State Oil Company of Azerbaijan Republic

Consolidated financial statements prepared under
International Financial Reporting Standards

31 December 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

in millions of Azerbaijani manats	**31 December 2025**	31 December 2024
Assets		
Current assets		
Cash and cash equivalents	**8,719**	10,271
Restricted cash	**323**	185
Deposits	**6,261**	2,840
Trade and other receivables	**8,000**	8,364
Inventories	**4,028**	4,019
Other current financial assets	**2,813**	1,824
Other current assets	**–**	12
	30,144	27,515
Assets held for sale	**419**	936
Total current assets	**30,563**	28,451
Non–current assets		
Property, plant and equipment (“PPE”)	**53,531**	55,466
Goodwill	**297**	268
Intangible assets other than goodwill	**780**	813
Investments in joint ventures	**1,555**	563
Investments in associates	**2,444**	2,279
Right–of–use assets	**923**	926
Other non–current financial assets	**2,099**	1,237
Other non–current assets	**407**	433
Deferred tax assets	**4,253**	4,265
Total non–current assets	**66,289**	66,250
Total assets	**96,852**	94,701
Equity		
Charter capital	**5,282**	5,014
Additional paid–in capital	**5,644**	5,451
Retained earnings	**17,922**	18,131
Other capital reserves	**(181)**	(131)
Loss on purchase of subsidiary share, net	**(230)**	(205)
Foreign currency translation reserve	**5,660**	5,464
Equity attributable to equity holders of the Group	**34,097**	33,724
Non–controlling interests (“NCI”)	**15,830**	14,933
Total equity	**49,927**	48,657

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

in millions of Azerbaijani manats	Note	31 December 2025	31 December 2024
Liabilities			
Current liabilities			
Trade and other payables	20	**8,619**	10,392
Short–term and current portion of long–term borrowings	21	**15,103**	7,141
Other taxes payable	22	**1,412**	1,052
Contract liabilities	20	**486**	397
Corporate income tax payable	22	**536**	307
Deferred acquisition consideration payable	26	**65**	65
Current lease liabilities	27	**244**	360
Other provisions for liabilities and charges		**15**	23
Other current financial liabilities	25	**1,432**	1,482
		27,912	21,219
Liabilities directly associated with the assets held for sale	13	**268**	630
Total current liabilities		**28,180**	21,849
Non–current liabilities			
Long–term borrowings	21	**10,027**	16,519
Asset retirement obligations	23	**2,698**	2,208
Non–current lease liabilities	27	**995**	927
Contract liabilities	20	**1,153**	27
Other provisions for liabilities and charges		**2**	8
Deferred income	24	**814**	943
Other non–current liabilities	25	**740**	839
Deferred tax liabilities	34	**2,316**	2,724
Total non–current liabilities		**18,745**	24,195
Total liabilities		**46,925**	46,044
Total liabilities and equity		**96,852**	94,701

Approved for issue and signed on behalf of the Group on 24 June 2026.

Mr. Rovshan Najaf President

Mr. Zaur Gurbanov Vice–President

AZƏRBAYCAN RESPUBLİKASININ DÖVLƏT NEFT ŞİRKƏTİ * SOCAR

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 2025

in millions of Azerbaijani manats	**2025**	2024
Revenue	**86,309**	84,689
Cost of sales	**(73,702)**	(77,296)
Gross profit	**12,607**	7,393
Distribution expenses	**(2,508)**	(2,045)
General and administrative expenses	**(3,289)**	(2,252)
Gain on disposals of property, plant and equipment and intangible assets, net	**12**	15
Social expenses	**(412)**	(351)
Exploration and evaluation expenses	**(28)**	(17)
Expected credit loss ("ECL") (charge)/reversal, net	**(19)**	46
Financial services – Interest revenue calculated using effective interest method	**114**	18
Financial services − Finance costs	**(48)**	(2)
Other operating expenses	**(2,457)**	(1,869)
Other operating income	**1,262**	1,970
Operating profit	**5,234**	2,906
Interest revenue calculated using effective interest method	**843**	852
Finance costs	**(2,682)**	(2,074)
Foreign exchange losses, net	**(393)**	(366)
Gain on net monetary position	**456**	1,114
Share of profit of joint ventures	**107**	540
Share of profit of associates	**144**	867
Profit before income tax	**3,709**	3,839
Income tax expenses	**(760)**	(912)
Profit for the year	**2,949**	2,927
Other comprehensive income/(loss)		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations, net	**330**	634
Recycling of cumulative translation gain due to sale of subsidiaries	**(50)**	(1,473)
Net loss on cash flow hedges	**(106)**	(84)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods (net of tax)	**174**	(923)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Net (loss)/gain on equity instruments at fair value through other comprehensive income (FVOCI)	**(18)**	21
Remeasurement gain on defined benefit plans	**19**	23
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)	**1**	44
Other comprehensive income/(loss) for the period, net of tax	**175**	(879)
Total comprehensive income for the period	**3,124**	2,048
Profit/(loss) is attributable to:		
Equity holders of the Group	**1,100**	2,984
Non−controlling interests	**1,849**	(57)
	2,949	2,927
Total comprehensive income attributable to:		
Equity holders of the Group	**1,246**	1,846
Non−controlling interests	**1,878**	202
	3,124	2,048

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to the equity holders of the Group								
in millions of Azerbaijani manats	**Charter capital**	**Additional paid−in capital**	**Loss on purchase of subsidiary share, net**	**Other capital reserves**	**Retained earnings**	**Foreign currency translation reserve**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2024	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 for 2024	−	−	−	(3)	−	(1,135)	(1,138)	259	(879)
Total comprehensive (loss)/income for 2024	−	−	−	(3)	2,984	(1,135)	1,846	202	2,048
Additional paid−in capital	−	508	−	−	−	−	508	−	508
Distribution to the Government	−		−	−	(624)	−	(624)	−	(624)
Dividends declared to the Government and NCI	−	−	−	−	(432)	−	(432)	(17)	(449)
Transactions with NCI	−	−	−	−	16	−	16	(16)	−
Acquisition of subsidiary under common control	−	(669)	−	−	−	−	(669)	12,995	12,326
Balance at 31 December 2024	**5,014**	**5,451**	**(205)**	**(131)**	**18,131**	**5,464**	**33,724**	**14,933**	**48,657**
Profit for the year	**−**	**−**	**−**	**−**	**1,100**	**−**	**1,100**	**1,849**	**2,949**
Other comprehensive (loss)/income for 2025	**−**	**−**	**−**	**(50)**	**−**	**196**	**146**	**29**	**175**
Total comprehensive (loss)/income for 2025	**−**	**−**	**−**	**(50)**	**1,100**	**196**	**1,246**	**1,878**	**3,124**
Additional paid−in capital	**−**	**461**	**−**	**−**	**−**	**−**	**461**	**−**	**461**
Increase in charter capital	**268**	**(268)**	**−**	**−**	**−**	**−**	**−**	**−**	**−**
Distribution to the Government	**−**	**−**	**−**	**−**	**(823)**	**−**	**(823)**	**−**	**(823)**
Transactions with NCI	**−**	**−**	**(25)**	**−**	**−**	**−**	**(25)**	**13**	**(12)**
Effect of sales of subsidiaries	**−**	**−**	**−**	**−**	**−**	**−**	**−**	**(65)**	**(65)**
Dividends declared to the Government and NCI	**−**	**−**	**−**	**−**	**(486)**	**−**	**(486)**	**(929)**	**(1,415)**
Balance at 31 December 2025	**5,282**	**5,644**	**(230)**	**(181)**	**17,922**	**5,660**	**34,097**	**15,830**	**49,927**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

in millions of Azerbaijani manats	**2025**	2024
Cash flows from operating activities		
Profit before income tax	**3,709**	3,839
Adjustments for:		
Depreciation of property, plant and equipment	**4,015**	2,363
Depreciation of right−of−use assets	**200**	174
Amortisation of intangible assets	**99**	101
Impairment of property, plant and equipment	**1,259**	837
Reversal of impairment of property, plant and equipment	**(447)**	(131)
Impairment of right−of−use assets	**–**	20
Impairment of goodwill	**–**	164
Impairment of non-current assets	**96**	–
Impairment of intangible assets	**213**	232
ECL charge/(reversal), net	**19**	(46)
Financial Services – Interest revenue calculated using effective interest method	**(114)**	–
Financial Services – Finance costs	**48**	–
Gain on disposals of property, plant and equipment and intangible assets, net	**(12)**	(15)
Interest revenue calculated using effective interest method	**(843)**	(852)
Recycling of cumulative translation due to step-acquisition of associate and joint venture	**–**	(1,473)
Net gain on AHFS	**(213)**	–
Finance costs	**2,682**	2,074
Gain on net monetary position	**(456)**	(1,114)
Foreign exchange rate differences, net	**293**	687
Share of profit of associates and joint ventures	**(251)**	(1,407)
Fair value (gain)/loss on equity instrument at FVPL, net	**(60)**	56
Other non−cash transactions	**45**	12
	10,282	5,521
Changes in operating assets and liabilities		
Decrease in trade and other receivables	**340**	3,161
Increase in inventories	**(19)**	(153)
Decrease in trade and other payables	**(1,960)**	(2,217)
Change in provisions	**35**	(12)
(Increase)/decrease in restricted cash	**(138)**	7
Change in other assets and liabilities, net (including gains/losses on derivatives)	**531**	(737)
Cash generated from operations	**9,071**	5,570
Income taxes paid	**(997)**	(1,116)
Interest paid	**(2,080)**	(1,914)
Net cash flows from operating activities	**5,994**	2,540

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

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

in millions of Azerbaijani manats	**2025**	2024
Cash flows from investing activities		
Acquisition of interests in a joint venture and associate	**(684)**	(38)
Acquisition of group of assets	**(64)**	–
Acquisition of additional participation interest in joint arrangements	**–**	(1,615)
Purchase of property, plant and equipment	**(2,729)**	(2,305)
Purchase of intangible assets	**(108)**	(67)
Placement of deposits	**(13,842)**	(253)
Withdrawal of deposits	**10,221**	148
Interest received	**786**	760
Advances paid for acquisition of additional interest in PSA	**(59)**	–
Dividends received from associates and joint ventures	**152**	41
Proceeds from sale of property, plant and equipment	**6**	25
Proceeds from disposal of assets held for sale, net of cash and cash equivalents disposed of	**485**	260
Cash acquired through business combination	**–**	2,551
Purchase of equity instrument at FVPL	**(245)**	–
Purchase of financial instruments, net	**(18)**	–
Loan issued to related parties	**–**	(12)
Loans repaid by related parties	**11**	369
Loans repaid by third parties	**64**	–
Proceed from (purchase)/sale of debt instruments, net	**(831)**	419
Net cash flows (used in)/from investing activities	**(6,855)**	283
Cash flows from financing activities		
Proceeds from borrowings	**14,211**	7,184
Repayment of borrowings	**(12,875)**	(9,096)
Payment of lease liabilities	**(277)**	(92)
Increase in charter capital and additional paid−in capital	**461**	498
Distribution to the Government	**(823)**	(624)
Loans received from related parties	**–**	2,226
Settlement of deferred consideration payable	**–**	(65)
Dividends paid to the Government and NCI	**(1,415)**	(449)
Net cash flows used in financing activities	**(718)**	(418)
Net foreign exchange difference on cash and cash equivalents	**17**	(173)
ECL reversal/(charge) for cash and cash equivalents	**10**	(2)
Net (decrease)/increase in cash and cash equivalents	**(1,552)**	2,230
Cash and cash equivalents at the beginning of the year	**10,271**	8,041
Cash and cash equivalents at the end of the year	**8,719**	10,271

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

SEGMENT INFORMATION

Operating segments 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.

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 Board is Chief Operating Decision Maker ("CODM") and 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. The segment assets, liabilities and profit or loss figures are consistent with the consolidated financial statements and sourced directly from the figures disclosed in the consolidated financial statements.

Transfer prices between operating segments are generally on an arm's-length basis, in a manner similar to transactions with third parties, and are determined with reference to international market prices and applicable internal state-regulated prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (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 2025 is set out below:

in millions of Azerbaijani manats	Development and Production Operations	Refining & Petro-chemicals	Services	Sales & Trading	Integrated Gas	Unallo-cated (*)	Elimi-nations(**)	Total
2025								
Revenues								
External customers	5,448	22,385	533	49,597	7,905	441	–	86,309
Inter–segment	6,083	7,284	617	10,977	3,086	750	(28,797)	–
Total revenue	11,531	29,669	1,150	60,574	10,991	1,191	(28,797)	86,309
Raw materials and consumables used	(2,922)	(24,093)	(209)	(59,470)	(5,182)	(194)	26,241	(65,829)
Wages, salaries and social security costs	(506)	(1,398)	(455)	(298)	(445)	(611)	301	(3,412)
Depreciation of property, plant and equipment	(2,237)	(1,083)	(55)	(21)	(535)	(84)	–	(4,015)
Transportation and related services	(1,241)	(51)	(125)	(434)	(660)	(186)	699	(1,998)
ECL charge, net	–	(4)	(1)	(7)	(3)	(4)	–	(19)
Impairment of property, plant and equipment	(488)	(491)	–	–	(280)	–	–	(1,259)
Impairment of intangible assets	–	(213)	–	–	–	–	–	(213)
Impairment of other non-current assets	–	–	–	–	(96)	–	–	(96)
Mining tax	(121)	–	–	–	–	–	–	(121)
Depreciation of right–of–use assets	(60)	(50)	(61)	(6)	(17)	(6)	–	(200)
Taxes other than on income	(158)	(92)	(11)	–	(251)	(28)	–	(540)
Amortization expense	(6)	(57)	(2)	–	(6)	(28)	–	(99)
Repairs and maintenance expenses	(472)	(245)	(35)	(1)	(188)	(88)	264	(765)
Utilities expense	(16)	(1,128)	(6)	–	(3)	(11)	586	(578)
Change in other provisions for liabilities and charges	(7)	–	(3)	(1)	(1)	(3)	–	(15)
Provision for contaminated oil	–	–	–	(161)	–	–	–	(161)
(Loss)/Gain on disposal of property, plant and equipment and intangible asset	(7)	22	3	–	1	(7)	–	12
Social expenses	(24)	(34)	(11)	(95)	(10)	(238)	–	(412)
Other operating income	224	488	55	8	253	798	(564)	1,262
Financial services – Interest revenue calculated using effective interest method	–	–	–	–	–	114	–	114
Financial services − Finance costs	–	–	–	–	–	(56)	8	(48)
Interest revenue calculated using effective interest method	43	252	17	171	89	3,420	(3,149)	843
Insurance expenses	(119)	(75)	(28)	(4)	(18)	(7)	–	(251)
Consulting and supervision services	(1)	(124)	(2)	(50)	(140)	(232)	–	(549)
Finance costs	(556)	(1,129)	(19)	(163)	(158)	(1,458)	801	(2,682)
Foreign exchange (losses)/gains, net	(2)	(485)	(1)	7	16	72	–	(393)
Share of profit of joint ventures	17	23	35	24	–	8	–	107
Share of profit of associates	–	–	(3)	–	137	10	–	144
Other	(948)	(651)	(138)	(526)	(285)	(349)	1,014	(1,883)
Gain on net monetary position	–	456	–	–	–	–	–	456
Income tax (expenses)/benefit	(588)	16	(3)	314	(261)	(238)	–	(760)
Net profit/(loss) for the year	1,336	(477)	92	(139)	2,948	1,785	(2,596)	2,949

* *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.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

SEGMENT INFORMATION (continued)

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

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

in millions of Azerbaijani manats	Develop-ment and Production Operations	Refining & Petro-chemicals	Services	Sales & Trading	Integrated Gas	Unallo-cated (*)	Elimi-nations(**)	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	(2,285)	(15,009)	(183)	(60,415)	(4,599)	(103)	10,961	(71,633)
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 related services	(313)	(116)	(93)	(459)	(680)	(224)	281	(1,604)
ECL (charge)/reversal, net	–	–	(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 asset	–	–	–	–	–	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)
Insurance expenses	(116)	(59)	(30)	(7)	(21)	(4)	–	(237)
Consulting and supervision services	(1)	(46)	–	(21)	(17)	(203)	–	(288)
Share of profit of joint ventures	–	512	9	19	–	–	–	540
Share of profit of associates	169	–	–	–	763	247	(312)	867
Other	(1,016)	(557)	(151)	(194)	(395)	(262)	1,249	(1,326)
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**	**875**	**203**	**116**	**833**	**672**	**(1,384)**	**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.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 2025 is set out below:

in millions of Azerbaijani manats	Develop-ment and Production Operations	Refining & Petroche-micals	Services	Sales & Trading	Integ-rated Gas	Unallo-cated (*)	Elimi-nations (**)	Total
Investments in associates	**–**	**–**	**–**	**12**	**693**	**1,739**	**–**	**2,444**
Investments in joint ventures	**670**	**353**	**264**	**220**	**–**	**48**	**–**	**1,555**
Other reportable segment assets	**26,531**	**35,862**	**2,834**	**7,325**	**19,471**	**50,537**	**(49,707)**	**92,853**
Total reportable segment assets	**27,201**	**36,215**	**3,098**	**7,557**	**20,164**	**52,324**	**(49,707)**	**96,852**
Total reportable segment liabilities	**(13,071)**	**(17,266)**	**(1,347)**	**(5,565)**	**(6,102)**	**(25,524)**	**21,950**	**(46,925)**
Capital expenditure (***)								
Additions − business units and subsidiaries	**1,740**	**686**	**275**	**16**	**295**	**184**	**(14)**	**3,182**
Additions − JV and associates	**619**	**326**	**–**	**–**	**–**	**65**	**–**	**1,010**
Total capital expenditures	**2,359**	**1,012**	**275**	**16**	**295**	**249**	**(14)**	**4,192**

* *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 reportable segments for the year ended 31 December 2024 is set out below:

in millions of Azerbaijani manats	Develop-ment and Production Operations	Refining & Petro-chemicals	Services	Sales & Trading	Integ-rated Gas	Unallo-cated (*)	Elimi-nations (**)	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.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

SEGMENT INFORMATION (continued)

Geographical information

Revenues for each individual country are reported separately as follows:

in millions of Azerbaijani manats	**2025**	2024
Switzerland	**50,582**	53,868
Türkiye	**16,510**	9,650
Azerbaijan	**13,682**	8,206
UAE	**1,014**	8,823
Georgia	**1,664**	1,556
Other	**2,857**	2,586
Total consolidated revenues	**86,309**	84,689

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 2025:

Segments	**Develop-ment and Production Operations**	**Refining & Petro-chemicals**	**Services**	**Sales & Trading**	**Integrated Gas**	**Unallo-cated (*)**	**Total**
Sale of crude oil, net	**2,643**	**–**	**–**	**33,534**	**–**	**–**	**36,177**
Sale of oil products, net	**1,149**	**18,239**	**–**	**7,951**	**–**	**–**	**27,339**
Sale of natural gas, net	**1,591**	**44**	**–**	**6,490**	**3,668**	**13**	**11,806**
Sale of petrochemicals	**–**	**3,249**	**–**	**1,370**	**–**	**–**	**4,619**
Other revenue	**65**	**853**	**191**	**252**	**4,237**	**406**	**6,004**
Total	**5,448**	**22,385**	**191**	**49,597**	**7,905**	**419**	**85,945**
Switzerland	**–**	**3,064**	**–**	**47,518**	**–**	**–**	**50,582**
Türkiye	**–**	**14,704**	**–**	**–**	**1,697**	**87**	**16,488**
Azerbaijan	**5,448**	**2,355**	**175**	**146**	**4,996**	**220**	**13,340**
UAE	**–**	**–**	**16**	**998**	**–**	**–**	**1,014**
Georgia	**–**	**431**	**–**	**–**	**1,168**	**65**	**1,664**
Other	**–**	**1,831**	**–**	**935**	**44**	**47**	**2,857**
Total	**5,448**	**22,385**	**191**	**49,597**	**7,905**	**419**	**85,945**
Goods transferred at a point in time	**5,439**	**22,380**	**–**	**49,444**	**5,048**	**178**	**82,489**
Services transferred over time	**9**	**5**	**191**	**153**	**2,857**	**241**	**3,456**
Total revenue from contracts with customers	**5,448**	**22,385**	**191**	**49,597**	**7,905**	**419**	**85,945**
Revenue							
External customer	**5,448**	**22,385**	**191**	**49,597**	**7,905**	**419**	**85,945**
Inter−segment	**6,083**	**7,284**	**617**	**10,977**	**3,086**	**750**	**28,797**
Total	**11,531**	**29,669**	**808**	**60,574**	**10,991**	**1,169**	**114,742**
Adjustments and eliminations	**(6,083)**	**(7,284)**	**(617)**	**(10,977)**	**(3,086)**	**(750)**	**(28,797)**
Total revenue from contracts with customers	**5,448**	**22,385**	**191**	**49,597**	**7,905**	**419**	**85,945**

* *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.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

SEGMENT INFORMATION (continued)

Geographical information (continued)

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	Unallo-cated (*)	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
Other revenue	–	901	400	154	1,618	303	3,376
Total	**3,798**	**14,818**	**400**	**59,701**	**5,294**	**315**	**84,326**
Switzerland	–	3,607	–	50,261	–	–	53,868
Türkiye	–	7,052	–	–	2,424	149	9,625
Azerbaijan	3,543	2,156	236	205	1,672	59	7,871
UAE	255	–	164	8,404	–	–	8,823
Georgia	–	347	–	–	1,151	55	1,553
Other	–	1,656	–	831	47	52	2,586
Total	**3,798**	**14,818**	**400**	**59,701**	**5,294**	**315**	**84,326**
Goods transferred at a point in time	3,780	14,783	–	59,305	4,754	90	82,712
Services transferred over time	18	35	400	396	540	225	1,614
Total revenue from contracts with customers	**3,798**	**14,818**	**400**	**59,701**	**5,294**	**315**	**84,326**
Revenue							
External customer	3,798	14,818	400	59,701	5,294	315	84,326
Inter−segment	4,865	3,148	626	2,067	1,225	762	12,693
Total	**8,663**	**17,966**	**1,026**	**61,768**	**6,519**	**1,077**	**97,019**
Eliminations	(4,865)	(3,148)	(626)	(2,067)	(1,225)	(762)	(12,693)
Total revenue from contracts with customers	**3,798**	**14,818**	**400**	**59,701**	**5,294**	**315**	**84,326**

* *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:

in millions of Azerbaijani manats	**2025**	2024
Azerbaijan	**43,297**	44,083
Türkiye	**13,078**	13,905
Switzerland	**1,076**	844
Georgia	**950**	870
UAE	**459**	654
Other	**1,021**	354
Total	**59,881**	60,710

The analysis is based on the location of assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Significant balances and transactions with related parties

As at 31 December 2025 and 31 December 2024, the outstanding balances with related parties were as follows:

	31 December 2025		31 December 2024	
in millions of Azerbaijani manats	**Government and entities under government control**	**Associates, joint ventures**	Government and entities under government control	Associates, joint ventures
Trade and other financial receivables	**275**	**339**	188	379
ECL (charge)/reversal	**(45)**	**(19)**	98	(12)
Total financial receivables	**230**	**320**	286	367
Cash and cash equivalents	**1,448**	**–**	2,003	–
VAT Deposit *(Note 9)*	**85**	**–**	74	–
Obligatory reserve with the CBAR* (Restricted cash)	**103**	**–**	90	–
Deposits	**36**	**–**	22	–
Other current financial assets	**23**	**3**	60	11
Total current assets	**1,925**	**323**	2,535	378
Other non-current financial assets	**61**	**–**	–	–
Other non−current non−financial assets	**–**	**–**	–	14
Total assets	**1,986**	**323**	2,535	392
Trade and other payables to SOFAZ**	**1,154**	**–**	1,584	–
Trade and other payables	**165**	**211**	240	312
Other current financial liabilities	**302**	**88**	45	–
Total financial payables	**1,621**	**299**	1,869	312
Lease liabilities	**183**	**134**	239	142
Contract liabilities	**126**	**–**	113	–
Other non−current liabilities	**208**	**46**	192	–
Total liabilities (excluding borrowings)	**2,138**	**479**	2,413	454

* *CBAR – Central Bank of Azerbaijan Republic.*

** *SOFAZ – State Oil Fund of the Republic of Azerbaijan.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

Significant balances and transactions with related parties (continued)

As at 31 December 2025 and 31 December 2024, borrowings balances (including bonds payable) with related parties were as follows:

Lender name	Stated interest rate	Maturity date	**31 December 2025**	31 December 2024
SOFAZ	3.2% − 6.0%	1 September 2028 – 30 April 2032	**2,391**	2,943
Ministry of Finance of Azerbaijan Republic	0.10%-3.13%	15 December 2029	**270**	262
International Bank of Azerbaijan	4.50% − 4.80%	23 August 2026 – 11 October 2026	**74**	252
Azerbaijan Caspian Shipping Company	4.0%	31 December 2027	**169**	163
Aqrarkredit CJSC	0.16%	4 January 2041	**69**	70
Azerbaijan Investment Company	4.0%	30 December 2027	**65**	63
AZAL CJSC	0.0%	31 January 2028	**9**	–
Total borrowings			**3,047**	3,753

The Government, through its Ministry of Finance, acts as a guarantor for certain borrowings of the Group in total amount of AZN 6,292 (31 December 2024: AZN 6,643).

The transactions with related parties for the twelve months ended 31 December 2025 and 31 December 2024 were as follows:

	31 December 2025		31 December 2024	
in millions of Azerbaijani manats	**Government and entities under government control**	**Associates, joint ventures**	Government and entities under government control	Associates, joint ventures
Sales of natural gas	**790**	**2,063**	400	751
Sales of oil products	**540**	**902**	525	381
Sales of crude oil	**–**	**–**	–	8,482
Services rendered	**80**	**2,147**	150	350
Interest income on loan receivables from related parties *(Note 32)*	**–**	**9**	117	255
Finance cost on loans from related parties	**(166)**	**–**	(231)	(132)
Financial services – Interest revenue calculated using effective interest method	**7**	**–**	–	–
Financial services – Finance costs	**(6)**	**(4)**	–	–
Utilities costs	**(72)**	**(54)**	(86)	(3)
Other operating expenses	**(35)**	**(11)**	(36)	(24)
Social expenses	**(133)**	**–**	(118)	–
Distribution and transportation expenses	**(215)**	**(467)**	(184)	(505)
Ecology service and environmental security	**–**	**(1)**	–	(5)
Security expenses	**(17)**	**–**	(16)	–
Purchases of PPE and inventory*	**(8,070)**	**(373)**	(10,623)	(7,776)
Dividends declared by joint ventures *(Note 18)*	**–**	**53**	–	18
Dividends declared by associates *(Note 19)*	**–**	**119**	–	23
Other operating income	**3**	**–**	15	–

** Purchases of PPE and inventory consists of purchases by associates and joint ventures, in the amounts of AZN 207 and 166, respectively (31 December 2024: AZN 142 and AZN 7,634, respectively).*

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

CASH AND CASH EQUIVALENTS AND SHORT−TERM DEPOSITS

in millions of Azerbaijani manats	**2025**	2024
USD denominated bank balances	**5,553**	6,391
AZN denominated bank balances	**2,315**	2,566
EUR denominated bank balances	**256**	400
TRY denominated bank balances	**172**	546
CHF denominated bank balances	**117**	110
Other currencies' denominated bank balances	**285**	230
Cash on hand	**27**	44
ECL	**(6)**	(16)
Total cash and cash equivalents	**8,719**	10,271

Cash balances that are subject to contractual or legal restrictions are not included in cash and cash equivalents and are presented separately as restricted cash *(Note 9)*.

TRADE AND OTHER RECEIVABLES

in millions of Azerbaijani manats	**2025**	2024
Trade receivables	**6,711**	6,876
Other receivables	**136**	303
Less: ECL	**(977)**	(972)
Total financial receivables	**5,870**	6,207
Of which:		
Total financial receivables at amortised cost	**4,781**	5,084
Total financial receivables at FVOCI	**1,089**	1,123
VAT recoverable	**1,102**	1,106
Prepayments	**681**	695
Taxes receivable	**100**	90
Underlift oil balance	**121**	150
Other	**126**	116
Total non-financial receivables	**2,130**	2,157
Total trade and other receivables	**8,000**	8,364

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

INVENTORIES

in millions of Azerbaijani manats	**2025**	2024
Raw materials and spare parts	**1,316**	1,104
Finished goods	**1,213**	1,229
Goods in transit	**783**	720
Crude oil	**358**	515
Work in progress	**253**	369
Other	**105**	82
Total inventories	**4,028**	4,019

TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

in millions of Azerbaijani manats	**2025**	2024
Trade payables	**5,246**	5,944
Accrued liabilities	**1,830**	2,794
Other payables	**780**	1,224
Total financial payables	**7,856**	9,962
Payable to employees	**474**	345
Provision for claims	**289**	85
Total trade and other payables	**8,619**	10,392

BORROWINGS

At 31 December 2025, short−term borrowings and current portion of long−term borrowings of the Group were represented by the following facilities:

Facilities	**Effective interest rate**	**Maturity**	**Balance as at 31 December 2025**
Short−term facilities in USD	3.00% − 10.00%	January 2026 − December 2026	**5,326**
Short−term facilities in TRY	39.00% − 53.00%	January 2026 − December 2026	**712**
Short−term facilities in GEL	11.90% − 15.50%	January 2026 − December 2026	**325**
Short−term facilities in EUR	3.60% − 4.73%	January 2026 − December 2026	**110**
Short−term facilities in other currencies	7.00% − 17.70%	January 2026 − December 2026	**63**
Current portion of long−term facilities			**8,567**
Total short−term borrowings and current portion of long−term borrowings			**15,103**

At 31 December 2025, long−term borrowings of the Group were represented by the following facilities:

Facilities	**Effective interest rate**	**Maturity**	**Balance as at 31 December 2025**
Long−term facilities in USD	3.13% − 9.00%	June 2027 – December 2046	**9,637**
Long−term facilities in EUR	2.25% − 5.06%	March 2027 − December 2027	**110**
Long−term facilities in AZN	8.15%	January 2041	**62**
Long−term facilities in TRY	40.18%	May 2032	**156**
Long−term facilities in other currencies	1.50%	April 2039	**62**
Total long−term borrowings			**10,027**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

BORROWINGS (continued)

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

Facilities	Effective interest rate	Maturity	Balance as at 31 December 2024
Short−term facilities in USD	3.00% − 9.88%	January 2025 − December 2025	4,136
Short−term facilities in TRY	42.50% − 54.12%	January 2025 – June 2025	326
Short−term facilities in GEL	11.50% − 14.00%	January 2025 − December 2025	230
Short−term facilities in EUR	2.70% − 6.09%	January 2025 − March 2025	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	Effective interest rate	Maturity	Balance as at 31 December 2024
Long−term facilities in USD	3.13% − 11.42%	March 2026 – December 2046	15,468
Long−term facilities in EUR	2.25% − 6.09%	August 2026 − December 2027	911
Long−term facilities in AZN	8.15%	January 2041	63
Long−term facilities in other currencies	1.50%	April 2039	77
Total long−term borrowings			**16,519**

TAXES PAYABLE

in millions of Azerbaijani manats	**2025**	2024
Corporate Income tax payable	**536**	307
Total corporate income tax payable	**536**	307
Accrued VAT	**755**	490
Social security contributions	**52**	24
Other taxes payable	**605**	538
Total other taxes payable	**1,412**	1,052
Total taxes payable	**1,948**	1,359

ANALYSIS OF REVENUE BY CATEGORIES

in millions of Azerbaijani manats	**2025**	2024
Crude oil, net	**36,177**	47,272
Oil products, net	**27,339**	19,169
Natural gas, net	**11,806**	9,740
Petrochemicals	**4,619**	4,769
Rent income	**364**	363
Other revenue	**6,004**	3,376
Total revenue	**86,309**	84,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

ANALYSIS OF EXPENSES BY NATURE

The table below summarises expenses by nature of the Group:

in millions of Azerbaijani manats	**2025**	2024
Raw materials and consumables used	**65,829**	71,633
Depreciation of property, plant and equipment	**4,015**	2,363
Wages, salaries and social security costs	**3,412**	2,711
Transportation and related services	**1,998**	1,604
Impairment of property, plant and equipment	**1,259**	837
Repairs and maintenance expenses	**765**	610
Utilities expense	**578**	594
Consulting and supervision services	**549**	288
Taxes other than on income	**540**	288
Social expenses	**412**	351
Insurance expenses	**251**	237
Impairment of intangible assets	**213**	232
Depreciation of right-of-use assets	**200**	174
Provision for contaminated oil	**161**	–
Mining tax	**121**	210
Amortization expense	**99**	101
Impairment of other non-current assets	**96**	–
ECL charge/(reversal), net	**19**	(46)
Change in other provisions for liabilities and charges	**15**	12
Impairment of right-of-use asset	**–**	20
Impairment of goodwill	**–**	164
Fair value loss on equity instrument at FVPL	**–**	75
Other	**1,883**	1,326
Total cost of sales, exploration and evaluation, distribution, general and administrative, other operating, social expenses and ECL charge/(reversal)	**82,415**	83,784

"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 16 for audit, review and other assurance services and AZN 11 for non−assurance services (2024: AZN 15 and AZN 6, 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

in millions of Azerbaijani manats	**2025**	2024
Interest income on time deposits and bank accounts	**606**	318
Interest income on investment securities	**171**	70
Interest income on loan receivables from related parties *(Note 7)*	**9**	372
Other	**57**	92
Total interest revenue calculated using effective interest method	**843**	852

FINANCE COSTS

in millions of Azerbaijani manats	**2025**	2024
Interest expenses	**2,446**	1,894
Provisions for asset retirement obligations: unwinding of the present value discount	**161**	91
Lease liability: unwinding of the present value discount	**67**	67
Obligation for disability payments: unwinding of the present value discount	**8**	12
Interest expenses for employee benefits	**–**	10
Total finance costs	**2,682**	2,074