



## **Azule Energy Holdings Limited**

### **Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2025**

**Azule Energy Holdings Limited**  
**Interim Condensed Consolidated of Comprehensive Income**  
**For the six months ended 30 June 2025**

	Three months ended 30 June 2025 (Unaudited) \$'000	Three months ended 31 March 2025 (Unaudited) \$'000	Six months ended 30 June 2025 (Unaudited) \$'000	Six months ended 30 June 2024 (Unaudited) \$'000
<b>Revenue</b>	<b>787,319</b>	866,228	<b>1,653,547</b>	2,630,468
<b>Cost of Sales:</b>				
Production costs	(240,501)	(63,971)	(304,472)	(911,876)
Depletion, depreciation and amortization on property, plant, and equipment and right of use assets	(416,768)	(555,837)	(972,605)	(1,148,498)
<b>Gross profit</b>	<b>130,050</b>	246,420	<b>376,470</b>	570,094
Other operating income	131,636	160,012	291,648	226,160
Exploration costs	-	(5,306)	(5,306)	(10,160)
Administration costs	(22,631)	(19,609)	(42,240)	(40,694)
Share of post-tax profits of equity accounted associates and joint ventures	52,563	100,822	153,385	66,577
<b>Operating profit</b>	<b>291,618</b>	482,339	<b>773,957</b>	811,977
Finance income	60,086	28,578	88,664	27,670
Finance costs	(138,295)	(149,457)	(287,752)	(254,322)
<b>Profit before taxation</b>	<b>213,409</b>	361,460	<b>574,869</b>	585,325
Corporation tax	(33,056)	(113,177)	(146,233)	16,020
<b>Profit for the period</b>	<b>180,353</b>	248,283	<b>428,636</b>	601,345

**Azule Energy Holdings Limited**  
**Interim Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2025**

	<b>30 June 2025 (Unaudited) \$'000</b>	<b>Restated 31 December 2024 (Unaudited) \$'000</b>	<b>31 December 2024 (Audited) \$'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets - goodwill	2,420,560	2,420,560	2,420,560
Other Intangible assets	890,873	679,690	679,690
Property, plant, and equipment including right of use assets	14,484,429	14,113,664	14,113,664
Investments in associates and joint ventures	3,390,810	3,436,036	3,436,036
Taxation	61,365	50,244	50,244
Deferred tax	457,468	288,141	288,141
Trade and other receivables (Note 1)	2,140,958	2,053,323	1,922,070
<b>Total non-current assets</b>	<b>23,846,463</b>	23,041,658	22,910,405
<b>Current assets</b>			
Inventories	685,155	690,776	690,776
Trade and other receivables	2,509,489	2,634,363	2,634,363
Taxation	-	694	694
Cash and cash equivalents	965,942	503,650	503,650
<b>Total current assets</b>	<b>4,160,586</b>	3,829,483	3,829,483
<b>Total assets</b>	<b>28,007,049</b>	26,871,141	26,739,888

**Azule Energy Holdings Limited**  
**Interim Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2025**

	<b>30 June 2025 (Unaudited) \$'000</b>	<b>Restated 31 December 2024 (Unaudited) \$'000</b>	<b>31 December 2024 (Audited) \$'000</b>
<b>Equity</b>			
Share capital	1,000	1,000	1,000
Share premium	7,921,009	7,921,009	7,921,009
Other reserves	1,559,498	1,559,498	1,559,498
Retained earnings (Note 1)	4,073,182	4,081,044	3,949,791
<b>Total equity</b>	<b>13,554,689</b>	<b>13,562,551</b>	<b>13,431,298</b>
<b>Non-current liabilities</b>			
Loans and borrowings	2,949,034	2,085,774	2,085,774
Lease liabilities	1,259,946	1,344,764	1,344,764
Provisions for liabilities and charges	3,272,994	3,067,422	3,067,422
Deferred tax	2,688,763	2,580,478	2,580,478
<b>Total non-current liabilities</b>	<b>10,170,737</b>	<b>9,078,438</b>	<b>9,078,438</b>
<b>Current liabilities</b>			
Trade and other payables	2,609,111	2,819,680	2,819,680
Lease liabilities	861,338	801,393	801,393
Loans and borrowings	722,344	443,001	443,001
Taxation	88,830	166,078	166,078
<b>Total current liabilities</b>	<b>4,281,623</b>	<b>4,230,152</b>	<b>4,230,152</b>
<b>Total liabilities</b>	<b>14,452,360</b>	<b>13,308,590</b>	<b>13,308,590</b>
<b>Total equity and liabilities</b>	<b>28,007,049</b>	<b>26,871,141</b>	<b>26,739,888</b>

**Azule Energy Holdings Limited**  
**Interim Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2025**

	<b>Six months ended 30 June 2025 (Unaudited) \$'000</b>	<b>Six months ended 30 June 2024 (Unaudited) \$'000</b>
<b>Cash inflow generated from operations</b>	<b>1,537,480</b>	<b>1,986,739</b>
Interest received	28,017	24,097
Interest paid	(114,499)	(126,072)
Income taxes paid	(262,633)	(355,001)
<b>Net cash generated from operating activities</b>	<b>1,188,365</b>	<b>1,529,763</b>
<b>Investing activities</b>		
Purchase of property, plant, and equipment and intangibles	(1,111,875)	(843,859)
Purchases of other financial assets	-	10,000
Additions to escrow	(68,000)	(40,442)
Dividends received from associates	198,611	152,449
<b>Net cash used in investing activities</b>	<b>(981,264)</b>	<b>(721,852)</b>
<b>Financing activities</b>		
Proceeds from bond issue	1,191,600	-
Proceeds from RCF drawdown	-	34,500
Repayments of RCF	(50,000)	(34,500)
Dividends paid to shareholders	(436,500)	(475,000)
Payment of lease liability obligations	(450,180)	(420,000)
<b>Net cash generated from/ (used in) financing activities</b>	<b>254,920</b>	<b>(895,000)</b>
Net increase/(decrease) in cash and cash equivalents	462,021	(87,089)
Cash and cash equivalents at start of year/period	503,650	603,749
Exchange gains/(losses) on cash and cash equivalents	271	(1,782)
<b>Cash and cash equivalents at end of period</b>	<b>965,942</b>	<b>514,878</b>

**Azule Energy Holdings Limited**  
**Interim Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2025**

**Note 1 - Restatement of 2024 Balances**

	<b>Restated</b> <b>31 December 2024</b> <b>\$'000</b>	<b>Audited</b> <b>31 December 2024</b> <b>\$'000</b>
Trade and Other Receivables – Non-current	2,053,323	1,922,070
Retained Earnings	4,081,044	3,949,791

In the Statement of Financial Position, we present two columns for 2024: one reflecting the audited financial statements and the other showing the restated figures. The restated balances have been adjusted by \$131,253,000 to retrospectively recognize interest on escrow funds, with no impact on taxes.

The group deposits amounts into escrow accounts, in line with local regulations, to fund future decommissioning liabilities. The escrow accounts earn and compound interest over time. In line with IFRIC 5, the interest earned is now recorded, when earned, over the life of the asset and not at the end of the asset life. Due to this change in accounting treatment the retained earnings have been restated to retrospectively account for the interest impact prior to 2025.

**FINANCIAL REVIEW SUMMARY**

		<b>Three months ended 30 June 2025</b>	<b>Three months ended 31 March 2025</b>	<b>Six months ended 30 June 2025</b>	<b>Six months ended 30 June 2024</b>
Production	Mboed*	195	201	198	208
Crude oil	\$/boe	66	76	70	82
ALNG	\$/mmbtu**	13	14	13	10
EBITDA ***	\$ million	656	937	1,593	1,894
Leverage ratio ****	times	0.70	0.62	0.70	0.54

\*Thousand barrels' oil equivalent per day.

\*\*Metric Million British thermal units

\*\*\* EBITDA is arrived at by adjusting operating profit by the share of associates/joint ventures while adding back the depreciation, amortisation, and impairment

\*\*\*\* Leverage is calculated as Net Debt/EBITDA.

In the first six months of 2025, Azule navigated a challenging oil price environment, with second-quarter crude prices averaging \$10 per barrel lower than the first quarter, with the half-year averaging around \$70 per barrel. Due to this and lower production, the results for first half of the year were lower compared to the same period in 2024, coupled with 2024 deferred tax adjustments, while second-quarter net income declined by \$68 million from the first quarter, driven by lower prices and plant reliability issues. Finance income includes \$42 million interest income from the escrow accounts resulting from a change in accounting treatment – see Note 1 above for further details. Exploration efforts increased intangible assets by \$211 million, driven by successful drilling at PEL 85 and the Gajajaira-1 well in Block 1/14.

Oil sales for Q2 2025 totalled \$787 million, down from \$866 million in Q1 2025, driven by a lower average realized price of \$66/boe compared to \$76/boe, despite consistent liftings, while partner lease recoveries also decreased due to rig operations phasing. Production costs rose significantly, an increase of \$177 million compared to Q1 2025 primarily driven by a \$116 million decrease of the over lifting position driven by changes in production and entitlement and Q1 had a one-off cost reclassification from operating costs to capex of \$39m. Due to an unplanned shutdown at ALNG resulting in reduced liftings, income from associates fell to \$53 million in Q2 2025 from \$101 million in Q1 2025, coupled with lower average prices. However, financial income rose by \$32 million, mainly driven by a change in the accounting treatment during 2025, specifically in relation to interest earned on escrow accounts of \$42m – see Note 1 above for further details.

Year-on-year profit decreased by \$172 million on due to lower oil prices (\$70/boe vs. \$82/boe) and reduced liftings leading to a \$977 million reduction in oil sales. Unlike 2024, there were no significant, offsetting deferred tax true ups recorded in 2025, resulting in a tax expense of \$146 million in 2025. This was partially offset by a favourable under-lift swing of \$632 million caused by a net change in entitlement from lower liftings in 2025 and a change in valuation due to lower price per barrel. Furthermore, there is \$176 million positive impact from lower depreciation resulting from lower opening net book value. Gains from associates increased by \$87 million, driven by higher ALNG average prices (\$13/mmbtu vs. \$10/mmbtu) and increased sales volumes.

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**Interim Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2025**

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Net assets of \$13,555 million at 30 June 2025 (\$13,563 million at 31 December 2024), is represented by total assets of \$28,007 million (\$26,871 million at 31 December 2024) and total liabilities of \$14,452 million (\$13,308 million at 31 December 2024).

Total assets include \$14,484 million of property, plant and equipment (PPE) and Right of Use (ROU) assets (\$14,114 million at 31 December 2024) with the overall increase during the period attributable to the ramp up of the spend on Agogo and NGC projects, overall additions for the period amount to \$952 million of tangible assets and \$108 million related to decommissioning additions, offset by depreciation charges of \$675 million. Movements in ROU assets pertain to additions for the period amounting to \$357 million, offset by \$378 million of depreciation charges. Also, included in the total assets are \$891 million of Exploration & Evaluation assets (\$680 million at 31 December 2024) which increased by \$211 million on account of additions mainly related to drilling activity of PEL 85 in Namibia and the successful exploration well in Block 1/14. Cash at bank increased to \$966 million (\$503 million at 31 December 2024) due to proceeds from the bond issue partially offset by payments for the capital expenditure. Total liabilities include \$3,671 million of loans and borrowings (\$2,529 million at 31 December 2024) with the increase being attributable to the bond issuance of \$1.2 billion. Movements in the period on the provisions for liabilities and charges was due to amounts recognised for higher cost estimates and higher well count for decommissioning.

Net cash inflow generated from operations is lower in 2025 compared to the prior year, mostly due to the lower sales and is offset by lower operating costs and taxes paid in comparison to 2024. Net cash outflow used in investing activities for the period ended 30 June 2025 was \$981 million (30 June 2024: \$722 million). The increase is primarily from purchases of property, plant and equipment and intangibles amounting to \$1.11 billion (2024: \$844 million). This is due to the ramp up of capital and exploration spend on Agogo, NGC and Namibia. This is partially offset by higher dividends received from associates in 2025 amounting to \$199 million (2024: \$152 million). Net cash generated by financing activities increased in the current year primarily due to proceeds from the bonds issue amounting to \$1.2 billion.