



Dana Gas delivers record year with net profit of \$317 million (AED1.16 billion)

Highlights

- 256% increase in operational net profit
- Revenue increased by 30% to \$452mm (AED 1,657mm)
- Average group production was 62,100 boepd, record production in KRI
- Record full year collections of \$377 million - up 107% YoY
- Record dividend payment of 9 fils per share paid in 2021 reflecting EPS of 16.5 fils per share
- Lowest levels of receivables since 2007
- KRI operations achieve net carbon neutral status

Sharjah, UAE; 9 February 2022: Dana Gas PJSC (the “Company”), the Middle East’s largest regional private sector natural gas company, today announced its Preliminary Unaudited Financial Results for the full year ended 31 December 2021.

The Company achieved a Net Profit of \$317 million (AED 1,163mm) in 2021 as compared to a Net Loss of \$376 million (AED 1,378mm) in 2020. The increase was primarily due to higher oil prices, improved operational performance and Other Income. Other Income included \$608 million (AED 2,228mm) relating to amounts due following an arbitration award. This was partially offset by impairments of \$451 million (AED 1,652mm) related to UAE Gas assets and Goodwill.

Adjusted Net Profit for the year, excluding the other income and impairments was \$128 million (AED 469mm) versus 2020 Adjusted Net Profit of \$36 million (AED 131 mm), an increase of 256%, reflecting robust underlying operating performance.

Revenue increased 30% to \$452 million (AED 1,657mm) in 2021 compared to \$349 million (AED 1,297mm) in 2020, supported by higher oil prices and higher production in Kurdistan Region of Iraq (KRI).

In light of the Company’s strong financial performance during the year, the Board of Directors of Dana Gas determined in November 2021 to pay a dividend of 7 fils per year payable in six monthly instalments of 3.5 fils each, thereby increasing Dana Gas’s annual dividend by 27% from the previous 5.5 fils. The first interim dividend of 3.5 fils was distributed in January 2022 following shareholders’ approval in December 2021.

Dr Patrick Allman-Ward, CEO of Dana Gas, commented:

“We closed the year on a strong financial footing as a result of a robust operational performance over the last 12 months. We had record gas and LPG production in the KRI in December, achieving a 50% growth in gas production over the past 3 years as well as record collections of \$377 million, all of which contributed to our record profits of \$317 million. This allowed us to make record dividend payments, reflecting the Board’s confidence and optimism about the future of Dana Gas.”

“This growth would not have materialised without the outstanding dedication and hard work of our staff who, despite the global COVID pandemic, have worked tirelessly to ensure the Company delivered on its commitments. We have progressed significantly on our expansion



works at the Khor Mor plant. The first KM250 gas train is expected to go onstream as scheduled in Q2 2023. We are also pleased that our KRI operations achieved net carbon neutral status in 2021. This is an important milestone on our journey to reducing the carbon intensity of our operations to provide low-carbon energy for our customers.”

Operations & Production

Average group production slightly declined by 2% during 2021 to 62,100 boepd versus 63,200 boepd in 2020. Production was boosted by a 5% jump in output from the KRI, which reached 33,800 boepd. This helped to offset a drop in production from Egypt, which fell 7% to 28,300 boepd versus 30,300 boepd in 2020 as a result of natural field depletion.

The KRI and Egypt operations have continued without interruption and maintained full production, un-impacted by the COVID pandemic. At the end of 2021, sales gas production from the KRI operations reached 452 million cubic feet of gas per day (MMscf/d), marking a significant milestone on the back of numerous process improvements at the Khor Mor gas plant, including a bypass project completed in 2020 as well as a debottlenecking programme earlier in 2018.

In the KRI, the KM250 gas expansion works currently under way at the Khor Mor plant are progressing on schedule, with the project now fully financed after securing a 7-year \$250 million loan from the US International Development Finance Corporation in September 2021. The Pearl consortium is fully committed to executing the expansion project as safely as possible and remains on track to deliver the first 250 MMscf/d gas processing train in Q2 2023.

Liquidity and Collections

The Group’s cash balance at year-end stood at \$185 million, an increase of 70% compared to \$109m at the end of 2020. The cash balance included \$67 million (Dana Gas 35% share) held by Pearl Petroleum. The year-end cash balance is after payment of 3.5 fils dividend that was approved by the shareholders in December 2021.

The Group collected a total of \$377 million in 2021 (2020: \$182mm) with Egypt and KRI contributing \$193 million (2020: \$80mm) and \$184 million (2020: \$102mm) respectively. Its collections from Egypt and the KRI rose 107% year-on-year in 2021, marking a record level of collections for the Company on the back of a strong rebound in oil prices, an accelerated pace of payments from Egypt and the settlement of past outstanding KRI receivables from 2019 and 2020.

As of 31 December 2021, the Company’s Egypt receivables stood at \$24 million (AED 88mm), the lowest level since Dana Gas commenced operations in the country in 2007. Total outstanding receivables in KRI as of 31 December 2021 was \$43 million (AED 158mm).

The decrease in receivables in Egypt and the payment of past outstanding receivables in the KRI further strengthened the Company’s balance sheet and allowed the additional interim dividend payment of 3.5 fils per share that was approved at the General Meeting on 9 December 2021.

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About Dana Gas

Dana Gas is the Middle East's first and largest regional private sector natural gas Company established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX). It has exploration and production assets in Egypt, Kurdistan Region of Iraq (KRI) and UAE, with 2P reserves exceeding one billion boe and average production of 62,100boepd in 2021. With sizeable assets in KRI and Egypt, and further



plans for expansion, Dana Gas is playing an important role in the rapidly growing natural gas sector of the Middle East, North Africa and South Asia (MENASA) region. Visit: www.danagas.com

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