State Oil Company of Azerbaijan Republic

Consolidated financial statements prepared under International Financial Reporting Standards

31 December 2024

Consolidated statement of financial position

As at 31 December 2024

(Amounts presented are in millions of Azerbaijani manats)

	31 December 2024	31 December 2023
Assets		
Current assets		
Cash and cash equivalents	10,271	8,041
Restricted cash	185	101
Deposits	2,840	605
Trade and other receivables	8,364	8,851
Inventories	4,019	2,469
Assets held for sale	936	439
Other current financial assets	1,824	2,229
Other current assets	12	198
Total current assets	**28,451**	**22,933**
Non–current assets		
Property, plant and equipment ("PPE")	55,466	28,210
Goodwill	268	409
Intangible assets other than goodwill	813	1,049
Investments in joint ventures	563	7,674
Investments in associates	2,279	4,876
Right–of–use assets	926	787
Deferred tax assets	4,265	1,160
Other non–current financial assets	1,237	4,305
Other non–current assets	433	563
Total non–current assets	**66,250**	**49,033**
Total assets	**94,701**	**71,966**
Equity		
Charter capital	5,014	5,014
Additional paid–in capital	5,451	5,612
Retained earnings	18,131	16,187
Other capital reserves	(131)	(128)
Loss on purchase of subsidiary share, net	(205)	(205)
Cumulative translation differences	5,464	6,599
Equity attributable to equity holders of the Group	**33,724**	**33,079**
Non–controlling interests ("NCI")	14,933	1,769
Total equity	**48,657**	**34,848**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position (continued)

	Note	31 December 2024	31 December 2023
Liabilities			
Current liabilities			
Trade and other payables	20	10,392	10,505
Short-term and current portion of long-term borrowings	21	7,141	5,707
Other taxes payable	22	1,052	745
Contract liabilities	20	397	641
Corporate income tax payable	22	307	406
Deferred acquisition consideration payable	26	65	276
Current lease liabilities	27	360	215
Other provisions for liabilities and charges		23	14
Liabilities directly associated with the assets held for sale	13	630	50
Other current financial liabilities	25	1,482	1,012
Total current liabilities		**21,849**	**19,571**
Non-current liabilities			
Long-term borrowings	21	16,519	12,127
Deferred tax liabilities	34	2,724	2,080
Asset retirement obligations	23	2,208	1,210
Non-current lease liabilities	27	927	860
Deferred acquisition consideration payable	26	-	170
Other provisions for liabilities and charges		8	3
Deferred income	24	943	119
Other non-current liabilities	25	866	978
Total non-current liabilities		**24,195**	**17,547**
Total liabilities		**46,044**	**37,118**
Total liabilities and equity		**94,701**	**71,966**

Approved for issue and signed on behalf of the Group on 24 June 2025.

AZƏRBAYCAN RESPUBLİKASININ DÖVLƏT NEFT ŞİRKƏTİ
SOCAR

Mr. Rovshan Najaf
President

Mr. Zaur Gurbanov
Vice-President

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

(Amounts presented are in millions of Azerbaijani manats)

	2024	2023
Revenue	84,689	85,201
Cost of sales	(77,296)	(76,639)
Gross profit	**7,393**	**8,562**
Distribution expenses	(2,045)	(2,206)
General and administrative expenses	(2,252)	(1,939)
Gain on disposals of property, plant and equipment	15	20
Social expenses	(351)	(300)
Exploration and evaluation expenses	(17)	(17)
Expected credit loss ("ECL") reversal/(charge)	46	(203)
Financial services – Interest revenue calculated using effective interest method	18	–
Financial services – Finance costs	(2)	–
Other operating expenses	(1,869)	(2,561)
Other operating income	1,970	843
Operating profit	**2,906**	**2,199**
Interest revenue calculated using effective interest method	852	664
Finance costs	(2,074)	(1,833)
Foreign exchange losses, net	(366)	(722)
Gain on net monetary position	1,114	1,003
Share of result of joint ventures	540	756
Share of result of associates	867	612
Profit before income tax	**3,839**	**2,679**
Income tax expenses	(912)	(606)
Profit for the year	**2,927**	**2,073**
Other comprehensive income/(loss)		
Exchange differences on translation of foreign operations, net	634	218
Recycling of cumulative translation differences due to step-acquisition of associate and joint venture in 2024 and on sale of interest in PSA and associate in 2023	(1,473)	(204)
Net loss on cash flow hedges	(84)	(49)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax)	**(923)**	**(35)**
Gain/(loss) on investments at FVOCI	21	(37)
Remeasurement gain/(loss) on defined benefit plans	23	(31)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (net of tax)	**44**	**(68)**
Total comprehensive income for the period	**2,048**	**1,970**
Profit/(loss) is attributable to:		
Equity holders of the Group	2,984	2,104
Non-controlling interests	(57)	(31)
	2,927	**2,073**
Total comprehensive income attributable to:		
Equity holders of the Group	1,846	1,951
Non-controlling interests	202	19
	2,048	**1,970**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2024

(Amounts presented are in millions of Azerbaijani manats)

	Attributable to the equity holders of the Group								
	Charter capital	Additional paid–in capital	Loss on purchase of subsidiary share, net	Other capital reserves	Retained earnings	Cumulative translation differences	Total	Non–control-ling interests	Total equity
Balance at 1 January 2023	4,760	5,546	(205)	(40)	15,086	6,998	32,145	1,190	33,335
Profit/(loss) for the year	–	–	–	–	2,104	–	2,104	(31)	2,073
Recycling of cumulative translation due to sale of interest in associate and PSA	–	–	–	–	–	(204)	(204)	–	(204)
Other comprehensive (loss)/income	–	–	–	(88)	–	139	51	50	101
Total comprehensive (loss)/income for 2023	–	–	–	(88)	2,104	(65)	1,951	19	1,970
Additional paid–in capital	–	320	–	–	–	–	320	–	320
Increase in charter capital	254	(254)	–	–	–	–	–	–	–
Distribution to the Government	–	–	–	–	(770)	–	(770)	–	(770)
Transactions with NCI	–	–	–	–	(233)	(334)	(567)	567	–
Dividends declared by subsidiaries	–	–	–	–	–	–	–	(7)	(7)
Balance at 31 December 2023	5,014	5,612	(205)	(128)	16,187	6,599	33,079	1,769	34,848
Profit/(loss) for the year	–	–	–	–	2,984	–	2,984	(57)	2,927
Other comprehensive (loss)/income	–	–	–	(3)	–	338	335	259	594
Recycling of cumulative translation due to step–acquisition of associate and joint venture	–	–	–	–	–	(1,473)	(1,473)	–	(1,473)
Total comprehensive (loss)/income for 2024	–	–	–	(3)	2,984	(1,135)	1,846	202	2,048
Additional paid–in capital	–	508	–	–	–	–	508	–	508
Acquisition of subsidiary under common control	–	(669)	–	–	–	–	(669)	12,995	12,326
Distribution to the Government	–	–	–	–	(624)	–	(624)	–	(624)
Transactions with NCI	–	–	–	–	16	–	16	(16)	–
Dividends declared to the Government	–	–	–	–	(432)	–	(432)	–	(432)
Dividends declared by subsidiaries	–	–	–	–	–	–	–	(17)	(17)
Balance at 31 December 2024	5,014	5,451	(205)	(131)	18,131	5,464	33,724	14,933	48,657

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2024

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

	2024	2023
Cash flows from operating activities		
Profit before income tax	**3,839**	**2,679**
Adjustments for:		
Depreciation of property, plant and equipment	2,363	2,105
Depreciation of right-of-use assets	174	175
Amortisation of intangible assets	101	99
Impairment of property, plant and equipment	837	1,936
Impairment loss recognised on the remeasurement to fair value less costs to sell	–	192
Reversal of impairment in joint ventures	–	(41)
Reversal of impairment of property, plant and equipment	(131)	(31)
Impairment of right-of-use assets	20	94
Impairment of goodwill	164	–
Impairment of intangible assets	232	–
ECL (reversal)/charge	(46)	203
Gain on disposals of property, plant and equipment and intangible assets	(15)	(20)
Interest revenue calculated using effective interest method	(852)	(664)
Recycling of cumulative translation due to step-acquisition of associate and joint venture	(1,473)	–
Gain on sale of interest in PSA and associate, net	–	(207)
Finance costs	2,074	1,833
Gain on net monetary position	(1,114)	(1,003)
Foreign exchange rate differences, net	687	1,583
Share of result of associates and joint ventures	(1,407)	(1,368)
Fair value loss/(gain) on equity instrument at FVPL, net	56	(241)
Fair value loss from financial instruments, net	–	9
Other non-cash transactions	12	(72)
	5,521	7,261
Changes in assets and liabilities		
Decrease/(Increase) in trade and other receivables	3,161	(460)
Increase in inventories	(153)	(212)
Decrease in trade and other payables	(2,217)	(358)
Change in provisions	(12)	(71)
Decrease in restricted cash	7	204
Change in other assets and liabilities, net (including unrealised gains/losses on derivatives)	(737)	285
Cash generated from operations	**5,570**	**6,649**
Income taxes paid	(1,116)	(1,270)
Interest paid	(1,914)	(1,649)
Net cash flows from operating activities	**2,540**	**3,730**
Cash flows from investing activities		
Additional contribution in associates and joint ventures	(38)	(587)
Acquisition of additional participation interest in joint arrangements	(1,615)	–
Purchase of property, plant and equipment	(2,305)	(2,319)
Purchase of intangible assets	(67)	(73)
Additions to assets classified as assets held for sale	–	(47)
Placement of deposits	(253)	(95)
Withdrawal of deposits	148	418
Interest received	760	533
Dividends received from associates and joint ventures	41	26
Proceeds from sale of property, plant and equipment	25	7
Advances paid for acquisition of additional interest in PSA	–	(116)
Proceeds from disposal of assets held for sale	260	–
Cash acquired through business combination	2,551	–
Proceeds from disposal of associates and joint ventures	–	4
Loan issued to related parties	(12)	(2,837)
Loans repaid by related parties	369	236
Net sales/(purchases) of financial instruments	419	(1,306)
Net cash flows from/(used in) investing activities	**283**	**(6,156)**
Cash flows from financing activities		
Proceeds from borrowings	7,184	13,511
Repayment of borrowings	(9,096)	(14,473)
Payment of lease liabilities	(92)	(100)
Increase in charter capital and additional paid-in capital	498	320
Distribution to the Government	(624)	(770)
Loans received from related parties	2,226	–
Settlement of deferred consideration payable	(65)	–
Dividends paid to non-controlling interests	(17)	(7)
Dividends paid to the Government	(432)	–
Net cash flows used in financing activities	**(418)**	**(1,519)**
Net foreign exchange difference on cash and cash equivalents	(173)	(534)
ECL (charge)/reversal for cash and cash equivalents	(2)	30
Net increase/(decrease) in cash and cash equivalents	**2,230**	**(4,449)**
Cash and cash equivalents at the beginning of the year	8,041	12,490
Cash and cash equivalents at the end of the year	**10,271**	**8,041**

The accompanying notes are an integral part of these consolidated financial statements.

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Segment information

Operating segment are a component of an entity that engages in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by management of the Group and for which discrete financial information is available.

During the second half of the year ended 31 December 2024, the Group revised its operating segments to better align with its internal management structure and to enhance the relevance of segment information provided to users of the consolidated financial statements. As a result of this change, the comparative segment information for the years ended 31 December 2023 has been restated to reflect the new segment structure.

The changes in the segment structure were made to provide more relevant information to users and reflect how the Group's management evaluates performance and allocates resources. The restatement of prior period information allows for a more meaningful comparison of segment performance over time.

According to revised segment structure, the Group has five reportable segments:

- Development and Production Operations;
- Integrated Gas;
- Refining & Petrochemicals;
- Sales & Trading;
- Services.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units and subsidiaries separately for the purpose of making decisions about resource allocation and performance assessment.

Management evaluates performance of each segment based on profit after tax.

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Segment information (continued)

Information about reportable segment profit or loss, assets and liabilities

Profit or loss information for the reportable segments for the year ended 31 December 2024 is set out below:

	Development and Production Operations	Refining & Petrochemicals	Services	Sales & Trading	Integrated Gas	Other (*)	Eliminations(**)	Total
2024								
Revenues								
External customers	3,798	14,818	735	59,701	5,294	343	–	**84,689**
Inter-segment	4,865	3,148	626	2,067	1,225	762	(12,693)	–
Total revenue	**8,663**	**17,966**	**1,361**	**61,768**	**6,519**	**1,105**	**(12,693)**	**84,689**
Raw materials and consumables used	(2,819)	(15,035)	(183)	(60,419)	(4,754)	(103)	10,961	**(72,352)**
Wages, salaries and social security costs	(460)	(858)	(451)	(228)	(421)	(500)	207	**(2,711)**
Depreciation of property, plant and equipment	(1,344)	(683)	(86)	(16)	(214)	(62)	42	**(2,363)**
Transportation and vehicle maintenance	(313)	(116)	(93)	(459)	(600)	(224)	281	**(1,524)**
ECL (charge)/reversal	–	–	(19)	(77)	120	22	–	**46**
Impairment of property, plant and equipment	(60)	(506)	(8)	–	(263)	–	–	**(837)**
Impairment of right-of-use asset	–	(20)	–	–	–	–	–	**(20)**
Impairment of intangible assets	(43)	(189)	–					**(232)**
Impairment of goodwill	–	(164)	–	–	–	–	–	**(164)**
Mining tax	(210)	–	–	–	–	–	–	**(210)**
Depreciation of right-of-use assets	(52)	(42)	(61)	(5)	(8)	(6)	–	**(174)**
Taxes other than on income	(83)	(139)	(9)	–	(21)	(36)	–	**(288)**
Amortization expense	(9)	(28)	(2)	–	(27)	(35)	–	**(101)**
Repairs and maintenance expenses	(439)	(172)	(62)	–	(83)	(50)	196	**(610)**
Fair value loss on equity instrument at FVPL	–	–	–	–	(75)	–	–	**(75)**
Utilities expense	(17)	(561)	(4)	–	(3)	(9)	–	**(594)**
Change in other provisions for liabilities and charges	(2)	(2)	(1)	–	–	(7)	–	**(12)**
Gain on disposal of property, plant and equipment and intangible assets	–	–	–	–	–	15	–	**15**
Social expenses	(25)	(23)	(11)	(83)	(10)	(212)	13	**(351)**
Other operating income	186	1,218	42	7	469	309	(261)	**1,970**
Financial services – Interest revenue calculated using effective interest method	–	–	–	–	–	18	–	**18**
Financial services – Finance costs	–	–	–	–	–	(10)	8	**(2)**
Interest revenue calculated using effective interest method	22	201	9	175	82	1,932	(1,569)	**852**
Finance cost	(378)	(595)	(20)	(142)	(51)	(1,382)	494	**(2,074)**
Foreign exchange losses, net	–	(129)	–	(40)	(9)	(188)	–	**(366)**
Share of results of joint ventures	–	512	9	19	–	–	–	**540**
Share of results of associates	169	–	–	–	763	247	(312)	**867**
Other	(599)	(661)	(183)	(217)	(343)	(465)	1,256	**(1,212)**
Gain on net monetary position	–	821	–	–	(78)	371	–	**1,114**
Income tax (expenses)/benefit	(575)	55	(27)	(166)	(145)	(54)	–	**(912)**
Net profit for the year	**1,612**	**850**	**201**	**117**	**848**	**676**	**(1,377)**	**2,927**

(*) These figures include unallocated revenues and expenses related to corporate functions that are managed at the group level, as well as the non-primary activities of the Group which do not aggregate to any of the aforementioned segments.

(**) Amounts shown as eliminations include inter-segment transactions.

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Segment information (continued)

Information about reportable segment profit or loss, assets and liabilities (continued)

Profit or loss information for the restated reportable segments for the year ended 31 December 2023 is set out below:

	Develop–ment and Production Operations	Refining & Petroche–micals	Services	Sales & Trading	Integrated Gas	Other (*)	Elimina–tions(**)	Total
2023 (Restated)								
Revenues								
External customers	4,107	13,707	678	61,381	5,065	263	–	**85,201**
Inter–segment	4,877	2,565	638	718	1,549	727	(11,074)	–
Total revenue	**8,984**	**16,272**	**1,316**	**62,099**	**6,614**	**990**	**(11,074)**	**85,201**
Raw materials and consumables used	(2,001)	(14,120)	(195)	(60,763)	(4,360)	(287)	9,881	**(71,845)**
Wages, salaries and social security costs	(427)	(757)	(446)	(257)	(341)	(400)	184	**(2,444)**
Depreciation of property, plant and equipment	(1,174)	(642)	(85)	(18)	(152)	(65)	31	**(2,105)**
Transportation and vehicle maintenance	(439)	(49)	(90)	(630)	(671)	(55)	281	**(1,653)**
ECL reversal/(charge)	–	–	28	–	(193)	(38)	–	**(203)**
Impairment of property, plant and equipment	(24)	(823)	(146)	–	(877)	(66)	–	**(1,936)**
Impairment of right–of–use asset	–	(94)	–	–	–	–	–	**(94)**
Mining tax	(144)	–	–	–	–	–	–	**(144)**
Depreciation of right–of–use assets	(47)	(38)	(58)	(11)	(7)	(14)	–	**(175)**
Taxes other than on income	(121)	(45)	(12)	–	(16)	(14)	–	**(208)**
Amortization expense	(15)	(32)	–	–	(20)	(32)	–	**(99)**
Repairs and maintenance expenses	(499)	(107)	(114)	–	(72)	(62)	262	**(592)**
Utilities expense	(16)	(522)	–	–	(4)	(8)	–	**(550)**
Change in other provisions for liabilities and charges	(3)	4	–	–	–	(11)	–	**(10)**
Impairment loss recognised on the remeasurement to fair value less costs to sell	(192)	–	–	–	–	–	–	**(192)**
Gain on disposal of property, plant and equipment and intangible asset	–	16	–	11	–	40	(47)	**20**
Social expenses	(26)	(13)	(12)	(73)	(10)	(166)	–	**(300)**
Other operating income	176	124	42	–	177	361	(37)	**843**
Interest revenue calculated using effective interest method	1	210	8	213	52	4,630	(4,450)	**664**
Finance cost	(341)	(629)	(17)	(179)	(51)	(1,061)	445	**(1,833)**
Foreign exchange gains/(losses), net	2	(174)	–	(13)	102	(639)	–	**(722)**
Share of result of joint ventures	9	711	29	7	–	–	–	**756**
Share of result of associates	336	–	–	–	603	(327)	–	**612**
Other	(483)	(287)	(232)	(101)	(500)	(286)	574	**(1,315)**
Gain on net monetary position	–	567	–	–	(71)	507	–	**1,003**
Income tax (expenses)/benefit	(621)	(66)	(41)	85	85	(48)	–	**(606)**
Net profit/(loss) for the year	**2,935**	**(494)**	**(25)**	**370**	**288**	**2,949**	**(3,950)**	**2,073**

(*) These figures include unallocated revenues and expenses related to corporate functions that are managed at the group level, as well as the non–primary activities of the Group which do not aggregate to any of the aforementioned segments.

(**) Amounts shown as eliminations include inter–segment transactions.

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Segment information (continued)

Information about reportable segment profit or loss, assets and liabilities (continued)

Financial position information for the reportable segments for the year ended 31 December 2024 is set out below:

	Development and Production Operations	Refining & Petrochemicals	Services	Sales & Trading	Integrated Gas	Other (*)	Eliminations (**)	Total
Investments in associates	–	–	6	10	569	1,694	–	2,279
Investments in joint ventures	40	24	263	196	–	40	–	563
Other reportable segment assets	26,662	33,071	2,701	9,644	18,492	50,024	(48,735)	91,859
Total reportable segment assets	**26,702**	**33,095**	**2,970**	**9,850**	**19,061**	**51,758**	**(48,735)**	**94,701**
Total reportable segment liabilities	**(12,208)**	**(16,312)**	**(1,217)**	**(7,311)**	**(6,856)**	**(23,888)**	**21,748**	**(46,044)**
Capital expenditure (***)								
Additions – business units and subsidiaries	1,468	684	134	18	657	76	(25)	3,012
Additions – JV and associates	–	–	–	–	–	38	–	38
Acquisition of participating interest	1,873	–	–	–	–	–	–	1,873
Total capital expenditures	**3,341**	**684**	**134**	**18**	**657**	**114**	**(25)**	**4,923**

(*) These figures include the activities related to corporate functions that are managed at the group level, as well as the non-primary activities of the Group which do not aggregate to any of the aforementioned segments.

(**) Amounts shown as eliminations include inter-segment balance and transactions.

(***) Capital expenditure represents additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets.

Financial position information for the restated reportable segments for the year ended 31 December 2023 is set out below:

	Development and Production Operations	Refining & Petrochemicals	Services	Sales & Trading	Integrated Gas	Other (*)	Eliminations (**)	Total
Investments in associates	649	–	6	12	2,567	1,958	(316)	**4,876**
Investments in joint ventures	40	7,153	271	177	–	33	–	**7,674**
Other reportable segment assets	21,076	16,034	2,511	10,827	8,226	30,379	(29,637)	**59,416**
Total reportable segment assets	**21,765**	**23,187**	**2,788**	**11,016**	**10,793**	**32,370**	**(29,953)**	**71,966**
Total reportable segment liabilities	**(9,323)**	**(11,040)**	**(1,246)**	**(8,513)**	**(3,931)**	**(16,042)**	**12,977**	**(37,118)**
Capital expenditure (***)								
Additions – business units and subsidiaries	1,443	873	136	11	716	181	11	**3,371**
Additions – JV and associates	–	459	–	170	–	4	–	**633**
Total capital expenditures	**1,443**	**1,332**	**136**	**181**	**716**	**185**	**11**	**4,004**

(*) These figures include the activities related to corporate functions that are managed at the group level, as well as the non-primary activities of the Group which do not aggregate to any of the aforementioned segments.

(**) Amounts shown as eliminations include inter-segment balance and transactions.

(***) Capital expenditure represents additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets.

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Segment information (continued)

Geographical information

Revenues for each individual country are reported separately as follows:

	2024	2023
Switzerland	53,868	58,649
Türkiye	9,703	8,795
Azerbaijan	8,153	8,233
UAE	8,823	5,676
Georgia	1,556	1,559
Other	2,586	2,289
Total consolidated revenues	**84,689**	**85,201**

The analysis is based on the country of incorporation of the selling entity.

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ended 31 December 2024:

Segments	Develop-ment and Production Operations	Refining & Petroche-micals	Services	Sales & Trading	Integrated Gas	Other (*)	Total
Sale of crude oil, net	2,147	–	–	45,125	–	–	**47,272**
Sale of oil products, net	1,253	10,208	–	7,708	–	–	**19,169**
Sale of natural gas, net	398	43	–	5,611	3,676	12	**9,740**
Sale of petrochemicals	–	3,666	–	1,103	–	–	**4,769**
Rent income	–	–	335	–	–	28	**363**
Other revenue	–	901	400	154	1,618	303	**3,376**
Total	**3,798**	**14,818**	**735**	**59,701**	**5,294**	**343**	**84,689**
Switzerland	–	3,607	–	50,261	–	–	**53,868**
Türkiye	53	7,052	–	–	2,424	174	**9,703**
Azerbaijan	3,490	2,156	571	205	1,672	59	**8,153**
UAE	255	–	164	8,404	–	–	**8,823**
Georgia	–	347	–	–	1,151	58	**1,556**
Other	–	1,656	–	831	47	52	**2,586**
Total	**3,798**	**14,818**	**735**	**59,701**	**5,294**	**343**	**84,689**
Goods transferred at a point in time	3,780	14,624	–	59,305	4,754	90	**82,553**
Services transferred over time	18	194	735	396	540	253	**2,136**
Total revenue from contracts with customers	**3,798**	**14,818**	**735**	**59,701**	**5,294**	**343**	**84,689**
Revenue							
External customer	3,798	14,818	735	59,701	5,294	343	**84,689**
Inter-segment	4,865	3,148	626	2,067	1,225	762	**12,693**
Total	**8,663**	**17,966**	**1,361**	**61,768**	**6,519**	**1,105**	**97,382**
Adjustments and eliminations	(4,865)	(3,148)	(626)	(2,067)	(1,225)	(762)	**(12,693)**
Total revenue from contracts with customers	**3,798**	**14,818**	**735**	**59,701**	**5,294**	**343**	**84,689**

* *These figures include the activities related to corporate functions that are managed at the group level, as well as the non-primary activities of the Group which do not aggregate to any of the aforementioned segments.*

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Segment information (continued)

Set out below is the restated disaggregation of the Group's revenue from contracts with customers for the year ended 31 December 2023:

Segments	Develop–ment and Production Operations	Refining & Petroche–micals	Services	Sales & Trading	Integrated Gas	Other (*)	Total
Sale of crude oil, net	2,131	–	–	46,792	–	–	**48,923**
Sale of oil products, net	1,215	9,452	–	8,321	–	2	**18,990**
Sale of natural gas, net	742	6	–	4,538	4,295	–	**9,581**
Sale of petrochemicals	–	3,351	–	1,290	–	8	**4,649**
Rent income	–	–	325	–	–	16	**341**
Other revenue	19	898	353	440	770	237	**2,717**
Total	**4,107**	**13,707**	**678**	**61,381**	**5,065**	**263**	**85,201**
Switzerland	–	3,881	–	54,768	–	–	58,649
Türkiye	–	6,147	–	–	2,484	164	8,795
Azerbaijan	4,107	2,011	605	149	1,315	46	8,233
UAE	–	–	73	5,603	–	–	5,676
Georgia	–	296	–		1,222	41	1,559
Other	–	1,372	–	861	44	12	2,289
Total	**4,107**	**13,707**	**678**	**61,381**	**5,065**	**263**	**85,201**
Goods transferred at a point in time	4,100	13,707	5	60,976	4,713	73	**83,574**
Services transferred over time	7	–	673	405	352	190	**1,627**
Total revenue from contracts with customers	**4,107**	**13,707**	**678**	**61,381**	**5,065**	**263**	**85,201**
Revenue							
External customer	4,107	13,707	678	61,381	5,065	263	85,201
Inter–segment	4,877	2,565	638	718	1,549	727	11,074
Total	**8,984**	**16,272**	**1,316**	**62,099**	**6,614**	**990**	**96,275**
Eliminations	(4,877)	(2,565)	(638)	(718)	(1,549)	(727)	(11,074)
Total revenue from contracts with customers	**4,107**	**13,707**	**678**	**61,381**	**5,065**	**263**	**85,201**

(*) *These figures include the activities related to corporate functions that are managed at the group level, as well as the non–primary activities of the Group which do not aggregate to any of the aforementioned segments.*

Non–current assets other than financial instruments, deferred tax assets and post–employment benefit assets for each individual country is reported separately as follows:

	2024	2023
Azerbaijan	44,083	29,338
Türkiye	13,905	11,868
Switzerland	844	925
Georgia	870	885
UAE	654	187
Other	354	364
Total	**60,710**	**43,567**

The analysis is based on the location of assets.

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Balances and transactions with related parties

Significant balances and transactions with related parties

As at 31 December 2024 and 31 December 2023, the outstanding balances with related parties were as follows:

	31 December 2024		31 December 2023	
	Government and entities under government control	Associates, joint ventures	Government and entities under government control	Associates, joint ventures
Trade and other financial receivables	188	379	349	1,750
ECL reversal /(charge)	98	(12)	(181)	(22)
Total financial receivables	**286**	**367**	**168**	**1,728**
Cash and cash equivalents	2,003	–	1,400	–
Restricted cash	74	–	76	–
Obligatory reserve with the CBAR* (Restricted cash)	90	–	–	–
Deposits	22	–	18	–
Other current financial assets	60	11	–	17
Total current assets	**2,535**	**378**	**1,662**	**1,745**
Other non–current financial assets**	–	–	1,022	2,851
Other non–current non–financial assets	–	14	–	–
Total assets	**2,535**	**392**	**2,684**	**4,596**
Trade and other payables to SOFAZ***	1,584	–	1,680	–
Trade and other payables	240	312	287	905
Other current financial liabilities	45	–	–	–
Total financial payables	**1,869**	**312**	**1,967**	**905**
Deferred consideration payable to SGC	–	–	–	316
Lease liabilities	239	142	221	133
Contract liabilities	113	–	80	65
Other provisions for liabilities and charges, current	–	–	1	–
Other non–current liabilities	192	–	–	218
Total liabilities (excluding borrowings)	**2,413**	**454**	**2,269**	**1,637**

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Balances and transactions with related parties (continued)

Significant balances and transactions with related parties (continued)

As at 31 December 2024 and 31 December 2023, borrowings balances (including bonds payable) with related parties were as follows:

Lender name	Stated interest rate	Maturity date	31 December 2024	31 December 2023
SOFAZ	3.2% – 6.0%	1 September 2028 – 30 April 2032	2,943	3,494
Ministry of Finance of Azerbaijan Republic	0.10%	15 December 2029	262	254
International Bank of Azerbaijan	4.40% – 4.80%	30 June 2025 – 11 October 2026	252	338
Azerbaijan Caspian Shipping Company	4.0%	30 December 2027	163	–
Aqrarkredit CJSC	0.16%	4 January 2041	70	78
Azerbaijan Investment Company	4.0%	30 December 2027	63	159
Total borrowings			**3,753**	**4,323**

The Government, through its Ministry of Finance, acts as a guarantor for certain borrowings of the Group in total amount of AZN 440 (31 December 2023: AZN 761).

The transactions with related parties for the twelve months ended 31 December 2024 and 31 December 2023 were as follows:

	31 December 2024		31 December 2023	
	Government and entities under government control	Associates, joint ventures	Government and entities under government control	Associates, joint ventures
Sales of natural gas	400	751	423	1,283
Sales of oil products	525	381	526	349
Sales of crude oil	–	8,482	–	11,221
Services rendered	150	350	136	246
Interest income on loan receivables from related parties	117	255	14	202
Finance cost on loans from related parties*	(231)	(132)	(227)	(31)
Utilities costs	(86)	(3)	(91)	(3)
Other operating expenses	(36)	(24)	(55)	(45)
Social expenses	(118)	–	(78)	–
Distribution and transportation expenses	(184)	(505)	(106)	(825)
Ecology service and environmental security	–	(5)	–	(3)
Security expenses	(16)	–	(15)	–
Purchases of PPE and inventory	(10,623)	(7,776)	(10,547)	(9,073)
Dividends received from joint ventures	–	18	–	8
Dividends received from associates	–	23	–	18
Other operating income	15	–	14	237

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Balances and transactions with related parties (continued)

Terms and conditions of transactions with related parties

Main sales to and purchases from the Government and entities under government's control are made at prices regulated by Azerbaijani Government. Outstanding balances at the year–end are unsecured and settlement occurs in cash.

Cash and cash equivalents and short–term deposits

	2024	2023
USD denominated bank balances	6,391	5,347
AZN denominated bank balances	2,566	2,041
EUR denominated bank balances	400	210
TRY denominated bank balances	546	169
CHF denominated bank balances	110	123
Other currencies' denominated bank balances	230	142
Cash on hand	44	23
ECL	(16)	(14)
Total cash and cash equivalents	**10,271**	**8,041**

Trade and other receivables

	2024	2023
Trade receivables	6,876	7,824
Other receivables	303	149
Less: ECL	(972)	(1,108)
Total financial receivables	**6,207**	**6,865**
VAT recoverable	1,106	935
Prepayments	695	735
Taxes receivable	90	164
Underlift oil balance	150	80
Other	116	72
Total trade and other receivables	**8,364**	**8,851**

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Inventories

	2024	2023
Raw materials and spare parts	1,104	756
Finished goods	1,229	721
Goods in transit	720	540
Crude oil	515	272
Work in progress	369	111
Other	82	69
Total inventories	**4,019**	**2,469**

Trade and other payables and contract liabilities

	2024	2023
Trade payables	5,944	5,804
Accrued liabilities	2,794	3,263
Other payables	1,309	1,027
Total financial payables	**10,047**	**10,094**
Payable to employees	345	411
Total trade and other payables	**10,392**	**10,505**

Borrowings

At 31 December 2024, short-term borrowings and current portion of long-term borrowings of the Group were represented by the following facilities:

Facilities	Interest rate	Maturity	Total borrowed in original currency	Balance as at 31 December 2024
Short-term facilities in USD	3.00% – 9.88%	January 2025 – December 2025	2,091	4,136
Short-term facilities in TRY	42.50% – 54.12%	January 2025 – June 2025	5,799	326
Short-term facilities in GEL	11.50% – 14.00%	January 2025 – December 2025	415	230
Short-term facilities in EUR	2.70% – 6.09%	January 2025 – March 2025	25	15
Short-term facilities in other currencies	7.00% – 17.00%	January 2025 – December 2025		69
Current portion of long-term facilities				2,365
Total short-term borrowings and current portion of long-term borrowings				**7,141**

At 31 December 2024, long-term borrowings of the Group were represented by the following facilities:

Facilities	Interest rate	Maturity	Total borrowed in original currency	Balance as at 31 December 2024
Long-term facilities in USD	0.10% – 11.42%	March 2026 – December 2046	12,322	15,468
Long-term facilities in EUR	2.25% – 6.09%	August 2026 – December 2027	916	911
Long-term facilities in AZN	0.16%	January 2041	144	63
Long-term facilities in other currencies	1.5%	April 2039		77
Total long-term borrowings				**16,519**

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Borrowings (continued)

Facilities	Interest rate	Maturity	Total borrowed in original currency	Balance as at 31 December 2023
Short-term facilities in USD	1.00% – 12.00%	January 2024 – December 2024	3,599	2,839
Short-term facilities in TRY	11.90% – 37.00%	January 2024 – June 2024	7,089	427
Short-term facilities in GEL	8.25% – 16.25%	January 2024 – November 2024	356	207
Short-term facilities in EUR	1.64% – 8.50%	January 2024 – March 2024	39	114
Short-term facilities in other currencies	4.00% – 23.00%	March 2024 – August 2024		86
Current portion of long-term facilities				2,034
Total short-term borrowings and current portion of long-term borrowings				**5,707**

At 31 December 2023, long-term borrowings of the Group were represented by the following facilities:

Facilities	Interest rate	Maturity	Total borrowed in original currency	Balance as at 31 December 2023
Long-term facilities in USD	0.10% – 12.27%	January 2025 – October 2031	8,560	10,905
Long-term facilities in EUR	2.25% – 3.58%	August 2026 – May 2027	916	1,068
Long-term facilities in AZN	0.16%	January 2041	144	64
Long-term facilities in other currencies	1.5%	April 2039		90
Total long-term borrowings				**12,127**

Taxes payable

	2024	2023
Corporate Income tax payable	307	406
Total corporate income tax payable	**307**	**406**
Accrued VAT	490	500
Social security contributions	24	18
Other taxes payable	538	227
Total other taxes payable	**1,052**	**745**
Total taxes payable	**1,359**	**1,151**

Analysis of revenue by categories

	2024	2023
Crude oil, net	47,272	48,923
Oil products, net	19,169	18,990
Natural gas, net	9,740	9,581
Petrochemicals	4,769	4,649
Rent income	363	341
Other revenue	3,376	2,717
Total revenue	**84,689**	**85,201**

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Analysis of expenses by nature

The table below summarises expenses by nature of the Group:

	2024	2023
Raw materials and consumables used	72,352	71,845
Wages, salaries and social security costs	2,711	2,444
Depreciation of property, plant and equipment	2,363	2,105
Transportation and vehicle maintenance	1,524	1,653
Impairment of property, plant and equipment	837	1,936
Repairs and maintenance expenses	610	592
Utilities expense	594	550
Taxes other than on income	288	208
Impairment of intangible assets	232	–
Mining tax	210	144
ECL (reversal)/charge	(46)	203
Depreciation of right–of–use assets	174	175
Impairment of goodwill	164	–
Amortization expense	101	99
Fair value loss on equity instrument at FVPL	75	–
Impairment of right–of–use asset	20	94
Change in other provisions for liabilities and charges	12	10
Impairment loss recognised on the remeasurement to fair value less costs to sell	–	192
Other	1,212	1,315
Total cost of sales, exploration and evaluation, distribution, general and administrative, ECL reversal/(charge) and other operating expenses	**83,433**	**83,565**

"Other" line mainly includes expenses related to fixed overheads, short–term and low–value rent, insurance, consulting, audit, review, other assurance, non–assurance, success fees related to new business development, sales and marketing, communication, and IT services, etc.

Fees charged to the Group for the provision of services by EY network firms during the year covered by the consolidated financial statements are AZN 15 for audit, review and other assurance services and AZN 6 for non–assurance services (2023: AZN 12 and AZN 8, respectively). The Audit Committee of the Group has established pre–approval procedures for the engagement of EY to render non–assurance services.

Interest revenue calculated using effective interest method

	2024	2023
Interest income on loan receivables from related parties	372	216
Interest income on time deposits and bank accounts	318	238
Interest income on investment securities	70	79
Other	92	131
Total interest revenue calculated using effective interest method	**852**	**664**

(Amounts presented are in millions of Azerbaijani manats, unless otherwise stated)

Finance costs

	2024	2023
Interest expenses	1,894	1,653
Provisions for asset retirement obligations: unwinding of the present value discount	91	104
Lease liability: unwinding of the present value discount	67	59
Obligation for disability payments: unwinding of the present value discount	12	11
Interest expenses for employee benefits	10	4
Environmental provision: unwinding of the present value discount	–	2
Total finance costs	**2,074**	**1,833**