



Azule Energy Holdings Limited

Financial Review for the nine months ended 30 September 2025

FINANCIAL REVIEW SUMMARY

		Three months ended 30 September 2025	Three months ended 30 June 2025	Nine months ended 30 September 2025	Nine months ended 30 September 2024
Production	Mboed*	212	195	203	211
Crude oil	\$/boe	69	66	69	81
ALNG	\$/mmbtu**	13	13	12	11
EBITDA ***	\$ million	911	656	2,504	3,089
Leverage ratio ****	times	0.78	0.70	0.78	0.46

*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.

Oil sales for Q3 2025 increased by \$282 million to \$1,069 million (Q2 2025: \$787 million), driven by a higher average realized price of \$69/boe compared to \$66/boe and higher volumes lifted, while partner lease recoveries also increased due to the impacts of additional lease contracts (mainly drilling rigs & Agogo FPSO) which has also led to an increase in partner recovery of lease costs recorded as other operating income increasing by \$76 million in Q3 2025. Production costs rose significantly with an increase of \$102 million compared to Q2 2025 due to higher phasing of liftings between quarters resulting in a net overlift position. Depletion, depreciation and amortisation (DDA) increased by \$214 million in Q3 2025 which is partly due to catchup from prior quarters, higher production and impact of Agogo first oil. Income from associates increased by \$42 million to \$95 million in Q3 2025 owing to higher LNG volumes sold. Financial income rose by \$86 million, due to interest earned on escrow accounts of \$108 million partially offset by higher interest on IFRS 16 contracts.

For the first 9 months of 2025, the Group's revenue has decreased by \$961 million to \$2,722 million (9-months 2024: \$3,683 million). This was driven by both a drop in average realised price of crude oil sales to \$69/boe (9-months 2024: \$81/boe) and a 7 mmbtue reduction in total liftings for the period. Other income amounted to \$499 million (2024: \$382 million), with the increase mainly comprised of the partner recovery on additional IFRS 16 lease obligations (drilling rigs and Agogo FPSO). Production costs decreased by \$259 million to \$647 million compared to the 9-month 2024 period (9-months 2024: \$906 million) caused by the reversal of the opening overlifting position in line with lower liftings for the year. The depletion, depreciation and amortisation decreased by \$301 million in 2025 to \$1,604 million (9-months 2024: \$1,905 million). The decrease is attributable to the lower opening NBV of assets coupled with lower production in 2025, which is partially offset by new asset additions brought online. Depletion, depreciation, and amortisation is derived from depreciation on property, plant and equipment amounting to \$1,119 million (9-months 2024: \$1,560 million) and amortisation of right-of-use assets of \$485 million (9-months 2024: \$345 million).

Overall income from associates of \$248 million (9-months 2024: \$134 million) was significantly higher due to increased gas prices at an average of \$12/Mmbtu (9-months 2024: \$11/Mmbtu), higher volumes sold, partially offset by increased Goods and Services Tax (GST) which was triggered due to the plant utilisation.

Net finance costs for the period were \$222 million (9-months 2024: \$353 million) which is a decrease of \$131 million. The reduction has been driven by the recognition of \$150 million (9-month 2024: \$10 million) in interest income earned from decommissioning escrow accounts.

Consolidated Statement of Financial Position

Total assets include \$12,186 million of property, plant, and equipment (PPE) (31 December 2024: \$11,709 million) and \$5,068 million of right-of-use (ROU) assets (31 December 2024: \$2,242 million). The PPE movements in the period include additions of \$1,315 million, mainly from the ramp up of spend on ongoing capex projects, and additions to decommissioning costs of \$281 million, which is offset by depreciation charges for the period of \$1,119 million. Movements in ROU assets pertain to additions of \$3,443 million from the Agogo FPSO (\$500 million was transferred from non-current prepayments), drilling rigs and vessels, offset by depreciation of \$673 million.

Also, included in the total assets are \$3,385 million of investments in associated companies (31 December 2024: \$3,436 million), with movements in the period including \$248 million share of profit, which is then offset by dividends received totalling \$299 million. Other intangibles increased by \$274 million mainly due to drilling within Block 2914A and Block 1/14. Cash at bank increased to \$877 million (31 December 2024: \$504 million) due to proceeds from the bond issue partially offset by payments for the capital expenditure.

Total liabilities include \$4,489 million of lease liabilities (31 December 2024: \$2,146 million) that increased mainly due to the addition of Agogo FPSO for the Agogo IWH Development Project. Loans and borrowings amounted to \$3,579 million (31 December 2024: \$2,529 million), which includes \$2,305 million relates to the Pre-Export Facility (PXF) loan arrangement, \$1,200 million relates to the senior unsecured notes issued in 2025 and \$100 million to the Revolving Credit Facility (RCF) facility which has been subsequently repaid on the 28th of November, partially offset by prepaid issuance costs.

Provisions for liabilities and charges amounted \$3,436 million (31 December 2024: \$3,067 million) and increased mainly due to additional decommissioning costs of \$285 million and unwinding of discount of \$93 million. \$316 million (31 December 2024: \$279 million) has been recorded as deferred income to recognise the partner share of \$500 million pre-paid by Azule for the FPSO which will be released to the income statement on a straight-line basis over the lease term.

Consolidated Statement of Cash Flows

Net cash inflow generated from operating activities of \$1,964 million (9-months 2024: \$2,371 million) for the period ended 30 September 2025 decreased mainly due to a reduction in average realised price for crude oil sales, lower cargoes sold partially offset by lower corporation taxes paid.

Net cash used in investing activities for the period was \$1,254 million (9-months 2024: \$837 million) which was primarily outflows of \$1,433 million (9-months 2024: \$1,001 million) relating to the purchase of property, plant, and equipment and other intangible assets and \$127 million (9-months 2024: \$64 million) for contributions to the decommissioning escrow asset. These outflows are offset by \$299 million of dividends from associates (9-months 2024: \$248 million).

Net cash used in financing activities for the period ended 30 September 2025 was \$337 million (9-months 2024: \$1,305 million) which includes outflows relating to the payment of \$724 million (9-months 2024: \$630 million) for lease liability obligations, \$655 million (9-months 2024: \$675 million) for dividends to the shareholders and repayment of loans and borrowings of \$245 million (9-months 2024: \$35 million). This is offset by financing inflows relating to the issue of \$1,200 million senior unsecured notes and \$100 million of proceeds from the partial drawdown of the RCF.