	March 31, 2026 CAD$'000	March 31, 2025 CAD$'000
Trade and other payables	10,474	8,474
Loans	5,190	3,266
Non-convertible bond and notes	48,082	45,231
Deferred consideration	15,626	15,626
Total financial liabilities	79,372	72,597

Zenith finances its operations through a mixture of equity, debt and retained earnings. Finance requirements are reviewed by the Board when funds are required for acquisition, exploration and development of projects.

Zenith's policy is to maintain an appropriate financial position to sustain future development of the business. There were no changes to the Group's capital management approach during the year ended March 31, 2026.

Zenith's treasury functions, which are managed by the board, are responsible for managing fund requirements and investments which include banking, cash flow management, interest and foreign exchange exposure to ensure adequate liquidity to meet cash requirements.

Zenith's principal financial instruments are cash and deposits, as well as trade and other receivables. These instruments are used for meeting the Group's requirement for operations.

Zenith's main financial risks are foreign currency risk, liquidity risk, interest rate risk, commodity price risk and credit risks. Set out below are policies that are used to manage such risks:

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or counter party to a financial instrument fails to meet its commercial obligations. The Group's maximum credit risk exposure is limited to the carrying amount cash of CAD$1,872k (2025 – CAD$3,199k) and trade and other receivables of CAD$ 17,902k (2025 – CAD$19,096k).

Deposits are, as a general rule, placed with banks and financial institutions that have credit rating of not less than AA or equivalent which are verified before placing the deposits.

The composition of trade and other receivables is summarized in the following table:

	March 31, 2026 CAD$'000	March 31, 2025 CAD$'000
Oil and natural gas sales	1,552	1,257
Other	16,406	17,875
	17,958	19,132

The receivables related to the sale of oil and natural gas are due from large companies who participate in the oil and natural gas industry in Italy and Tunisia. Oil and natural gas sales receivables are typically collected in the month following the sales month. No expected credit losses have been recognized in respect of trade receivables of this nature.

The Group's receivables are aged as follows:

	March 31, 2026 CAD$'000	March 31, 2025 CAD$'000
Current	1,552	1,257
90 + days	16,406	17,875
	17,958	19,132

Other Receivables outstanding for more than 90 days

Other receivables primarily comprise amounts due in connection with the Group's arbitration proceedings against the Republic of Tunisia.

At the reporting date, the receivable had been outstanding for more than 90 days. The delay in settlement reflects the ongoing legal and enforcement procedures associated with the arbitration process rather than the ordinary credit terms applicable to trade receivables.

The Directors have assessed the recoverability of the balance by considering the status of the proceedings, the enforceability of the Group's rights, advice received from external legal advisers and the expected timing of recovery. Based on this assessment, the Directors consider the carrying amount to be full recoverable.

The Group continues to monitor the progress of the legal and enforcement proceedings and will reassess the recoverability and carrying amount of the receivable at each reporting date.

b) Liquidity risk

Liquidity risk is the risk that the Group will incur difficulties meeting its financial obligations as they are due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions without incurring unacceptable losses or risking harm to the Group's reputation.

The Directors have considered the recoverability of the outstanding debts of the Group and do not consider there to be any impairment necessary.

As of March 31, 2026, the contractual cash flows, including estimated future interest, of current and non-current financial assets mature as follows:

	Carrying Amount CAD$'000	Contractual cash flow CAD$'000	Due on or before 31 March 2027 CAD$'000	Due on or before 31 March 2028 CAD$'000	Due after 31 March 2028 CAD$'000
Trade and other receivables	17,958	17,958	17,958	-	-
Cash and cash equivalents	1,872	1,872	1,872	-	-
	19,830	19,830	19,830	-	-

As of March 31, 2026, the contractual cash flows, including estimated future interest, of current and non-current financial liabilities mature as follows:

	Carrying Amount	Contractual cash flow	Due on or before 31 March 2027	Due on or before 31 March 2028	Due after 31 March 2028
	CAD$'000	CAD$'000	CAD$'000	CAD$'000	CAD$'000
Trade and other payables	10,474	10,474	10,474	-	-
Loans	5,190	5,313	4,694	41	578
Non-convertible bond	48,082	52,994	5,738	44,180	3,076
	63,746	68,781	20,906	44,221	3,654

The Company expects to pay the outstanding liabilities using a combination of sources, such as the local liquidity for the Italian loan, the funds raised by its financing activity, the partial refinancing of short-term debt, restructuring it in the medium and long term by the bond exchange and, above all, the proceeds from the arbitrations.

c) ***Foreign currency risk***

Foreign currency exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. Foreign exchange rates to Canadian dollars for the noted dates and periods are as follows:

	Closing rate		Average rate	
	2026	2025	2026	2025
US Dollars	1.3931	1.4353	1.3816	1.3916
Euro	1.6025	1.5531	1.6016	1.4933
Swiss Franc	1.7415	1.6274	1.7227	1.5696
Tunisian Dinar	0.4717	0.4610	0.4705	0.4441

The following represents the estimated impact on net (loss)/income of a 10% change in the closing rates as of March 31, 2026, and 2025 on foreign denominated financial instruments held by the Group, with other variables such as interest rates and commodity prices held constant:

	March 31, 2026 CAD $'000	March 31, 2025 CAD $'000
Euro	11	65
	11	65

d) ***Commodity price risk***

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices.

As of March 31, 2026, a 5% change in the price of natural gas produced in Italy would represent a change in net loss for the year ended March 31, 2026, of approximately CAD $8k (2025 – CAD$ 8k) and a 5% change in the price of electricity produced in Italy would represent a change in net loss for the year ended March 31, 2026, of approximately CAD$ 107k (2025 – CAD$ 99K). A 5% change in the price of oil produced in Tunisia would represent a change in net loss for the year ended March 31, 2026, of approximately CAD$ Nil (2025 – CAD$ Nil).

e) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Group has fixed interest on notes payable, loans payable and convertible notes and therefore is not currently exposed to interest rate risk.

25. Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to explore and develop its projects to provide returns for shareholders and benefits for other stakeholders. The Group manages its working capital deficiency, long-term debt, and shareholders' equity as capital.

	March 31, 2026 CAD$'000	March 31, 2025 CAD$'000
Working capital	3,893	(13,653)
Long-term debt	(537)	(647)
Shareholders' equity	51,735	65,629

The Group's cash flows from its Italian operations will be needed in the near term to finance the operations and repay vendor loans. Once the acquisition in Tunisia will be completed and the license in Congo will be renewed, it will be required to match the same goals. Zenith's principal source of funds will therefore remain the issuance of equity. The Group's ability to raise future capital through equity is subject to uncertainty and the inability to raise such capital may have an adverse impact on the Group's ability to continue as a going concern. The Group is not subject to any externally imposed capital requirements.

26. Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	March 31, 2026 CAD$'000	March 31, 2025 CAD$'000
Cash and cash equivalents	1,872	3,199
Loans – repayable within one year	(4,653)	(2,619)
Loans – repayable after one year	(537)	(647)
Non-convertible bond – repayable within one year	(16,842)	(11,701)
Non-convertible bond – repayable after one year	(31,240)	(33,530)
	(51,400)	(45,298)

	Cash	Loans due within one year	Loans due after one year	Non-convertible bond due within one year	Non-convertible bond due after one year	Total
Net debt	**CAD$'000**	**CAD$'000**	**CAD$'000**	**CAD$'000**	**CAD$'000**	**CAD$'000**
March 31, 2024	**207**	**(1,870)**	**(438)**	**(7,622)**	**(31,754)**	**(41,477)**
Issue of non-convertible bonds	4,355	-	-	(494)	(3,861)	-
Interest on non-convertible bonds	764				(764)	
Repayment of non-convertible bonds	(358)			64	294	
Transfer from current to non-current	0			(3,997)	3,997	
Issue of loans	1,984	(1,803)	(181)			
Repayment of loans	(1,267)	1,267				
Interest on loans		(214)				(214)
Foreign exchange		1	(28)	348	(1,442)	(1,121)
Net cash flow	(2,486)					(2,486)
March 31, 2025	**3,199**	**(2,619)**	**(647)**	**(11,701)**	**(33,530)**	**(45,298)**
Issue of non-convertible bonds	4,209	-	-	-	(4,209)	-
Interest on non-convertible bonds	-	-	-	-	-	-
Repayment of non-convertible bonds	(1,358)	-	-	-	1,358	-
Transfer from current to non-current	-	-	-	(5,141)	5,141	-
Issue of loans	4,010	(4,010)	-	-	-	-
Repayment of loans	(2,484)	2,353	131	-	-	-
Loans converted to shares	-	238	-	-	-	238
Interest on loans	-	(565)	-	-	-	(565)
Foreign exchange	-	(50)	(21)	-	-	(71)
Net cash flow	(5,704)	-	-	-	-	(5,704)
March 31, 2026	**1,872**	**(4,653)**	**(537)**	**(16,842)**	**(31,240)**	**(51,400)**

27. Operating segments

The Group operates across multiple energy-related activities, including renewable energy development, electricity generation, oil and gas exploration and production, and uranium exploration. For management and reporting purposes, the Group's operating activities are reviewed on a geographic basis by the Board of Directors, which acts as the chief operating decision maker.

Geographical areas are used to identify the Group's reportable segments. A geographic segment is considered a reportable segment when its activities are regularly reviewed by the Board of Directors and discrete financial information is available.

The Group has three reportable segments which are as follows:

- Italy, which commenced gas operations following the acquisition of assets in June 2013;
- Tunisia, which was acquired during the 2021 FY.
- Other, which includes corporate assets and the operations in the Canadian, USA, Swiss and Argentinian entities.

YEAR 2025	**Italy CAD$000**	**Tunisia CAD$000**	**Other CAD$000**	**Total CAD$000**
Property and equipment	12,153	127,763	56	139,972
Other assets	1,132	4,180	19,431	24,743
Total liabilities	13,843	32,264	52,980	99,087
Capital Expenditures	417	-	-	417
Revenue	2,136		11	2,147
Operating and transportation	(1,064)	(637)	-	(1,701)
General and Administrative	(715)	1,847	(7,610)	(6,478)
Depletion and depreciation	(290)	(28)	(48)	(366)
Other income			14,385	14,385
Finance and other expenses	(416)	1,005	(7,487)	(6,898)
Taxation	-	-	-	-
Segment loss	**(349)**	**2,187**	**(749)**	**1,089**

YEAR 2026	**Italy CAD$000**	**Tunisia CAD$000**	**Other CAD$000**	**Total CAD$000**
Property and equipment	7,265	123,498	1,184	131,947
Other assets	1,373	2,879	16,686	20,938
Total liabilities	15,052	32,153	59,424	106,629
Capital Expenditures	570	-	1,129	1,699
Revenue	2,299	-	28	2,327
Operating and transportation	(1,208)	(102)	-	(1,310)
General and Administrative	(460)	7,103	(22,437)	(15,794)
Depletion and depreciation	(382)	(30)	-	(412)
Other income			330	330
Finance and other expenses	(484)	(6,007)	(6,891)	(13,382)
Taxation	-	-	(95)	(95)
Segment loss	**(235)**	**964**	**(29,065)**	**(28,336)**

The following customers combined have 10% or more of the Group’s revenue:

	2026	**2025**
	CAD$000	**CAD$000**
Customer A	2,137	1,972

28. Controlling party

At as of the end of the financial year ending March 31, 2026, the Directors do not consider there to be a controlling party.

29. Events subsequent to the year-end

On **14 April 2026**, the Company announced that the Republic of Tunisia had formally recognised that the Robbana and El Bibane production concessions (the "Concessions") are held by Zenith's wholly owned subsidiary, Ecumed Petroleum Tunisia Ltd. ("EPT").

In addition, the Republic of Tunisia confirmed in writing that approximately 3,987 barrels of oil produced from the Concessions are fully owned by EPT. These volumes relate to oil produced since 2022 that has remained unsold as a consequence of actions and restrictions imposed by Tunisian authorities, preventing EPT from monetising its production and generating revenues from the Concessions.

At an assumed oil price of US$100 per barrel, the recognised oil inventory has an estimated gross value of approximately US$400,000. In addition, as previously announced on 27 November 2025, approximately 8,000 barrels of oil remain in storage at the Robbana field, representing an estimated gross value of approximately US$800,000 based on the same pricing assumptions. In aggregate, these volumes represent a potential gross value of approximately US$1.2 million.

The Company's receipt of formal written confirmation regarding both ownership of the Concessions and title to the produced oil represents a significant development in the context of the ongoing arbitration proceedings against the Republic of Tunisia. The confirmation follows previous disputes concerning the storage, handling and sale of oil produced from the Concessions, including the sale of 3,987 barrels of oil transferred to MARETAP for which no proceeds were remitted to EPT.

The Company's claimant subsidiaries continue to pursue all available legal remedies through the ICSID arbitration proceedings in order to protect their rights and seek compensation for losses suffered as a result of the obstruction of their operations, the expropriation and impairment of their investments, and breaches of the protections afforded under the UK–Tunisia Bilateral Investment Treaty.

The Company also reports that the Robbana production concession has been subject to extensive vandalism and theft, resulting in the site remaining non-operational for a period of at least one year.

Critical equipment has been removed, damaged or vandalised, resulting in significant deterioration of the site's infrastructure and preventing the resumption of meaningful production activities. The extent of the damage is such that a substantial rehabilitation programme will be required before operations can recommence.

The Company considers these developments to have materially increased the losses suffered by its subsidiaries and to constitute a further impairment of the value of their investments in Tunisia.

On **16 April 2026**, the Company provided an update regarding its applications for exploration permits covering the Val Vedello deposit in the Province of Sondrio ("**Val Vedello**") and the Novazza deposit in the Province of Bergamo ("**Novazza**"), which together represent the largest known historical uranium resource base in Italy.

Further to the Company's announcement of 11 November 2025, Futuro Energetico Italiano S.r.l. ("**FEI**"), the Company's wholly owned Italian subsidiary established to hold and develop the Val Vedello and Novazza uranium projects, submitted a comprehensive Environmental Impact Assessment ("**EIA**") (Valutazione di Impatto Ambientale or "**VIA**") to the Italian Ministry for Environment and Energy Security ("**MASE**") in respect of the Novazza project.

Following submission of the VIA documentation, a dedicated technical review commission (Commissione Tecnica VIA) will evaluate the application in accordance with applicable Italian and European Union environmental regulations. The completion of the VIA process represents the final principal regulatory requirement prior to the granting of the Novazza exploration permit. Subject to regulatory review, approval is anticipated within approximately six to nine months from the date of submission.

In respect of the Val Vedello project, FEI has obtained an extension until 15 July 2026 for the submission of the VIA documentation following delays in accessing the project area caused by adverse weather conditions.

On **April 23, 2026**, the Company announced the acquisition of a 5 MWp photovoltaic development project located in Puglia, Italy. The project covers approximately 5 hectares of land situated in an area classified as suitable for solar photovoltaic development under the applicable regulatory framework. The Company intends to develop a solar photovoltaic plant with an expected installed capacity of approximately 5 MWp. The total consideration for the acquisition is EUR 575,000, payable upon securing all required permits and achieving Ready-to-Build status.

On **April 27, 2026**, the Company announced the acquisition of two additional solar development projects located in Puglia, Italy, each with an expected installed capacity of 2.5 MWp. Following completion of these acquisitions, the Company's solar development portfolio increased to 183.5 MWp, compared to the 173.5 MWp portfolio independently valued as at March 31, 2026. The independent valuation assigned a total value of EUR 54.7 million to the portfolio.

On **April 28, 2026**, the Company completed private placements with institutional investors in the United Kingdom and Norway, raising aggregate gross proceeds of approximately £3.08 million through the issuance of 44,609,603 new Common Shares. In addition, the Company completed a debt settlement through the issuance of 20,964,527 Common Shares in settlement of liabilities with an aggregate value of approximately NOK18.2 million. Following admission of the new shares, the Company's issued share capital increased to 714,756,457 Common Shares.

On **April 28, 2026**, the Company also entered into a new unsecured convertible loan facility for an aggregate amount of up to £2.0 million. The facility bears interest at 5% per annum and matures on April 27, 2027. The proceeds are intended to support the Company's arbitration activities, renewable energy development projects, uranium exploration initiatives and general working capital requirements.

On **30 April 2026**, the Company announced the progression of the proposed spin-out of its Italian uranium exploration business through Reveille Resources Limited, a uranium-focused exploration company. The transaction is intended to provide a dedicated listed vehicle through which the Company's uranium exploration activities can be advanced and funded.

Futuro Energetico Italiano S.r.l. ("**FEI**"), which has submitted applications for exploration permits covering the Val Vedello and Novazza uranium deposits in the Lombardy region of Italy, is proposed to be transferred to Reveille on a no-profit, no-loss basis reflecting expenditure incurred to date. Zenith has also agreed to invest £200,000 in Reveille. In addition, Zenith is expected to be reimbursed in Reveille ordinary shares for costs incurred in connection with the uranium permit applications and related technical, regulatory and project development work undertaken in respect of the Lombardy uranium projects, amounting to approximately £350,000.

On **June 3, 2026**, the Company announced that it has signed exclusivity agreements in connection with the potential acquisition of a combined shareholding of approximately 82% in Daybreak Oil and Gas, Inc. ("**Daybreak**").

Zenith has entered into confidentiality and exclusivity agreements with Reabold Resources Plc ("**Reabold**") and Portillion Capital Limited ("**Portillion**") in relation to the potential acquisition of their respective shareholdings in Daybreak, representing a combined interest of approximately 82% of Daybreak's issued share capital, comprising approximately 42% and 40%, respectively.

Under the terms of these agreements, Zenith has been granted a 90-day exclusivity period to conduct customary due diligence and negotiate the proposed transactions. During this period, both Portillion and Reabold have undertaken not to solicit, initiate, continue, or enter into any competing discussions or transactions in respect of their interests in Daybreak.

The exclusivity agreements are non-binding in respect of the proposed acquisitions and there can be no certainty that any transaction will ultimately be completed. Completion of any acquisition remains subject to the satisfactory completion of due diligence, the negotiation and execution of definitive transaction documentation, and the satisfaction of any other conditions that may be agreed between the parties.

The agreements permit the Company to engage in discussions with other Daybreak shareholders regarding the potential acquisition of additional shares. Should both proposed acquisitions be successfully completed, Zenith (through its designated subsidiaries) would acquire a controlling interest of approximately 82% in Daybreak.

On **June 8, 2026**, the Company announced e the acquisition of an additional 5 MWp ground-mounted photovoltaic development project located within the Metropolitan City of Rome in the Lazio region of Italy (the "**Rome PV Project**").

This acquisition further strengthens Zenith's growing Italian renewable energy portfolio and represents another important step towards the Company's stated objective of exceeding 200 MWp of solar development capacity by the end of 2026.

Highlights

- The Rome PV Project brings Zenith's total solar development pipeline to **188.5 MWp**, representing 94% of the Company's 200 MWp target for 2026.
- The site occupies a strategically prime location on the A1 motorway corridor north of Rome, adjacent to an established industrial area and connected to Central and Northern Italy's major transport infrastructure.
- Consideration is payable only upon securing all required permits and achieving Ready-to-Build status, in line with the Company's capital-efficient acquisition model.
- The total land consideration for the Rome PV Project is EUR 440,000.

On June 30, 2026, the Company announced that the construction of its first photovoltaic solar project in the Puglia region of Italy has commenced (the "**First Plant**").

This marked the commencement of the first of the three solar plants comprising the Company's 7 MWp Under Construction Portfolio ("**UCP**") in Puglia, announced on March 23, 2026. The remaining plants are expected to enter construction during July and August 2026.

The First Plant is being developed by Zenith through its wholly owned Italian subsidiary, WESOLAR S.R.L., and has an installed capacity of approximately 1 MWp.

Zenith expects the three solar plants comprising the UCP to become operational, connected to the national electricity grid and revenue generating by the end of 2026.

On **July 6, 2026**, the Company announced that it had invested a further £259,000 in Reveille Resources PLC ("**Reveille**"), a Uranium-focused natural resources investment company, whose shares are expected to admit to trading on the Aquis Growth Market (the "**Aquis**") with effect from 7 July 2026 ("**Admission**"). The Company will be issued 5,180,000 ordinary shares of 1 pence each in Reveille ("**Reveille Shares**"), at a price of 5 pence per share, conditional on Admission.

The Company has completed the sale of Futuro Energetico Italiano Srl ("**FEI**"), a special purpose vehicle established to hold and develop the Val Vedello and Novazza uranium licence applications, to Reveille for a nominal consideration. Zenith will be issued 7,000,000 Reveille Shares at a price of 5 pence per share on

Admission, to reflect Zenith's accrued costs in progressing FEI's Val Vedello and Novazza uranium exploration applications (together, the "**Lombardy Project**") to this stage of £350,000 (the "**FEI Shares**").

This new investment, together with the Company's previous investment of £200,000, announced on 30 April 2026, and the issue of the FEI Shares, will result in Zenith becoming **Reveille's largest shareholder**, holding 20,180,000 Reveille Shares, representing approximately 25.26% of Reveille's issued share capital on Admission.

Zenith has entered into a 12-month lock-in in respect of its entire shareholding in Reveille from the date of Admission.

Further information regarding Reveille is contained in the Company's regulatory news announcement dated 30 April 2026 and will be available on www.reveille-resources.com.

In addition, upon Admission, Zenith will be issued two classes of warrants by Reveille.

Founder Warrants

Zenith will receive 5,872,500 warrants, exercisable at 5 pence per Reveille Share for a period of five years from Admission. These warrants will become exercisable upon the first occurrence of any of the following:

- the mid-market closing price of the Reveille Shares on Aquis reaching at least 10 pence for ten consecutive trading days;
- the grant of both the Novazza and Val Vedello exploration licences; or
- Reveille completing the acquisition of one or more assets with an aggregate enterprise value greater than that of the Lombardy Project.

Loyalty Warrants

Zenith will also receive 12,180,000 loyalty warrants with an exercise price of 10 pence per Reveille Share for a period of 12 months from Admission. These warrants are subject to the terms of the Reveille IPO and are exercisable only in respect of the underlying shares that continue to be held by Zenith throughout the loyalty period.

On **July 10, 2026**, the Company announced that it had entered into an "At-the-Market" equity offering facility agreement (the "**Facility**") to raise up to £2,000,000 (before expenses) over the next 12 months.

Under the terms of the Facility, market sales of new common shares of no-par value ("**Shares**") will be made from time to time at the Company's discretion ("**Facility Sales**"), who will establish the parameters such as minimum price, maximum volume and period of time under which Facility Sales of Shares may be made. **Facility Sales of Shares will only be made to investors trading on the London Stock Exchange** (**LSE: ZEN**).

The Facility has been established as an additional financing tool following the £2,000,000 unsecured convertible loan facility announced on 28 April 2026. The Company is under no obligation to utilise the Facility, either in whole or in part, and it may never be utilised. The Company is announcing the establishment of the Facility only. No Common Shares are being issued pursuant to the Facility as at the date of this announcement, and the **execution of the Facility does not itself result in any dilution to existing shareholders**.

At-the-market equity programmes are widely utilised by listed companies in the United States and have become an established capital markets financing tool, enabling issuers to access equity capital efficiently, at lower transaction costs and with greater flexibility than traditional marketed offerings by issuing shares incrementally into the market at prevailing market prices. Any use of the Facility will be subject to the Board's discretion and will only occur where it considers such sales to be in the best interests of the Company and its shareholders.

On **July 13, 2026**, the Company announced the acquisition of an additional 4.5 MWp ground-mounted photovoltaic development project located within the Metropolitan City of Rome in the Lazio region of Italy (the "**Rome PV Project 2**").

With construction now underway on the Company's first solar plants in Puglia, Zenith continues to build its Italian pipeline towards the 200 MWp target, acquiring a second site in Rome at an attractive entry cost of EUR 70,000 per hectare.

Highlights

- The Rome PV Project brings Zenith's total solar development pipeline to 193 MWp, representing 96.5% of the Company's 200 MWp target for 2026.
- The 4.5-hectare site occupies a prime position on the A1 motorway corridor north of Rome, adjacent to an established industrial area and connected to Central and Northern Italy's major transport infrastructure.
- Consideration is payable only upon securing all required permits and achieving Ready-to-Build status, in line with the Company's capital-efficient acquisition model.
- The total land consideration for the Rome PV Project is EUR 315,000, reflecting a purchase price of EUR 70,000 per hectare.

On **July 15, 2026**, the Company announced that it had signed a Memorandum of Understanding (the "**MoU**") with a renewable energy operator for the sale of a portfolio of solar development projects located in the Piedmont region of Italy, with an aggregate expected installed capacity of approximately 50 MWp (the "Piedmont Portfolio"), for a total consideration of EUR 12 million (the "Proposed Transaction").

The projects comprising the South Piedmont Portfolio have been assembled and advanced by Zenith over the past year through a series of acquisitions and development activities. The aggregate acquisition and development cost of the Piedmont Portfolio is expected to be approximately EUR 5 million upon completion, implying a gross profit of approximately EUR 7 million on the Proposed Transaction.

The MoU follows the Company's announcement on July 13, 2026, that it was in advanced discussions regarding the disposal of a solar development project and, if completed, would represent the first monetisation of Zenith's Italian solar portfolio.

Highlights

- Zenith Energy's wholly owned Italian subsidiary, WESOLAR S.R.L. ("WESOLAR"), has signed an MoU for the proposed sale of a portfolio of solar development projects in Piedmont, Italy, with an aggregate expected capacity of approximately 50 MWp, for a total consideration of EUR 12 million.
- The aggregate acquisition and development cost of the portfolio is expected to be approximately EUR 5 million (approximately EUR 100,000 per MWp), implying a gross profit of approximately EUR 7 million upon completion of the Proposed Transaction.
- The proposed purchaser is an international group evaluating the acquisition of approximately 60,000 square metres of industrial buildings in Piedmont for conversion into a data centre.
- The proposed data centre is located in close proximity to the solar development projects comprising the portfolio and is intended to be supplied with renewable electricity generated by those projects.

- The Proposed Transaction would generate an estimated gross profit of approximately EUR 7 million, based on an aggregate acquisition and development cost of approximately EUR 5 million.
- The consideration under the Proposed Transaction represents approximately 2.4 times the aggregate acquisition and development cost of the portfolio, implying a potential gross uplift of approximately 140%.
- The proposed consideration equates to approximately EUR 240,000 per MWp, compared with an aggregate acquisition and development cost of approximately EUR 100,000 per MWp.
- The Proposed Transaction provides tangible market validation of the value being created within Zenith's wider Italian solar development portfolio, which currently comprises approximately 193 MWp of development capacity.
- Zenith's solar development projects in the Piedmont region comprise approximately 97 MWp of expected installed capacity, of which approximately 50 MWp forms the subject of the Proposed Transaction.
- If completed, the Proposed Transaction would represent the first monetisation of Zenith's Italian solar development portfolio, demonstrating the Company's ability to acquire, develop and monetise renewable energy assets at a significant profit.
- The Company intends to reinvest the proceeds of the Proposed Transaction across its Italian solar portfolio, including the acquisition and construction of additional projects, providing a source of non-dilutive capital for continued growth.
- · Completion of the Proposed Transaction remains subject to confirmatory due diligence, the negotiation and execution of definitive transaction documentation and the satisfaction of customary closing conditions. There can be no certainty that the Proposed Transaction will complete. Further announcements will be made as appropriate.

On **July 20, 2026**, the Company announced that it had entered into a binding Letter of Intent and Exclusivity (the "**Contract**") for the acquisition of 100% of the issued share capital of an Italian biogas development company (the "**Target**"), which owns the rights to develop a fully permitted and engineered biogas production facility in Italy, subject to completion of the proposed acquisition (the "**Project**").

The Project is fully permitted, fully engineered and construction-ready, with all material permits, licences and engineering approvals already obtained. Once operational, the Project will produce approximately 3 million cubic metres of methane gas per annum, for injection into the Italian gas network, sold at Italian gas prices and benefiting from 15-year government incentives.

A long-term feedstock supply contract with a major Italian regional authority, comprising approximately 50% municipal waste and 50% agro-industrial waste, significantly mitigates what is widely regarded as the principal operational risk associated with biogas projects. This provides the Project with a stable and secure long-term feedstock supply, supporting predictable operations and facilitating access to project financing.

Project Economics

The Project's projected annual revenues at full operational capacity are estimated at approximately €5 million. The projected annual EBITDA is estimated at approximately €2.5 million; a 50% EBITDA margin that reflects the Project's strong underlying economics and the benefit of long-term, government-backed revenue incentives.

Zenith is providing what the Project has always lacked: the operational expertise required to produce and sell gas into the Italian network, together with the project finance expertise and financing relationships necessary to unlock its full potential. As with the Company's previously announced acquisition and development of its solar portfolio, both the acquisition of the Target and the development of the Project are expected to be funded through non-dilutive green project financing.

Details surrounding the final consideration and the identity of the Target, together with the geographical location of the Project and the identity and location of the vendor, will be disclosed upon completion, as the Company believes that premature disclosure could increase the risk of competing offers for the Project.

Highlights

- The purchase price of the Target is capped at EUR 1.6 million, with the final consideration to be determined following completion of confirmatory due diligence.
- Biogas enjoys exceptional government support in Italy: a 40% capital cost subsidy and a 15-year incentive providing a 20% uplift on methane sales. These mechanisms materially enhance project returns and provide long-term revenue visibility.
- Italy's National Energy and Climate Plan (PNIEC) targets 5.7 billion cubic metres of biomethane production per annum by 2030 - a target that requires national production to roughly double and represents a significant, sustained investment opportunity that Zenith intends to capture.
- Once operational, the Project will produce approximately 3 million cubic metres of methane gas, which will be injected into the Italian gas network "Snam Rete" through which Zenith has produced and sold natural gas since 2013 via its subsidiary Canoel Italia S.p.A.
- Green project financing is targeted by the end of Q3 2026. Completion of the Acquisition is expected during Q4 2026, with construction to commence immediately thereafter and the plant expected to be operational in Q3 2027.
- This Acquisition is the first step in building a diversified Italian biogas and biomethane portfolio alongside Zenith's existing solar development business.

On **July 15, 2026**, the Company announced that it had signed a Memorandum of Understanding (the "**MoU**") with a renewable energy operator for the sale of a portfolio of solar development projects located in the Piedmont region of Italy, with an aggregate expected installed capacity of approximately 50 MWp (the "**Piedmont Portfolio**"), for a total consideration of EUR 12 million (the "**Proposed Transaction**").

The projects comprising the South Piedmont Portfolio have been assembled and advanced by Zenith over the past year through a series of acquisitions and development activities. The aggregate acquisition and development cost of the Piedmont Portfolio is expected to be approximately EUR 5 million upon completion, implying a gross profit of approximately EUR 7 million on the Proposed Transaction.

The MoU follows the Company's announcement on July 13, 2026, that it was in advanced discussions regarding the disposal of a solar development project and, if completed, would represent the first monetisation of Zenith's Italian solar portfolio.

Highlights

- Zenith Energy's wholly owned Italian subsidiary, WESOLAR S.R.L. ("WESOLAR"), has signed an MoU for the proposed sale of a portfolio of solar development projects in Piedmont, Italy, with an aggregate expected capacity of approximately 50 MWp, for a total consideration of EUR 12 million.
- The aggregate acquisition and development cost of the portfolio is expected to be approximately EUR 5 million (approximately EUR 100,000 per MWp), implying a gross profit of approximately EUR 7 million upon completion of the Proposed Transaction.
- The proposed purchaser is an international group evaluating the acquisition of approximately 60,000 square metres of industrial buildings in Piedmont for conversion into a data centre.

- The proposed data centre is located in close proximity to the solar development projects comprising the portfolio and is intended to be supplied with renewable electricity generated by those projects.
- The Proposed Transaction would generate an estimated gross profit of approximately EUR 7 million, based on an aggregate acquisition and development cost of approximately EUR 5 million.
- The consideration under the Proposed Transaction represents approximately 2.4 times the aggregate acquisition and development cost of the portfolio, implying a potential gross uplift of approximately 140%.
- The proposed consideration equates to approximately EUR 240,000 per MWp, compared with an aggregate acquisition and development cost of approximately EUR 100,000 per MWp.
- The Proposed Transaction provides tangible market validation of the value being created within Zenith's wider Italian solar development portfolio, which currently comprises approximately 193 MWp of development capacity.
- Zenith's solar development projects in the Piedmont region comprise approximately 97 MWp of expected installed capacity, of which approximately 50 MWp forms the subject of the Proposed Transaction.
- If completed, the Proposed Transaction would represent the first monetisation of Zenith's Italian solar development portfolio, demonstrating the Company's ability to acquire, develop and monetise renewable energy assets at a significant profit.
- The Company intends to reinvest the proceeds of the Proposed Transaction across its Italian solar portfolio, including the acquisition and construction of additional projects, providing a source of non-dilutive capital for continued growth.
- Completion of the Proposed Transaction remains subject to confirmatory due diligence, the negotiation and execution of definitive transaction documentation and the satisfaction of customary closing conditions. There can be no certainty that the Proposed Transaction will complete. Further announcements will be made as appropriate.

On **July 20, 2026**, the Company announced that it had entered into a binding Letter of Intent and Exclusivity (the "**Contract**") for the acquisition of 100% of the issued share capital of an Italian biogas development company (the "**Target**"), which owns the rights to develop a fully permitted and engineered biogas production facility in Italy, subject to completion of the proposed acquisition (the "**Project**").

The Project is fully permitted, fully engineered and construction-ready, with all material permits, licences and engineering approvals already obtained. Once operational, the Project will produce approximately 3 million cubic metres of methane gas per annum, for injection into the Italian gas network, sold at Italian gas prices and benefiting from 15-year government incentives.

A long-term feedstock supply contract with a major Italian regional authority, comprising approximately 50% municipal waste and 50% agro-industrial waste, significantly mitigates what is widely regarded as the principal operational risk associated with biogas projects. This provides the Project with a stable and secure long-term feedstock supply, supporting predictable operations and facilitating access to project financing.

Project Economics

The Project's projected annual revenues at full operational capacity are estimated at approximately €5 million. The projected annual EBITDA is estimated at approximately €2.5 million; a 50% EBITDA margin that reflects the Project's strong underlying economics and the benefit of long-term, government-backed revenue incentives.

Zenith is providing what the Project has always lacked: the operational expertise required to produce and sell gas into the Italian network, together with the project finance expertise and financing relationships necessary to unlock its full potential. As with the Company's previously announced acquisition and development of its solar portfolio, both the acquisition of the Target and the development of the Project are expected to be funded through non-dilutive green project financing.

Details surrounding the final consideration and the identity of the Target, together with the geographical location of the Project and the identity and location of the vendor, will be disclosed upon completion, as the Company believes that premature disclosure could increase the risk of competing offers for the Project.

Highlights

- The purchase price of the Target is capped at EUR 1.6 million, with the final consideration to be determined following completion of confirmatory due diligence.
- Biogas enjoys exceptional government support in Italy: a 40% capital cost subsidy and a 15-year incentive providing a 20% uplift on methane sales. These mechanisms materially enhance project returns and provide long-term revenue visibility.
- Italy's National Energy and Climate Plan (PNIEC) targets 5.7 billion cubic metres of biomethane production per annum by 2030 - a target that requires national production to roughly double and represents a significant, sustained investment opportunity that Zenith intends to capture.
- Once operational, the Project will produce approximately 3 million cubic metres of methane gas, which will be injected into the Italian gas network "Snam Rete" through which Zenith has produced and sold natural gas since 2013 via its subsidiary Canoel Italia S.p.A.
- Green project financing is targeted by the end of Q3 2026. Completion of the Acquisition is expected during Q4 2026, with construction to commence immediately thereafter and the plant expected to be operational in Q3 2027.
- This Acquisition is the first step in building a diversified Italian biogas and biomethane portfolio alongside Zenith's existing solar development business.

On **July 21, 2026,** the Company announced that it had completed a private placement of common shares of no par value (the "**Common Shares**") with institutional investors in Norway (the "**Financing**").

Financing

The Financing has attracted the participation of existing institutional investors to raise an aggregate total amount of approximately £2,116,000 (equivalent to approx. NOK 27,500,000 or US$2,848,000), resulting in the issuance of a total of 50,000,000 new common share**s ("New Common Shares").**

Issue Price

The Financing was completed at a subscription price of **NOK 0.55** per New Common Share, representing a discount of **approximately 0.36 per cent**. to the closing price of the Company's Common Shares on Euronext Growth Oslo on July 20, 2026.

Admission and Total Voting Rights

Following Admission, the Company will have **764,756,457** Common Shares in issue, each carrying one vote. This figure may be used by shareholders as the denominator for the purposes of the FCA's Disclosure Guidance and Transparency Rules and section 3.10 and 3.11.5 (3) of the Euronext Growth Oslo Rule Book Part II.

The Common Shares have been validly issued, are fully paid and have been duly registered in the Company's register of holders of Common Shares.

In connection with the Financing, the Company has issued 50,000,000 share purchase warrants (the "**Warrants**") on a one-for-one basis, with each Warrant entitling the holder to subscribe for one Common Share at an exercise price of NOK 0.675 (equivalent to approximately £0.0519).

The Warrants have a duration of two years from the date of issue.

Use of Proceeds

The Company plans to use the funds received in connection with the Financing to: (i) provide finance for the due diligence and construction of the new biogas project announced yesterday;(ii) provide additional funding for its legal expenses in connection with international arbitration proceedings initiated by its wholly owned subsidiaries; (ii) advance the continued development of its solar energy portfolio, including the construction of certain ready-to-build sites, in line with previous regulatory disclosures; and (v) for general working capital purposes.