دانة غاز
DANA GAS

Focusing resources on world class assets

Dana Gas PJSC
Annual Report & Accounts 2020

Dana Gas is the Middle East's first and largest private sector natural gas company. It was established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX).

Dana Gas has exploration and production assets in Egypt, the Kurdistan Region of Iraq (KRI) and the United Arab Emirates (UAE), with an average production output of 63.2 kboepd in 2020. With sizeable assets and reserves in Egypt, the KRI and the UAE and further plans for expansion, Dana Gas aims to play an important role in the rapidly growing natural gas sector of the Middle East, North Africa and South Asia region (MENASA).

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Highlights

In 2020, our first priority was the health and safety of our staff and we implemented stringent health and safety measures to protect all our employees. The seamless execution of our contingency plans allowed us to keep our operations fully functional and maintain production. Despite the challenges imposed by the global pandemic, we exited the year in a robust operational and financial position with a strong balance sheet, having completed a bypass project in the KRI, and fully redeemed our outstanding Sukuk.

Production

63.2 Kboe/d

2019: 66.2 Kboe/d

2P Reserves

1,146 mmboe

2019: 1,160 mmboe

Gross Revenue

US$349mm

2019: US$459mm

EBITDA

US$146mm

2019: US$341mm

Adjusted Net Profit*

US$36mm

2019: US$88mm

*Profit excluding one-off items

Collections

US$182mm

2019: US$285mm

Cash Balance

US$108mm

2019: US$425mm

Dividend

5.5 fils per share

2019: 5.5 fils per share

The Middle East's first and largest private sector natural gas company.

63.2 Kboe/d
Group Production

280MMscf
Average Daily Gas Production

9,180bbl
Average Daily Condensate Production

1,147mmboe
2P Reserves

US$**182**mm
Collections

US$**108**mm
Cash Balance

Why Invest in Dana Gas?

- MENA's largest independently listed, natural gas-focused E&P company
- Strong balance sheet and growth-oriented, cash-generative portfolio
- Highly experienced leadership and management team committed to governance, transparency, HSSE and sustainability
- World-class assets in Kurdistan Region of Iraq and Egypt, with significant exploration upside potential

Our Vision

To be the leading private sector natural gas company in the Middle East, North Africa and South Asia region (MENASA), generating value for our stakeholders.

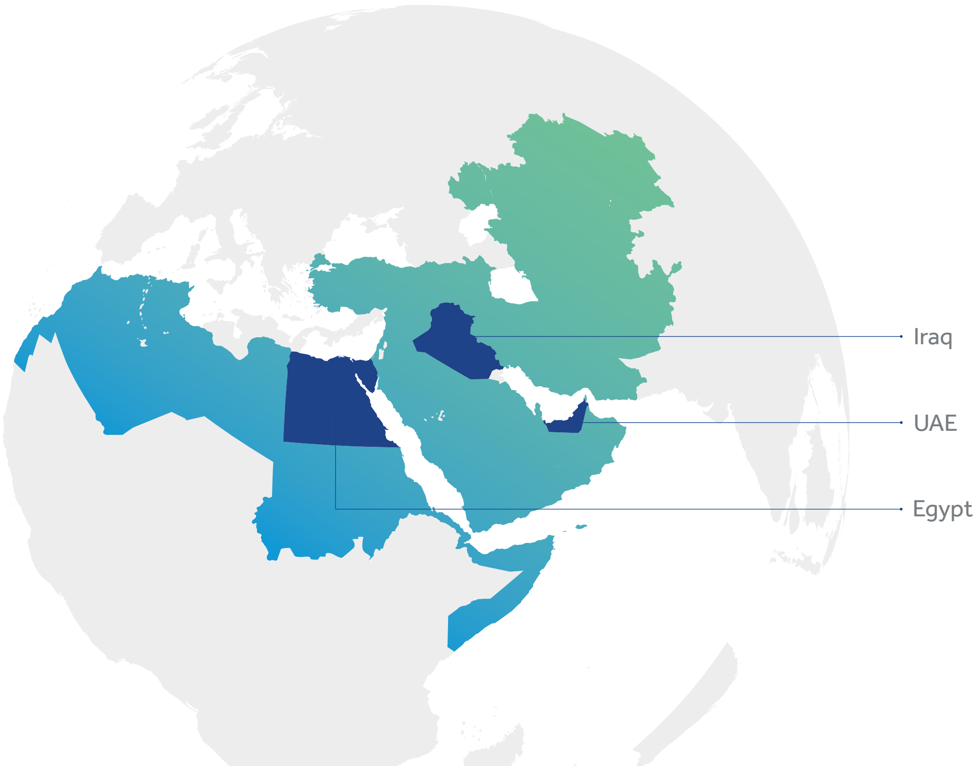
Our Strategy

- Focus on sustainable growth in the MENASA region across the natural gas value chain
- Leverage strategic relationships to maintain competitive advantage
- Continuously enhance our technical and commercial skills to develop and operate assets safely and efficiently

Our Values

- We set and apply the highest standards of conduct and accountability
- We respect and value everyone and embrace diversity
- We aim to provide a safe, healthy and environmentally friendly workplace for our employees and business partners and to minimise any adverse effects of our operations on communities and the environment

Where we Operate



KRI

32,250 boe/d

- Largest independent producer in Iraq – 100,000+ boe/d (gross)
- Two fields comprising the KRI's largest gas reserves
- 12+ years of continuous operations
- Supply gas to three major power stations in the KRI
- Expansion plans underway to increase daily gas production to 940 MMscf
- 2P reserves of 1,087 mmboe

Egypt

30,300 boe/d

- 14 development leases and one exploration concession
- Top five gas producers in the country
- 100% interest in high potential Block 6 offshore exploration concession area
- 2P reserves of 58.6 mmboe

UAE

UAE Gas Project

- Project to transport and process 600 MMscf/d of gas to the UAE
- Project currently subject to arbitration with an expected ruling on damage award in 2021

Dana Gas' 2020 performance demonstrates the Company's financial and operational resilience, despite the challenging macro-economic environment.

Dear Shareholders,
Dana Gas' 2020 performance demonstrates the Company's financial and operational resilience despite the challenging macro-economic environment and the unprecedented volatility in global crude oil prices owing to the COVID-19 pandemic. Fortunately however, the Company was partially cushioned from last year's turbulence in oil markets due to the natural hedge it enjoys from being primarily a gas producer with relatively stable long-term gas prices. Brent crude prices dipped below $20/bbl in 2020 for the first time in over 20 years (indeed for WTI, momentarily below zero!) as governments around the world limited travel and economic activity to halt the spread of COVID-19, leading to a sharp drop in demand resulting in sudden market oversupply. While oil prices have recovered and tangible progress has been made to vaccinate the world's population, the economic outlook remains challenging.

I am particularly proud of the way the Board, the International Advisory Board, and the management team have steered the Company with care and foresight throughout 2020. Over the past several years, and despite all the challenges, Dana Gas has established itself on a firm financial footing, developing and executing our business strategy well, and building resilience to energy prices and economic turbulence.

Over the past year of the pandemic, the Company's management team has managed to keep all operations fully functional due to the seamless roll out of health and safety measures.

Strategy and Outlook
As we have continually cited in the past, the Company's world-class assets in the Kurdistan Region of Iraq (KRI) hold very significant long-term growth potential, and we are ratcheting up our plans to expand production from our fields there. Accordingly with a view to focusing on capitalising on our high growth KRI assets, the Board of Directors took the decision last October to enter into a Sales and Purchase Agreement to sell our mature onshore producing assets in Egypt, while keeping the newer, promising offshore exploration block with significant growth potential. However, due to exceptional circumstances, with several conditions precedent to the transaction unable to be completed to the satisfaction of both parties before the long-stop date of 14 April, the Board decided not to move forward with the sale, and retain and operate these assets alongside the highly prospective exploration acreage offshore Block 6. We have an excellent track record of operating in Egypt over the past 14 years, and remain fully committed to managing these assets effectively for the benefit of all our stakeholders, including the Egyptian Government.

In the KRI, as joint operator on behalf of the Pearl Petroleum consortium, we are currently implementing plans to expand our gas processing facilities, and are targeting the next phase of an additional 250 MMscf/d of gas production to come on-stream by April 2023. This will allow us to increase our annual production by over 50% and will add $175 to $200 million annually (at current oil prices per barrel) to Dana Gas' revenues and project cashflow. In the near term, we are preparing to carry out considerable additional appraisal and development drilling across our two giant fields, Khor Mor and Chemchemal, where Dana Gas' share of proven reserves thus far is over 1 billion barrels of oil equivalent, with very considerable additional oil and gas resources. We also have an exciting opportunity in Egypt where we are currently exploring the huge potential of our Block 6 offshore exploration concession.

Financial Performance Summary

The Company reported an adjusted net profit of $36 million in 2020 despite the pandemic, when one-off non-cash impairments and other income are excluded. Compared to $88 million in 2019, the Company's profit and cash flow was driven primarily by its operations in the KRI, reflecting the strength of its assets and business there.

We also completely redeemed our Sukuk, making the final payment in full and on time in October, further strengthening our balance sheet. As a result of the Company's solid financial performance and the promising outlook as oil prices and markets recover, I am pleased to inform you, in keeping with our stated policy, that the Board has again this year recommended the distribution of a dividend of AED 5.5 fils per share for the 2020 financial year for approval by our esteemed shareholders at the Company's AGM in April. Our ability to pay regular dividends has been underpinned by our KRI assets and long-term contract with the KRG. Record production from our operations in the KRI, regular payments received from our customers including the KRG since March 2020, and the commitment made by the KRG to settle all outstanding financial arrears, on track to being fulfilled before the end of June this year, all augur well for the future inshallah. The rebound in oil prices in the first quarter of the year will further support our robust financial position in 2021.

Demerger

The possibility of splitting the Company's assets into separate upstream and midstream companies through a demerger continues to be examined and discussed with the regulator as the Board and management look at ways to enhance shareholder value, naturally with an eye on the volatile capital markets globally.

Recognition and Conclusion

On behalf of the Board of Directors, I would like to extend my gratitude to all our shareholders for their continued support for the Company and their confidence in the future growth potential of Dana Gas.

I would also like to thank the management team and employees for their hard work and unwavering dedication and commitment to the Company in 2020 at a time of unprecedented challenges. They have obviously been key to achieving another year of commendable financial and operational performance.

Last but not least, I would like to thank my fellow Board members for their continued oversight and guidance, as well as members of our valued International Advisory Board for their advice, to help steer the Company through last year's turbulent times.

Mr. Hamid Dhiya Jafar
Chairman

We enter 2021 with renewed confidence and a strong balance sheet.

US$**32**mm

Profit from Continuing Operations

Dear Shareholders,

Introduction

The world experienced unprecedented shocks in 2020 as the COVID-19 pandemic ravaged the global economy and led to oil prices collapsing to levels not seen for over 20 years. Despite these challenges, the Company has shown real resilience both from an operational and financial perspective and I am extremely pleased by our 2020 performance under such circumstances.

Our first priority was to keep our staff safe and we put in place stringent access controls to our operating areas. Despite all the challenges, we were able to increase production in the Kurdistan Region of Iraq and deliver on several strategic corporate objectives set out by the Board. We also fully redeemed our Sukuk by paying the remaining $309 million on the day of its maturity.

The challenging operating environment has made us more focused on controlling our spending and we have again demonstrated our capacity to deliver capital and operating cost discipline, reducing both by a further 57% and 20% respectively year-on-year. We will continue to ensure that we remain business efficient whilst continuing to deliver robust performance.

It is important to highlight that none of our achievements in 2020 would have been possible without our highly committed and dedicated staff, who have managed to keep our operations running uninterrupted throughout the pandemic.

Operations

Average group production declined 5% during 2020, averaging 63,200 boepd versus 66,200 boepd in 2019. Production was boosted by a 2% jump in output from the KRI, which reached 32,250 boepd. This helped to offset a drop in production from Egypt, which fell 8% to 30,300 boepd versus 33,000 boepd in 2019 as a result of natural field declines. Fourth quarter 2020 average group production was up 2% to 63,600 boepd. Despite the challenges imposed by the global health pandemic, production in the KRI increased to a record 440 MMscf/d of sales gas in December following the successful completion of a further plant bypass project in July. This resulted in an increase in production in the KRI of 9% in the fourth quarter (quarter to quarter) to 33,250 boepd.

We also continue to plan for the critical expansion of our world-class assets. Our EPC contractor declared force majeure due to COVID-19 in March 2020 although engineering and procurement activities have continued. Nevertheless, the suspension of all civil engineering work has delayed the project. Fortunately, on 15 December 2020, Pearl Petroleum managed to restart the civil engineering works which are critical to delivering the first incremental gas train of 250 MMscf/d. All parties remain fully committed to executing the expansion project as quickly and as safely as possible. First gas is now expected in April 2023 and we are assessing ways to accelerate that date.

In Egypt, we signed a sales and purchase agreement (SPA) in October 2020 to sell our mature producing onshore operating assets. However, several conditions precedent to the transaction could not be completed to the satisfaction of both parties prior to the 14 April 2021 long stop date of the SPA. The Board has therefore decided to retain and operate the assets in Egypt.

We are very excited by our offshore exploration concession area in North El Arish (Block 6), which contains material gas resource potential of more than 20 Tcf. In mid-2020, we acquired an infill programme of 345 sq. km of seismic data over the Thuraya prospect under very difficult operating circumstances, which is now being processed and interpreted. This confirmed that the culmination of the prospect lies in Egyptian territorial waters and was critical in allowing us to choose a potential drilling location.

We look forward to continuing to invest in Egypt, maximising the value of our onshore producing assets and materialising the enormous potential of our Block 6 offshore exploration concession area which we plan to test by drilling an exploration well.

US$**182**mm

Collections

We have again demonstrated our capacity to deliver capital and operating cost discipline, reducing both by a further 57% and 20% respectively year-on-year.

63,200boe/d

Group Production

Financial Performance

In 2020, the Company's share of production in the KRI helped us achieve an adjusted net profit of $36 million versus $88 million in FY 2019, when excluding one-off non-cash impairments and other income items. Including these, the Company reported a net loss of $376 million versus a 2019 net profit of $157 million.

On a standalone basis, our continuing operations, particularly KRI operations, posted a net profit of $32 million in 2020 versus $144 million in 2019. On a like-for-like basis, net profit was $37 million versus $76 million, a robust result in light of the significant difference in realised prices during each period.

During 2020, a total of $412 million of impairments were incurred, principally in relation to our Egyptian assets. Our total revenue in 2020 was impacted by lower realised prices and lower production in Egypt, declining to $349 million versus $459 million in 2019.

Following a cash dividend payment of $105 million in May 2020 and the payment to fully redeem our Sukuk in October, our cash position at the end of 2020 stood at $108 million compared to $425 million at the end of 2019. We also finalised a $90 million corporate facility with a local UAE bank at a significantly better interest rate for the Company.

In terms of collections, the Company received $182 million in 2020. Its share of receipts by Pearl Petroleum in the KRI contributed $102 million and Dana Gas Egypt brought in $80 million. During 2020, the Company received $100 million in dividends from Pearl Petroleum. We are pleased to report that timely payments continue to be received in full from the KRG, with the payment plan to close-out past receivables within 2021.

Our 2020 operational expenses were in line with 2019 at $55 million. Full year G&A saw a 20% drop, reflecting our continued strict focus on cost control, while full year CAPEX was $56 million, 56% less than the $127 million spent in 2019.

HSSE, CSR and ESG

Dana Gas remains committed to maintaining the highest HSSE, Social Performance and Environmental, Social, and Corporate Governance (ESG) standards. We take a proactive approach to managing potential hazards and risks to protect our employees, contractors and others who may be affected by our activities. During 2020, we had zero recordable incidents and zero major road accidents across the portfolio, an outstanding achievement given the challenges presented by the global COVID-19 pandemic. Our Khor Mor and Zora gas plants reached new lost-time injury-free milestones of four and five years respectively.

Full year G&A saw a 20% drop, reflecting our continued strict focus on cost control.

940 MMscf/d

Expand production output at Khor Mor to 940 MMscf/d in two phases.

Dana Gas has no funding commitments in the KRI, as the capital required is sourced from contractor financing, operating cash flow and third-party financing.

The global health pandemic required the activation of business continuity plans and development of a comprehensive suite of health and safety measures to manage operational impacts maintain staff and public health. The Company's ability to rapidly put into place remote working practices allowed our operations, construction and drilling activities to continue in a highly controlled manner, highlighting the resilience of our systems.

Corporate social responsibility and sustainable development remain core to our values, and we continue to support our local communities. Initiatives include: supplying better quality education; delivering improved medical services; improving infrastructure, such as electricity supply and roads; and supporting employment opportunities in our local communities.

In 2020, we revised and diverted some of our social investment to support local health authorities in their response to COVID-19. We provided essential medical equipment in the KRI and Egypt and conducting awareness campaigns to enhance resilience among local communities.

When it comes to the environment, we recognise the increasingly important role oil and gas companies need to play in the clean energy transition. Investors and other stakeholders are demanding higher levels of disclosure around climate change and over the past two years, we have improved our greenhouse gas (GHC) emissions data collection and reporting. We continue to develop our ESG capabilities, harnessing global best practice reporting standards.

Conclusion

Despite shocks to the global economy, Dana Gas has delivered a solid performance in 2020, achieving the targets set out by our Board. We enter 2021 with renewed confidence and a strong balance sheet. We will endeavour to accelerate the development of our world-class assets in the KRI, where over 90% of Dana Gas's proven reserves of over 1 billion barrels of oil equivalent are located. In Egypt, we will continue to maximise the profitability of our onshore assets while we prepare for the drilling of our new exploration well in Block 6, which holds exciting, material upside potential.

I would like to thank the Dana Gas Board, staff, investors and stakeholders for their tireless efforts and continued support as we collectively look forward to delivering another year of robust business performance in 2021.

Dr. Patrick Allman-Ward
Chief Executive officer

Zero

Recordable incidents and major road accidents across the portfolio.

In 2020 the company fully redeemed its Sukuk.

Board of Directors

Mr. Hamid Dhiya Jafar
Chairman of the Board

Mr. Hamid Dhiya Jafar attended St. Paul's School in London, and subsequently studied at Churchill College, Cambridge University, where he obtained his Bachelor's Engineering Degree (specialising in Thermodynamics and Fluid Flow), followed by a Master's Degree.

Mr. Hamid Dhiya Jafar is the Founder and Chairman of the Crescent Group of companies headquartered in Sharjah in the UAE, with regional offices in the Middle East and the UK. The Group is engaged in a variety of commercial ventures including container port operations, logistics, real estate, power generation and private equity.

Mr. Jafar also promoted a culture of transparency and accountability in the Gulf Region through the Pearl Initiative (whose Board of Governors he chairs), founded in cooperation with the United Nations Office of Partnerships.

Mr. Jafar is the founder of the UAE Chapter of the Young Presidents' Organization and the World Presidents' Organization (now YPO Gold), and is also a member of the International Chief Executives Organization. In addition, Mr. Jafar has a wide range of philanthropic interests involving disabled and disadvantaged children, cancer treatment and education. He is a member of the Board of Trustees of the American University of Sharjah.

Mr. Rashed Saif S. Al Jarwan Al Shamsi
Vice Chairman and Chairman of the Board Steering Committee

Mr. Rashed Saif Al Jarwan Al Shamsi holds a Bachelor's Degree in Petroleum and Natural Gas Engineering from Pennsylvania State University, USA.

Mr. Rashed Al Jarwan is the Vice Chairman of Dana Gas. He also serves on the Board of several institutions such as the Emirates General Petroleum Corporation (EMARAT), Oman Insurance Company, DIFC Investments (DIFCI), Mashreq Bank and Al Ghurair Holding Company.

Mr. Al Jarwan has extensive oil and gas experience over more than 40 years. He was Dana Gas Acting CEO for one year and General Manager for three years. Earlier he held the position of General Manager in ADGAS for eight years and several technical and managerial posts in the ADNOC Group of companies in Abu Dhabi for 28 years. He also served on the Board of the National Petroleum Construction Co., the National Drilling Co. in Abu Dhabi and the Sharjah Industrial Development Co. and Fertil Company in Abu Dhabi.

In addition, Mr. Al Jarwan is the Chairman of the Board Steering Committee in Dana Gas.

Mr. Varoujan A. Nerguizian
Director and Chairman of the Audit & Compliance Committee

Mr. Varoujan A. Nerguizian holds Sciences Economiques Degree from Saint Joseph University, Lebanon and from Université Lyon Lumière, France.

Mr. Nerguizian is the General Manager of Bank of Sharjah, UAE since 1992. He is the Chairman and General Manager of Emirates Lebanon Bank SAL in Lebanon (member of the Bank of Sharjah Group) since 2008.

Mr. Nerguizian is also a Founding Member and Chairman of the Lebanese Educational Fund SA and the Lyceé Libanais Francophone Prive in Dubai, a non-profit educational initiative that caters to the needs of the Lebanese and Francophone communities of the UAE since 2003.

In addition, he serves on the Board of Growthgate PEF, Pearl Initiative and the Board of Trustees of the American University of Sharjah.

Mr. Nerguizian is a Founding Member of Dana Gas and the Chairman of the Audit & Compliance Committee. In addition, he is a member of the Board Steering and Reserves committees.

Mr. Said S. Youssef Arrata
Director and Chairman of Reserves Sub-Committee

Mr. Said S. Youssef Arrata holds a Bachelor of Science Degree in Petroleum Engineering from North America universities and numerous oil and gas industry technical and management diplomas.

Mr. Arrata is the Chairman and Chief Executive Officer of Delta Oil and Gas in the United Kingdom, which is involved in exploration and production of oil and gas concessions.

Mr. Arrata has extensive oil and gas experience of over 40 years and was the Chairman and Chief Executive Officer of Sea Dragon Energy Company in Canada until 2015. He is a former Co-Founder and CEO of Centurion Energy International in Egypt in addition to having held senior management positions in major global oil companies in Canada and around the world.

Mr. Arrata is the Chairman of the Reserves Committee in Dana Gas and is a member of the Board Steering and Corporate Governance & Remuneration committees.

Mr. Abdullah Ali I. Almajdouie
Director

Mr. Abdullah Ali I. Almajdouie holds a Bachelor's Degree in Industrial Management and Master's Degree in Business Administration from King Fahd University of Petroleum and Minerals in Saudi Arabia.

Mr. Almajdouie is the Vice Chairman of Almajdouie Holding Company since 1986. He is Chair of several GCC companies including Almajdouie De Rijke Logistic Co. in KSA, Star Marines Services in Dubai, Petrology LLC in Bahrain and Raya Financing Co. in KSA.

Mr. Almajdouie is also the incumbent Vice Chairman of Dhahran International Exhibitions Co. and serves on the Board of several companies including Arab Union of Land Transport in Jordan, Arab Paper Manufacturing Co. and Prince Mohammed Bin Fahd University in KSA. In addition, he is a Counseling Member in Tharawat in Dubai and a member of numerous social and charitable organizations in Saudi Arabia and in GCC.

Mr. Majid Jafar
Board Managing Director

Mr. Majid Jafar holds Bachelor's and Master's Degrees in Engineering (Fluid Mechanics and Thermodynamics) from Cambridge University (Churchill College). He also holds an MA (with Distinction) in International Studies and Diplomacy from the University of London's School of Oriental & African Studies, and an MBA (with Distinction) from Harvard Business School, USA.

Mr. Jafar is the CEO of Crescent Petroleum, the main founder and largest shareholder of Dana Gas. He is the Vice-Chairman of the Crescent Group of companies, a diversified family business group headquartered in Sharjah in the UAE and active across different industrial sectors and countries. His previous experience was with Shell International's Exploration & Production and Gas & Power Divisions in Europe.

In addition to his energy industry positions, Mr. Majid serves on the Board of the Arab Forum for Environment and Development, Queen Rania Foundation and the Iraq Energy Institute. He is also a member of the GCC Board Directors Institute and the Young Presidents' Organization, and is an Accredited Director of the Institute of Directors (IoD Mudara). In addition to being the Managing Director of Board Affairs he also is a member of the Dana Gas Audit & Compliance and Board Steering committees.

Mr. Ziad Abdulla Ibrahim Galadari
Director

Mr. Ziad Abdulla I. Galadari holds a Bachelor's of Laws (LLB) Degree from UAE University.

Mr. Galadari is the Founder and Chairman of Galadari Advocates & Legal Consultants. He has been practicing as an advocate, legal advisor and arbitrator since 1983.

Mr. Galadari is the Chairman of Galadari Investments Group. In addition, he serves as a member of the Board of Dubai World Trade Centre and Emirates Integrated Telecommunications Company PJSC (DU).

Mr. Galadari is a member of the Corporate Governance, Remuneration & Nominations Committee and Reserves committees.

Mr. Hani Abdulaziz Hussain Al Terkait
Director and Chairman of CGR&N Committee

Mr. Hani Abdulaziz Hussain Al Terkait holds a Bachelor's Degree in Chemical Engineering from the University of Tulsa in USA.

Mr. Al Terkait served as the Oil Minister in Kuwait until 2013 and Chief Executive Officer of Kuwait Petroleum Corporation (KPC) from 2004 until 2007.

Mr. Al Terkait currently serves on the Board of several companies including the Kuwait Foundation for the Advancement of Science. Previously, he held various executive positions in several oil and petrochemical companies in Kuwait, including Kuwait National Petroleum Co., Petrochemical Industries Co., Public Authority for Industry, Hoechst German and Ikarus Petroleum Industries Company.

Mr. Al Terkait is the Chairman of the Corporate Governance, Remuneration & Nominations Committee and a member of the Board Steering Committee.

Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri
Director

Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri holds a Bachelor's Degree in Business Communications Technology from Staffordshire University in the UK.

Mr. Almheiri is currently the General Manager of Al Rubaya Group since 2001. Al Rubaya Group is a leasing and real estate management company and commercial agent representing international companies.

Mr. Almheiri also holds the position of Vice Chairman, Electromechanical Co., and is Sole Agent for SIEMENS in Abu Dhabi, UAE.

Until 2010, Mr. Almheiri was the Assistant Director of Marine Management at Abu Dhabi Environment Authority. He is also a Board member of the National Corporation for Tourism and Hotels since 2010.

Mr. Almheiri is a member of the Corporate Governance, Remuneration & Nominations Committee and the Reserves Committee.

Mr. Jassim Mohamedrafi Alseddiqi Alansaari
Director

Mr. Jassim Mohamedrafi Alseddiqi Alansaari holds a Bachelor of Science Degree in Electrical Engineering from the University of Wisconsin-Madison and an MSc in Electrical Engineering from Cornell University. He has also served as a noted lecturer at the Abu Dhabi-based Petroleum Institute.

Mr. Alseddiqi is the Chief Executive Officer of SHUAA Capital psc, the DFM-listed entity and a leading asset management and investment banking platform created by the merger of SHUAA Capital and Abu Dhabi Financial Group (ADFG). The company has US$14 billion in assets under management and offices throughout the Middle East and the United Kingdom.

Mr. Alseddiqi is known for his dynamic and innovative approach, having pioneered many investment strategies in the region. He is currently the Chairman of Gulf Finance House (GFH), SALAMA Islamic Arab Insurance Company, Eshraq Investments, Khaleeji Commercial Bank and The Entertainer. He also serves on the boards of First Abu Dhabi Bank (FAB), Abu Dhabi Capital Group, ADNOC Distribution and Dana Gas.

Mr. Nureddin S. M. Sehweil
Director

Mr. Nureddin S.M. Sehweil holds a Bachelor of Science Degree in Petroleum Engineering from Louisiana State University, USA.

Mr. Sehweil is the Chief Executive Officer of UAG and Uni-Arab Engineering & Oilfield Services in Abu Dhabi.

Mr. Sehweil's experience extends nearly 46 years in the E & P areas. He started his oil and gas career with Mobil Oil Corporation and Consolidated Natural Gas in the Gulf of Mexico and has more than seven years' experience in nuclear power generation.

Mr. Sehweil serves on the Board of several companies including Gulf Navigation Holding PJSC, Uni-Arab Group and its subsidiaries and partnerships in the oil and gas engineering services and supply sectors, Newline Soosan ENS, Newline Huvis Water and Newline Orbitech in the nuclear power generation services sector.

Mr. Sehweil is a member of the Audit & Compliance Committee, the Corporate Governance, Remuneration & Nominations Committee and the Reserves Committee.

Dana Gas has adopted the concept of the International Advisory Board (IAB). The purpose of this Board is to provide strategic advice to the Board of Directors and management, to identify specific business opportunities and build relationships worldwide.

(Left to right)

Mr. Kai Hietarinta
Former Vice Chairman of Neste Oy of Finland

Dr. Joseph Stanislaw
Former CEO of Cambridge Energy Research Associates (CERA)

Mr. Nordine Ait-Laoussine
Former Algerian Oil Minister and former Head of Sonatrach

Sir Graham Hearne
Chairman of the International Advisory Board, former Chairman of Enterprise Oil plc of the UK

Ms. Razan Jafar
Secretary of the International Advisory Board

Mr. Hamid Dhiya Jafar
Chairman of Dana Gas

Lord Simon of Highbury
Former Chairman of British Petroleum (BP)

Dr. Burckhard Bergmann
Former Board member of Russian gas company, Gazprom

Dr. Nader Sultan
Former CEO of Kuwait Petroleum Corporation and Director of the Oxford Energy Seminar

Senior Executive Management

Dr. Patrick Allman-Ward
Chief Executive Officer

Dr. Patrick Allman-Ward is CEO of Dana Gas. He is an accomplished international energy executive with over 36 years' experience in the oil and gas industry. He has held senior positions in locations all over the world, including Europe, the Far East and the Middle East.

Dr. Allman-Ward started his career at Shell in 1982, where he gained extensive experience in a wide range of fields and held many senior positions. He joined Dana Gas in August 2012 as the General and Country Manager of Dana Gas Egypt. In 2013 Dr. Allman-Ward was selected by the Dana Gas Board to take over as CEO of the Dana Gas Group. Dr. Allman-Ward studied geology at Durham University and earned his PhD from the Royal School of Mines, Imperial College London.

Mr. Chris Hearne
Chief Financial Officer

Mr. Chris Hearne is the Chief Financial Officer (CFO) of Dana Gas. He joined the Company in early 2016. Previously, Mr. Hearne was with Serica Energy plc, an international oil exploration and production company listed on the AIM market in London, where he served as CFO and Director from 2005. Mr. Hearne has over 20 years' experience within the oil industry, including as CFO and Senior Vice President of Erin Energy, a NYSE listed company with oil assets across Africa, and with Intrepid Energy North Sea Limited.

Mr. Hearne was originally an investment banker and has extensive experience of corporate finance transactions, including capital markets and M&A. He spent 10 years with Lehman Brothers International and Robert Fleming & Co.

Mr. Neville Henwood
Legal and Commercial Director

Mr. Neville Henwood is Legal and Commercial Director of Dana Gas. Mr Henwood joined Dana Gas in August 2020.

Previously, Mr Henwood spent 14 years with Rio Tinto, most recently as General Counsel for the copper and diamonds business. He was also Chief Counsel Rio Tinto Procurement, and Corporate Counsel and Company Secretary for Energy Resources of Australia.

Prior to joining Rio Tinto, Mr Henwood spent over 20 years in private practice, focused on resources and energy and commercial litigation. He was admitted to practice in the Supreme Court of the Northern Territory and the High Court of Australia in 1985.

Mr. Mike Seymour
Head of HSSE and Sustainability

Mr. Mike Seymour is Head of Corporate HSSE and Sustainability for Dana Gas. He joined the Company in early 2020. He is an accomplished HSSE and sustainability professional with over 30 years' international experience in environment, health and safety, social performance and non-technical risk management, particularly in the upstream oil and gas industry.

Prior to joining Dana Gas, Mr. Seymour was Principal Advisor on environmental and social risk management to the UK Government's Export Credit Agency, UK Export Finance. Previously, he spent 20 years with Shell International in various positions around the world for the upstream exploration and production, and gas and power businesses, including in the Netherlands, Brunei, China, Singapore and Australia. He started his career in UK-based consultancies, spending 10 years advising multinationals, financial institutions and donor agencies on environmental and occupational health and safety.

Mr. Ramganesh Srinivasan
Head of Human Resources

Mr. Ramganesh Srinivasan joined Dana Gas in 2009, heading the HR function since 2015. He has over 18 years' human resources experience in multinational and multicultural organisations. Prior to moving to the oil and gas industry, Mr. Srinivasan worked in various capacities in HR in the IT sector.

Mr. Srinivasan is experienced in People Capability Maturity Model (PCMM), Six Sigma and Integrated Competency & Learning Management. He holds an MBA in HR and Systems and other professional certifications and credentials in the areas of reward management, job measurement, and rational emotive behavioral technique.

Mr. Donald Dorn-Lopez
General Manager – Egypt

Mr. Donald Dorn-Lopez is the Dana Gas Egypt General Manager and the acting Group Technical Director for Dana Gas PJSC. With more than 30 years' experience in oil and gas, Mr. Dorn-Lopez has held senior positions including Technical Director – Country COO for Max Petroleum in Kazakhstan as well as various other roles for Mobil Oil, British Petroleum, Conoco and Maersk. He began his career as a geoscientist and progressed through technical team leadership, E&P management, and operations management to executive management.

Mr. Dorn-Lopez holds a Bachelor's Degree in Geology and Geophysics from San Diego State University in the United States. He has also completed various executive leadership training with leading institutes.

Mr. Shakir Shakir
Dana Gas Iraq Country Manager

Mr. Shakir is the Iraq Country Manager for Dana Gas and has held this position since 2007. Prior, Mr. Shakir was the Iraq-Countrywide Cognizant Technical Officer (CTO) and the General Development Specialist and Activity Manager for the United States Agency for International Development (USAID) – Iraq Mission, from 2003 to 2007. He also worked in developing several sectors such as oil and gas, agriculture, education, local governance, economic growth, power generation Mr. Shakir was also involved in infrastructure projects in Kurdistan region and Iraq under USAID activities and budget in Iraq.

From 2001 to 2003, Mr. Shakir managed the Integrated Rural Agricultural Rehabilitation Program in the United Nations Food and Agriculture Organization (UNFAO) in the Kurdistan Region of Iraq.

Operational Review

Kurdistan Region of Iraq (KRI)

We aim to advance the development of our world-class assets in the KRI.

Gross Gas Production MMscf/d

2020	393
2019	382
2018	309

393 MMscf/d

Gross Gas Production

2020 Highlights

- **Production of 32,250 boepd, a 2% increase**
- **Bypass project helps boost production to record levels of 440 MMscf/d**
- **KRI operations uninterrupted, even as stringent protocols undertaken amid pandemic**
- **Pearl Petroleum restarts KM250 expansion project after COVID-19 related suspension**

Overview

The Kurdistan Gas Project was established in 2007 in the Kurdistan Region of Iraq (KRI). Dana Gas and Crescent Petroleum entered into an agreement with the Kurdistan Regional Government (KRG) for exclusive rights to appraise, develop, produce, market, and sell hydrocarbons from the Khor Mor and Chemchemal fields, allowing the government to benefit from stable gas supply for regional power generation. Production from the Khor Mor gas processing plant and the 180 km pipeline supplies gas to power stations in Chemchemal, Bazian and Erbil, generating over 2000 MW of electricity. Production from these facilities began in October 2008, just 15 months from project initiation – an industry record. In 2009, Pearl Petroleum (PPCL) was formed as a consortium, with Dana Gas and Crescent Petroleum as shareholders (initially 50% each). Today, Dana Gas and Crescent Petroleum now each own 35% after OMV, MOL, and RWE joined PPCL, purchasing a 10% share each.

Gross Condensate Production bbl/d

2020	14,839
2019	14,638
2018	13,045

Gross LPG Production MT/D

2020	1,004
2019	991
2018	976

Net Production kboepd

2020	32.25
2019	31.5
2018	26.65

14,839 bbl/d
Gross Condensate Production

1,004 MT/D
Gross LPG Production

32,250 kboepd
Net Production

The Kurdistan Gas Project was the first time that an international oil and gas company began producing gas in the KRI. To date, all of the gas produced by PPCL has been used for in-country power generation, providing affordable electricity in the KRI. In addition, the Khor Mor processing plant produces natural gas liquids (NGL or gas condensate) and liquefied petroleum gas (LPG), which are sold to the KRG and local traders. Initially, the Khor Mor plant produced around 300 MMscf/d. As a result of two key debottlenecking projects, production at the Khor Mor plant has increased from 305 MMscf/d in 2017 to 440 MMscf/d as at December 2020. The first project debottlenecked the early production facility in Q4 2018, adding an additional 80 to 90 MMscf/d. This was followed by the installation of a plant bypass system in August 2020 which allowed production to reach record levels of 440 MMscf/d by the end of the year.

In 2020, despite the challenges of the COVID-19 pandemic, PPCL's production operations in the KRI continued uninterrupted, with committed gas supply to our customers maintained. A rigorous and stringent set of COVID-19 controls and preventative measures were introduced to prevent the spread and impact of the virus at the gas plant.

We continue to make progress in the critical expansion of our world-class assets. Our EPC contractor declared force majeure due to COVID-19 in March 2020 although engineering and procurement activities have continued. Nevertheless, the suspension of all civil engineering work has delayed the project. Fortunately, Pearl Petroleum managed to restart civil engineering works on 15 December 2020. These are critical to delivering the first incremental gas train of 250 MMscf/d. All parties remain fully committed to executing the expansion project as quickly and as safely as possible. First gas is expected in April 2023 and we are assessing ways to accelerate that date.

Full-time operations are predominantly staffed by local nationals, who represent over 80% of the workforce. Local staff continue to be trained to increase this further. The Company has a long history of contributing directly to local communities, including supply of local power to neighbouring communities and various education and infrastructure programmes, which continued in 2020. Given the extreme stress experienced by the KRI through the COVID-19 pandemic, PPCL committed further social investment support to the local health authorities through procurement of essential medical equipment and supplies, including PCR testing machines, test kits and laboratory equipment.

Dana Gas undertook significant activity in the KRI during 2020 and KRI operations remain a key Company focus. The Company recorded strong operational and financial performance, bolstered by higher production output, regular collections, and the payment of overdue receivables.

In Q3 2020 Pearl Petroleum completed a bypass project which allowed production to reach record levels of 440 MMscf/d.

Production

The Khor Mor facilities are jointly operated by Dana Gas and Crescent Petroleum on behalf of PPCL. During 2020, production in the KRI increased by 2% year-on-year to 32,250 boepd, while daily production averaged 393 MMscf/d sales gas, 14,839 bbl/d condensate and 1,004 mt LPG. The increase in average production was primarily due to debottlenecking activities which were completed in Q3 and on-stream in Q4 2020, resulting in an increase in gas output to 432 MMscf/d by December. This was a notable achievement by the KRI team who delivered the project safely, ahead of time and below budget. Q4 2020 production was boosted by 9% to 33,250 boepd due to the completion of the plant bypass as well as increased gas demand due to seasonal weather conditions. These noteworthy results are testament to the tireless efforts of our staff at the plant to optimise plant efficiencies and reliability.

Reserves

The significant reserves in Khor Mor and Chemchemal were independently audited by GCA in May 2019. Their report showed that Dana Gas' share of the Khor Mor and Chemchemal 2P reserves was 4.4 Tscf gas, 136 MMbbl condensate and 13.3 million mt LPG. The report showed that Dana Gas reserves increased by 10% to 1,087 mmboe. Part of the increase in reserves was due to the booking of 18 MMbbl of oil reserves for the first time in the Kor Mor field. This places the Khor Mor and Chemchemal fields among the biggest gas fields in the whole of Iraq, making them world-class assets.

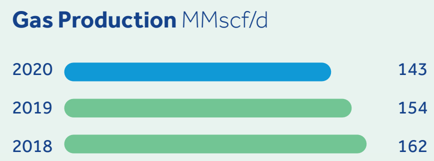
Growth

The Company will unlock multi-billion dollar value through executing the Khor Mor and Chemchemal field development activities. The Company's overall expansion plans will add 500 MMscf/d via two 250 MMscf/d gas processing trains.


Turkey
Syria
Iran
Pirdawood PP
Chemchemal
Baziyan PP
Chemchemal PP
Kurdistan Region of Iraq
Khor Mor
Block 20
Block 19
Pearl Petroleum Blocks
Iraq Boundary
Power Plants (PP)
KM Gas Plant
Pipelines

Egypt

In October 2020, Dana Gas entered into a binding agreement with IPR Energy Group for the sale of its mature producing onshore Egyptian oil and gas assets for a cash consideration of up to $236 million, including contingent payments.



143 MMscf/d
Average Gas Production

2020 Highlights

- **Produced an average of 30,300 boepd in 2020**
- **Dana Gas will retain and operate its onshore assets**
- **Block 6 is believed to contain material gas resource potential in excess of 20 Tcf**

However, the Board of Dana Gas decided to terminate the Sales and Purchase Agreement (SPA) after a several conditions precedent to the transaction could not be completed to the satisfaction of both parties prior to 14 April 2021, the SPA's long stop date. Dana Gas exercised its right to terminate the SPA in accordance with the terms of the SPA.

Dana Gas will therefore retain and operate those assets earmarked for sale and looks forward to continuing to invest in Egypt and maximising the value of our onshore producing assets. The Company also remains committed to the continued operation of its remaining offshore exploration assets in Egypt, where it retains a 100% equity interest in the North El Arish (Block 6) offshore exploration concession area. Block 6 contains material gas resource potential in excess of 20 Tcf and in mid-2020, the Company acquired 345 sq. km of infill 3D seismic data over the top-ranking prospect in the block, which is now being interpreted. On this basis, the Company will be able to select an appropriate drilling location and make all necessary preparations to finalise well design and order long-lead items.

Overview

Dana Gas has operated in Egypt through its subsidiary, Dana Gas Egypt (DGE), since 2007, where it has focused on developing and providing natural gas and gas liquids, including condensate and LPG. Since entering Egypt, DGE has become the nation's fifth largest gas producer.

DGE operates 14 development leases onshore in the Nile Delta, all with a 100% working interest. In addition, DGE operates the offshore Block 6 North El Arish offshore exploration concession area with a 100% working interest, currently in the exploration phase.

Production and Exploration

In 2020, the Company's year-on-year output fell 8% to 30,300 boepd due to natural field declines.

Block 1 (North El-Salhiya concession)

The East South Abu El Naga-1 well, a successful exploration well from last year was converted into a development lease in late 2019, and production began in January 2020. The remainder of Block 1 was relinquished at the end of 2018.

Condensate bbl/d

2020	3,984
2019	4,766
2018	4,982

LPG Production MT/D

2020	211
2019	222
2018	221

Production kboepd

2020	30.3
2019	33
2018	34.5

3,984 bbl/d
Average Condensate Production

211 MT/D
Average LPG Production

30,300 kboepd
Average Production Egypt

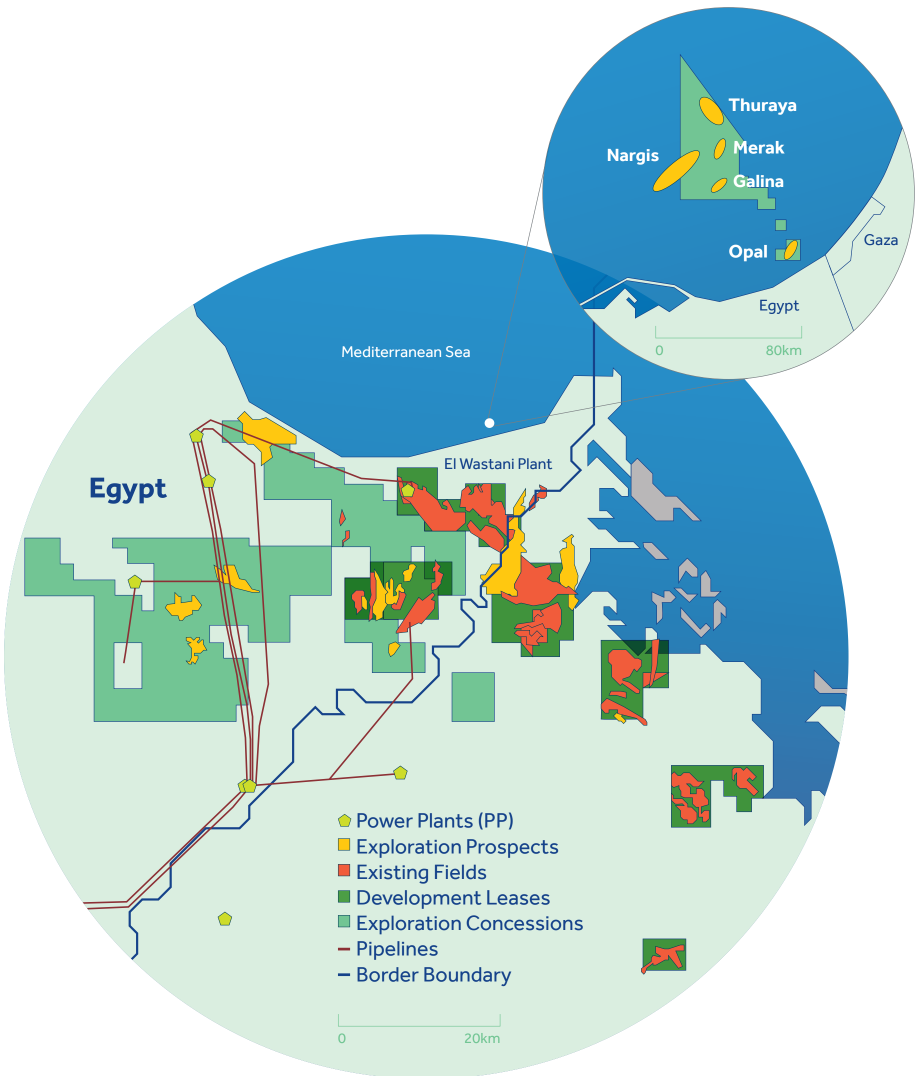
Block 3 (El-Matarya onshore concession)

This concession was operated by BP, who decided to discontinue their operation. Dana Gas consequently relinquished this concession in January 2021.

Block 6

Dana Gas retains an interest in its offshore exploration concession in North El Arish (Block 6), which contains material gas resource potential in excess of 20 TcF. In mid 2020, the Company acquired infill 3D seismic data, which will help the Company chose a drilling location. On that basis, Dana Gas will be able to make all necessary well design and engineering preparations and order long-lead items to allow the drilling of an exploration well.

The Block 6 exploration acreage is highly prospective. Major exploration potential is present in multiple reservoir targets in the Thuraya Prospect, a Cretaceous reef with Oligocene clastic reservoir draping the structure. Additional exploration potential remains in the deeper Oligocene reservoir section in the Merak structure which can be accessed cost-effectively by deepening the existing exploration well that tested the structure's shallow part and in several other prospects in the Block.



UAE

The UAE Gas Project involves the import of 600 MMscf/d sour gas sourced from the National Iranian Oil Company (NIOC) for transportation, processing, and sale in the UAE.

UAE Gas Project

The UAE Gas Project involves the purchase of 600 MMscf/d imported sour gas sourced from the National Iranian Oil Company (NIOC) for transportation, processing, and sale in the UAE. Gas was to be received at the offshore riser platform, connected to the Mubarak oil field infrastructure then transported via a 30-inch pipeline to the SajGas processing plant in Sharjah. At SajGas, the gas was to be sweetened to remove the sulphur content and natural gas liquids (condensate) extracted for sale within the UAE.

CNGCL (in which Dana Gas owns a 35% equity share) is the gas marketing company set up to sell gas domestically within the UAE and market the liquids and sulphur products to regional and international customers. However, gas was never supplied by NIOC when the project was scheduled to start in 2005. Accordingly, the gas sales and purchase contract between Dana Gas' partner, Crescent Petroleum, and NIOC has been the subject of international arbitration since June 2009.

In 2014, a tribunal ruled in favour of Crescent Petroleum, finding NIOC to be in breach of contract and liable for damages.

A hearing was held in October 2017 to determine the amount of damages payable by NIOC for the breach of contract during the period from 2005 to 2014. The tribunal is expected to issue its damages award in 2021.

In 2019, Dana Gas was informed that Crescent Petroleum had commenced a second arbitration with a new tribunal, this time addressing a claim for damages from 2014 until the end of the contract period in 2030.

Despite the market volatility, our operations continued unimpeded. We fully redeemed the Company's $309 million outstanding Sukuk and secured a $90 million corporate facility.

Key Financial Metrics

	2020 $ million	2019 $ million	Change $ million	% Change
Gross Revenue	349	459	(110)	(24)
Gross Revenue – Continuing operations	122	164	(42)	(26)
Gross Profit	86	127	(41)	(32)
Gross Profit – Continuing operations	62	102	(40)	(39)
Net (Loss)/Profit	(376)	157	(533)	(339)
Net Profit – Continuing operations	32	144	(112)	(78)
Adjusted Net Profit excluding impairment, earn out and deferred income	36	88	(52)	(59)
EBITDA	146	341	(195)	(57)
Cash From Operations	133	253	(120)	(47)

Gross Revenue

US$mm

Despite a sharp decline in oil prices due to the COVID-19 pandemic, the Company's continuing operations reported a net profit of $32 million, reflecting profitability of the remaining business even in these volatile times.

Overview

2020 undoubtedly was a difficult year for the world and the Company was not immune to challenges. However, despite market volatility, our operations continued unimpeded. We fully redeemed the Company's $309 million outstanding Sukuk and secured a $90 million corporate facility.

Despite a sharp decline in oil prices due to the COVID-19 pandemic, the Company's continuing operations reported a net profit of $32 million reflecting profitability of the remaining business even in these volatile times.

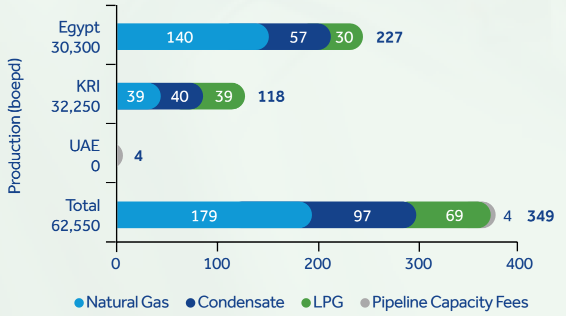
During the year, the Company earned gross revenues of $349 million as compared to $459 million in 2019, a decrease of 24% due to lower realised prices and lower levels of production in Egypt. This decline was partly offset by production increase in Kurdistan in quarter three following completion of the bypass project.

The Company reported a net loss after tax of $376 million as compared to a profit of $157 million in the corresponding year. Following the sharp decline in oil prices and associated negative economic effects as a result of the COVID-19 pandemic, the Company recognised a non-cash impairment of $244 million in respect of Egyptian assets and a further impairment of $163 million in respect of goodwill following sale of the Company's onshore assets in Egypt.

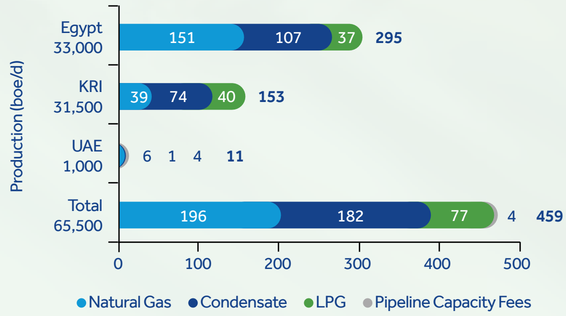
On an adjusted basis, excluding the impairments in 2020 and exceptional other income recognised in 2019, the Company reported a profit of $36 million as compared to a corresponding year profit of $88 million. Net profit from continuing operations during the year was $32 million which reflected the strong underlying operating performance despite a sharp decline in oil prices.

The Company's cash position stood at $108 million, a decrease of 75% compared to a 2019 year-end balance of $425 million. The cash balance included $39 million representing our 35% share of cash held at Pearl Petroleum.

2020 Split Gross Revenue by Product and Geography
US$mm



2019 Split Gross Revenue by Product and Geography
US$mm



The Company collected a total of $182 million during the year, $80 million of which was collected in Egypt and $102 million in the KRI. The Company continued its policy of paying dividends to its shareholders and paid a dividend of $104 million in 2020 and bought back Sukuk amounting to $88.5 million (nominal value). In addition, the Company on maturity of its Sukuk in October 2020 redeemed the full outstanding amount of $309 million through internal cash resources and a $90 million credit facility from a local UAE bank.

Discontinued Operations

The Company announced on 25 October 2020 that it had entered into an agreement with IPR Wastani Petroleum Ltd, a member of the IPR Energy Group (IPR) for the sale of its onshore Egyptian producing oil and gas assets for a consideration of up to US$ 236 million including contingent payments.

Under the terms of the sale, the consideration was to comprise (i) a base cash consideration of US$ 153 million, including the net working capital associated with the assets and before any closing adjustments, and (ii) contingent payments of up to US$ 83 million subject to average Brent prices and production performance between 2020-2023 as well as realisation of potential third-party business opportunities. Upon closing, the base consideration was to be adjusted by the collections received and payments made by the Company during the intervening period between the economic date and the closing date.

The perimeter of the transaction was to include Dana Gas' 100% working interests in the El Manzala, West El Manzala, West El Qantara and North El Salhiya onshore concessions and associated development leases. These assets produced 30,300 boepd in 2020.

All the assets and liabilities directly associated with these assets have been classified as held for sale at their fair values.

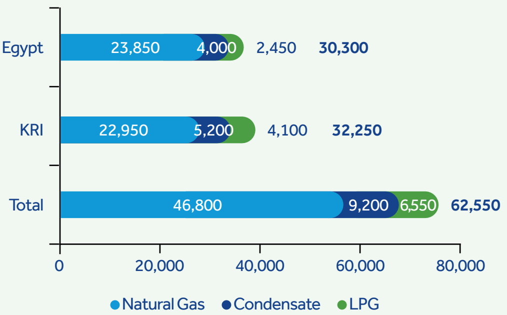
Subsequent to period end, on 23 April 2021 the Company terminated its agreement for the sale of its Egyptian assets, previously announced on 25 October 2020.

Several conditions precedent to the transaction could not be completed to the satisfaction of both parties prior to the 14 April 2021 long stop date of the Sale and Purchase Agreement (SPA). The Board therefore decided to retain and operate the assets in Egypt alongside the highly prospective exploration acreage offshore Block 6.

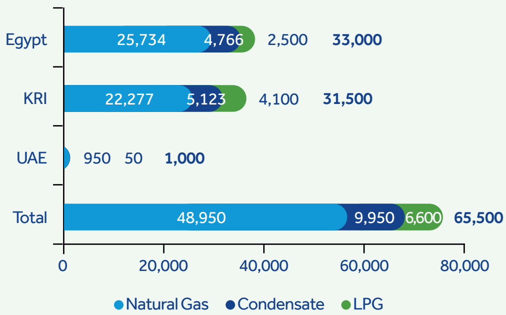
Gross Revenue

Gross revenue at $349 million was 24% lower than $459 million earned in 2019, a decrease of $110 million. Realised prices for liquids were lower by 32% in 2020 and impacted the topline by $88 million. Decline in production in Egypt and Zora eroded $27m off the top line. However, this was partly offset by a production increase in Kurdistan which added $5 million. Realised prices averaged $28/bbl for condensate and $28/boe for LPG compared to $49/bbl and $30/boe respectively in 2019.

2020 Split Production by Product and Geography
boe/d



2019 Split Production by Product and Geography
boe/d



The Company ended the year with an average production of 63,200 barrels of oil equivalent per day (boepd), a decrease of 5% compared to last year production of 66,200 boepd. The decline came as an increase in production in the KRI failed to outweigh a decrease in Egypt production due to natural field declines. Despite the challenges imposed by the global health pandemic, operations in the KRI and Egypt have remained fully functional. During the full year, production in the KRI increased by 2% year-on-year to 32,250 boepd while production in Egypt fell 8% to 30,300 boepd.

For the fourth quarter, average Company production rose 2% to 63,600 boepd, boosted by a 9% increase in the KRI to 33,250 boepd. This was driven by record levels of production in the KRI in Q4 reaching 440 MMscf/d of gas output in December following the successful completion of a further plant bypass project in July.

Our share of revenue from the joint operations in the KRI stood at $118 million, lower by 23% as compared to $153 million in 2019. Egypt contributed $227 million to gross revenue as compared to $295 million in 2019.

Gross Profit

Gross profit for the year was lower at $86 million compared to $127 million in 2019. Continued and discontinued operations contributed $62 million and $24 million, respectively as compared to $102 million and $25 million in the corresponding year. Gross margins decreased from 44% in 2019 to 38% in 2020.The decline in gross profit and margins was due to depressed oil prices during 2020.

Operating and General and Administration (G&A) Expenses

After achieving significant reductions in cost, year-on-year, since 2014 we have maintained our operating cost at the same level in 2020 as in 2019. The Company's robust, long-standing programme to control operating expenses helped to effectively navigate the challenging market environment in 2020. G&A costs were further reduced in 2020 by 20% to $12 million from $15 million in 2019.

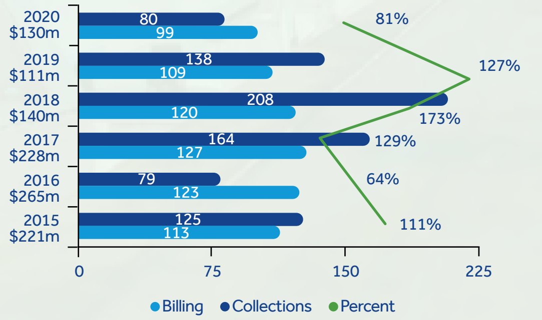
Net Profit

The Company reported a net profit of $36 million, excluding a one-off non-cash impairment of $412 million in 2020. Including the one-off impairment, the Company reported a net loss of $376 million. In comparison, the Company reported a net profit of $88 million, excluding a one-off non-cash impairment and other income items in relation to earn-out and deferred compensation. Including these one-off items, the Company reported a net profit of $157 million in 2019.

The impairment charge in 2020 was incurred in relation to the producing assets and goodwill following sale of the Company's onshore assets in Egypt.

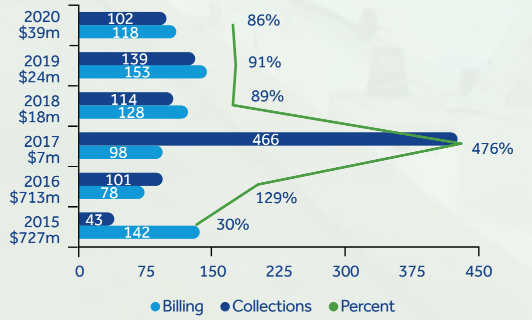
Upon signing of the SPA with IPR, Egyptian onshore operations were classified as discontinued operations, whilst the KRI assets and the corporate effects have been classified under continuing operations in the income statement.

Trade Receivables – Dana Gas Egypt
US$mm



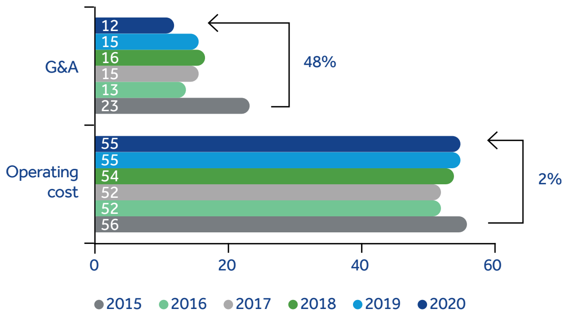
Note: percent calculated as collections divided by net revenue

Trade Receivables – Pearl Petroleum
US$mm

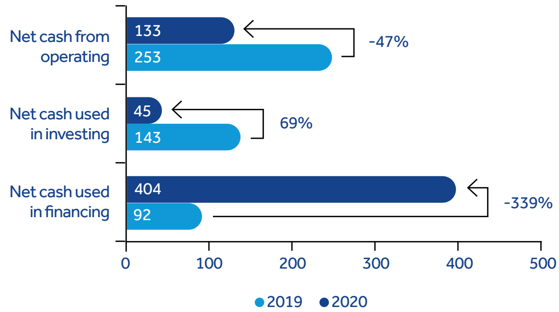


Note: percent calculated as collections divided by net revenue

Operating and General and Administration Expenses
US$mm



Cash Flow
US$mm



The Company's continued operations – the KRI and Corporate – posted a net profit of $32 million in 2020 versus $144 million in 2019. In 2019, the Company benefited from a $134 million gain mainly in relation to earn-out and deferred compensation, offset by a $60 million non-cash impairment of the Meark-1 well. On a like for like basis, net profit was $37 million versus $76 million, a robust performance in light of the significant difference in realised prices during each period.

Discontinued operations, namely producing assets in Egypt, posted a net loss of $408 million versus a net profit of $13 million in 2019. Excluding the impairment charges in 2020, the Company posted a net loss of $1 million.

Balance Sheet
Despite the net loss of $376 million in 2020, the balance sheet of the Company remained strong with total assets of $2.4 billion as compared to liabilities of $277 million. Consequently, equity attributable to shareholders stood at $2.14 billion, translating into a book value per share of AED 1.12 (2019: AED 1.38).

Non-Current Assets
Non-current assets of the Company stood at $2.03 billion as of 31 December 2020, as compared to $2.4 billion in 2019. The decline in non-current assets is mainly due to classification of Egyptian onshore assets as held for sale and impairments recognised during 2020.

The outstanding Sukuk of $397 million was fully redeemed upon maturity.

Current Assets

Current assets of the Company stood at $388 million, a 46% decrease compared to $720 million as of 31 December 2019. The decrease was primarily due to decline in cash and cash equivalents.

Cash and cash equivalents decreased from $425 million to $108 million in 2020, a decrease of 75%. The main reason for this decline was the use of cash to repay the outstanding Sukuk. The outstanding Sukuk of $397 million was fully redeemed upon maturity.

Liabilities

Total liabilities reduced from $570 million in 2019 to $277 million in 2020. The decrease in liability was primarily due to repayment of the outstanding Sukuk of $397 million at maturity.

Capital Investment

The Company incurred an amount of $56 million in capital expenditure during the year ended 31 December 2020. Of this, $29 million was incurred in Egypt and $27 million in the KRI, mainly in relation to expansion plan for additional production via a 250 MMscf/d gas processing train.

The Company's trade receivables at the end of the year stood at $169 million as compared to $135 million in 2019. Of this, $130 million relates to Dana Gas Egypt which has been classified as assets held for sale.

The Company collected a total of $182 million during the year, with Egypt and the KRI contributing $80 million and $102 million respectively.

In Kurdistan, Dana Gas' share of collections for the year 2020 stood at $102 million and hence realised 86% of the year's revenue. At year end, the Company's share of trade receivable stood at $39 million and represented amounts due against local sales for the month of November and December 2020 and overdue amounts relating to December 2019 to February 2020 gas and condensate invoices. In the KRI, regular payments have been received since March 2020. The KRG maintained its commitment to pay its invoices on time despite facing fiscal challenges throughout the year. In respect of overdue invoices, the Company has received notification from the KRG on the mechanism for settlement of the outstanding receivables, starting in 2021.

In Egypt, the Company collected a total of $80 million during 2020 and hence realised 81% of the year's revenue. At the year end, the trade receivable balance stood at $130 million as compared to $111 million at the end of 2019.

Cash flow from operations decreased from $253 million in 2019 to $133 million in 2020. The decrease in net cash flow from operating activities was primarily due to a decrease in collections as compared to 2019. In addition during 2019, $42 million was released by Pearl Petroleum from funds held for development, whereas in 2020 $27 million was released.

Net cash used in investing activities decreased from $143 million in 2019 to $45 million in 2020, a decrease of 69%. The decrease was mainly due to reduced activity in both Egypt and the KRI due to COVID-19.

Net cash used in financing activities for the year 2020 was $404 million, a 339% increase compared to $92 million in the corresponding period last year. In 2020, cash was primarily used for repayment/ buyback of Sukuk amounting to $388 million. This was partly offset by a term facility of $90 million from a local UAE bank and drawdown of $14 million by Pearl Petroleum against loan facility. In addition a dividend of $104 million was also paid to shareholders in May 2020.

The Company ended the year with cash and bank balance of $108 million as compared to $425 million in 2019.

Corporate Financing

The Company started 2020 with an outstanding Sukuk balance of US$ 397 million, with a redemption date of 31 October 2020. During the course of 2020, the Company executed buy backs in the market amounting to US$ 88.5 million (nominal value). All bought back Sukuk were cancelled as per their terms and conditions. This brought the remaining balance of Sukuk to US$ 309 million, which was fully redeemed on the redemption date.

During October 2020, the Company signed a Facility Agreement for a new term loan facility from a local UAE bank for US$ 90 million. The one-year term of the facility included a further four year extension available at the Company's option, taking the total term up to five years. The borrowing cost is highly competitive, at a rate of 3% plus LIBOR. The facility was drawn on 22 October 2020.

Health, Safety, Security and Environment (HSSE)

The year was dominated by the COVID-19 pandemic, requiring the activation of business continuity plans and development of a comprehensive suite of health and safety measures to manage operational impacts and maintain staff and public health.

2020 Highlights

- Dedicated COVID-19 risk committees and task teams in place across all countries to assess, plan and manage response to COVID-19
- Zero recordable incidents
- Lost-time injury-free milestone achievements at Zora gas plant (five years) and Khor Mor plant (four years)
- Zero major road accidents
- 98% close-out of all HSE observation actions
- Completion of asset integrity improvement programmes in Egypt and the KRI, providing greater assurance that our operating assets continue to meet acceptable safety risk and integrity standards
- Submission and approval of international standard Environmental & Social Impact Assessments (ESIAs) for the KM250 project, the Egypt 3D-seismic survey and Ganat-1 and Daffodil-1 wells
- Successful joint oil spill response exercise in the Nile River between DGE, WASCO, Petrosafe and local authorities
- Successful OHSAS 18001, ISO 14001 and ISO 45001 compliance audits to maintain HSE Management System certifications to international standards in DGE and the UAE

COVID-19 Response

The year was dominated by the COVID-19 pandemic, requiring the activation of business continuity plans and development of a comprehensive suite of health and safety measures to manage operational impacts and maintain staff and public health.

The resilience of our systems has been fully tested through this period, with remote working for most of our office-based staff, and the establishment of appropriate policies and procedures to allow production operations, construction and drilling activities to safely continue in a carefully controlled way.

In our operational facilities, we reduced numbers to essential critical operations/maintenance personnel, introduced robust testing and quarantine programmes, and adjusted shift rotation patterns, thereby enabling continued safe production and maintaining supply to customers.

Whilst we have had positive COVID-19 cases amongst our Dana Gas staff and contractors in Egypt, the KRI and the UAE, we effectively contained the spread of the virus through strict site controls and procedures to avoid adverse impact our business operations. We are pleased to report that all those infected by the virus have fully recovered

Our COVID-19 measures have fully complied with, and in some cases gone beyond the recommended measures of the national authorities in those countries where we operate. For example, several IOCs consulted with our Pearl Petroleum venture in the KRI in recognition of its best-in-class COVID-19 management approach and response to a particularly challenging and dynamic situation in the country where national health systems have been under severe stress.

We also revised and diverted social investment in the KRI and Egypt to support health authorities in their COVID-19 responses through provision of essential medical equipment, further enhancing COVID-19 resilience amongst local communities via specific awareness campaigns.

Incidents in 2020

There were no recordable incidents during the year, meaning Total Recordable Injury Frequency (TRIF) was zero. This was an exceptional performance given the challenging environment introduced by COVID-19.

There were three High Potential Incidents (HiPos) in 2020, all of which took place in Q4; two in the KRI, one in Egypt.

- In October, two small fire incidents on consecutive days at the NGL tanker loading bay in Khor Mor were the result of static electricity igniting fuel/vapours leaking from the couplings. The fires were quickly isolated and extinguished, nobody was injured, and no damage was sustained to the tankers. Investigation found that recently replaced hoses carried significant electrical charge, even though properly earthed as per standard procedure. The new hoses were removed and replaced with the old hoses, re-checked and found to be safe. Further investigations and engagement with the hose suppliers has since taken place.
- In December, a decline in gas flow from the SEM facility in Egypt was attributed to the unauthorised closing of all manual valves serving the Salma-4 well, effectively shutting in production from the facility. No local security guard was present at the location. Investigation by local police determined that it was a deliberate act performed by a member of the local security staff, disgruntled at salary payment delays to security personnel. Production was safely brought back online, but the consequences of unauthorised and unqualified tampering of controls on high pressure gas equipment could potentially have been very serious. Action was taken against both the individual concerned and the security contractor company (given its contractual responsibilities to ensure appropriate payment to staff and maintain consistent presence and oversight).

Throughout 2020, the executive leadership team continued to emphasise HSSE risk reduction and achieving positive progress against performance targets.

There were three security incidents in 2020. One in Egypt (described above), the remaining two in the KRI.

- In March, an off-site shooting incident targeted LPG trucks from the Khor Mor operation, reportedly associated with a dispute between two local communities. No injuries or damage were sustained by the driver or truck, and there was no impact on operations. Police took the driver's statement.
- In July, a roadblock held up a convoy transporting staff for the Local National crew changeover. The demonstration was purportedly organised by disgruntled staff and supporters protesting about the temporary Company lay-offs (forced leave/reduced pay) due to COVID-19. Armed members of the community boarded one of the buses and local villagers threw stones, smashing windows on one bus and causing body damage to another. The incident was not resolved until additional OPF and other forces arrived at the scene, several hours later. Several arrests were made.

A total of 26 Loss of Primary Containment (LOPC) events occurred through the year. Eighteen of these were at Khor Mor, all of which were small condensate leakages from third-party NGL tankers during loading operations. The other eight were minor condensate spills in Egypt associated with leaks from pump valves and seals. All of these were contained within the sites. Efforts continue to encourage improved vehicle standards amongst third-party tanker operators in the KRI.

Reduced activity levels associated with increased COVID-19 controls, workplace access restrictions and social distancing across all sites resulted in a reduction in safety observations across the Group (the proactive measure used to identify unsafe acts/conditions and recognise safe acts/positive behaviours). Safety observation close-out for the full year, however, remained high at 98%.

Challenges Faced

The key HSSE challenge areas for Dana Gas in 2020 included:

- Response to the COVID-19 pandemic.
- Application of consistent and expected workplace safety behaviours and practices.
- Risk identification, assessment and controls.
- Consistent application of safety and environment procedures and practices.
- Taking proactive actions to prevent near misses and high potential incidents.
- Improved incident investigation and close-out of actions.
- Continuous improvement of process safety and safety critical elements.
- Improving contractor safety and environmental management.
- Improving contractor safety culture.
- Competency of on-site supervision and employees of contractor companies.
- Improving community relationships linked to environmental and social impacts.
- Ongoing security threats related to conflicts and acts of terrorism in the regions of operation.

Measuring HSSE Performance

We remain committed to open reporting of incidents across the company enabling us to learn and improve. Group KPIs to measure HSSE performance are summarised below. Greater rigour on greenhouse gas emissions measurements and reporting across the portfolio is being introduced as a priority focus area.

Key Metric	2020	2019	2018	2017	2016	2015
Fatalities	0	0	1	0	0	0
Man Hours Worked (Million Man Hours)	5.9	6.9	5.9	4.5	5.4	7.9
Recordable Injury Cases	0	7	9	5	10	7
Total Recordable Injury Frequency	0	0.20	0.33	0.22	0.36	0.18
Number of Safety Observations	12,805	45,454	31,040	12,657	21,398	18,122
Observation Actions Close-Out	98%	95%	88%	85%	83%	71%
High Potential Incidents	3	1	5	6	9	14
Major Road accidents	0	4	4	0	10	1
Kilometres driven (million)	4.6	6.5	6.4	5.7	6.4	8.0
Vehicle Incident Frequency	0	0.13	0.12	0.00	0.31	0.21

HSSE Risk Management

Throughout 2020, the executive leadership team continued to emphasise HSSE risks reduction and achieving positive progress against performance targets. Each business unit maintains asset-based risk registers and risk matrices. The key risk themes are further collated at Dana Gas Group level and reviewed on a quarterly basis at Senior Management and Board of Director meetings.

Risk Theme	Controls in Place (highlights 2020)
Developing a consistent safety culture in the Group	• Khor Mor plant operations focus on workplace safety commitment from site leadership, safety critical competency development, improved Permit-to-Work (PTW) procedures and driving a culture of compliance. • DGE focus on safety culture awareness, improving safety behaviours, site/office leadership accountability for safety performance, and contractor HSE management improvement with WASCO.
Security, crisis management and business continuity	• Credan security monitoring of developments in Northern Iraq and ensuring responsive plans in place to protect people/assets and to evacuate personnel if required. Security alert level remains as medium. • DGE security monitoring, control and management of threats in Egypt, including crisis management preparedness. Cairo and Nile Delta continue to be rated medium security risk.
Consistency in contractor management	• HSSE focus in Egypt and the KRI is on contractor compliance and risk assessment improvements. Emphasis is on PTW, hazard awareness, improved site supervision, driving safety, and efforts to improve safety behaviour and attitudes.
Group health prevention	• Business continuity plans have been activated across the KRI, Egypt and the UAE in response to the COVID-19 pandemic. Mitigation plans and preventative measures have been put in place in line with government directives and international good practice to maintain staff and public health.

Risk management is an integral part of running the business at Dana Gas. Dana Gas has fully adopted best practice in Enterprise Risk Management (ERM) covering strategic, operational, project, financial, compliance and HSSE risks.

Our ability to identify, assess and successfully manage current and emerging risks is critical in securing the success of the business and protecting long-term shareholder value.

Interlinked ERM Risk Profile considering Strategic, Operational, Financial and Compliance Risks

Dana Gas has a robust ERM process across the Group, which ensures risk is considered at every level of the organisation. There is a bottom up escalation from the country level and functions to the Group and from the Board down to the country level and functions. On a semi-annual basis the Executive Committee carries out an assessment of the principal risks facing the Group. Key risks are submitted and discussed at Board level. Management of these principal risks is delegated to the Executive Team and Senior Management and is overseen by the Board of Directors and its Committees. Robust risk management, assurance and performance management processes, incentivised by balanced key performance indicators (KPIs) in our Group scorecard, enable Dana Gas to manage the opportunities and risks in all our activities and respond to the concerns of our stakeholders. Dana Gas considers strategic, operational, financial and compliance risks as part of its ERM framework.

Board and Executive Responsibility

The Board sets the risk management tone for the Group and it is fully implemented by the Executive and Management team. The Board provides strategic oversight and stewardship of the Company and has a particular responsibility for maintaining effective risk management and internal control systems. This includes evaluating risks to the delivery of the business and strategic plan and oversight on mitigating strategies. The Audit & Compliance Committee (A&CC) has delegated responsibility from the Board for oversight of the risk management process, supported by Group Internal Audit. Risk management is also an integral part of the annual business planning process and ongoing business performance management. Key strategic risks and opportunities are reviewed quarterly by the Board and the A&CC.

The Executive Team, Group functional heads and business delivery teams are responsible and accountable for monitoring and managing the risks in their parts of the business. Individual leaders and managers identify and assess the probability and impact of particular day-to-day risks and decide, within their levels of authority, actions needed to manage them.

Dana Gas Risk Management Input From a Wide Source

Risk Management Process

During 2020, the risk management process was further enhanced by refreshing and enhancing the corporate risk map to more clearly show the dynamic picture of individual risks. This includes the risk trend (whether improving, stable or declining); acceptability (management's view on the need or ability for improving mitigation measures); and changes since the previous quarter (e.g. addition of new risks, difference in position etc). This enables a better focus/awareness on significant changes and decisions or actions needed.

In addition to the short- to medium-term risks associated with the delivery of the business plan, the Executive Committee and Board also considered the medium- and long-term risks and opportunities faced by Dana Gas. As in previous years, a further high level review was carried out in 2020 by way of integrating the World Economic Forum risk mapping approach to the region and to the oil and gas industry by which the identification of top-down global risks are integrated into the Dana Gas bottom-up, business-driven risk assessments.

Dana Gas' risk management process is underpinned by the Internal Controls Framework, which sets out the mandatory policies, standards and controls necessary to manage the Company's business activities and associated risks. Key policies include the Code of Conduct, Anti-Money Laundering, Anti-Bribery & Corruption, Delegation of Authority Manual, Technical Management Systems and Workplace Policy. Other financial and operational controls are reviewed with respect to the status of their development, communication, understanding, and implementation and monitoring to ensure that they are effective in mitigating risks.

Risk Factors and Uncertainties

Dana Gas businesses in the MENA region are exposed to a number of risks and uncertainties, which could, either on their own or in combination with others, potentially have a material effect on the Group's strategy, business performance or reputation. In turn, these may impact shareholders' returns, including dividends or Dana Gas' share price. The Group continues to define and develop processes for identifying and managing these risks. Some of the risks listed below may be outside the control of Dana Gas and the Group may also be affected by other risks and uncertainties besides those listed here.

Financial

Receivables, Liquidity and Asset Impairment

Dana Gas is exposed to liquidity risks, including risks associated with refinancing borrowings as they mature, and the risk that financial assets cannot readily be converted to cash without loss of value. The Group may be required to record asset impairment charges as a result of events beyond the Group's control. Dana Gas' exposure to receivables and liquidity risk takes the form of a loss that would be recognised if counterparties (including sovereign entities) failed or were unable to meet their payment or performance obligations. These risks may arise in certain agreements in relation to amounts owed for physical product sales.

Corporate and Project Funding

Dana Gas corporate and project funding requirements depend on a broad range of factors, including revenue and cash flow generated from our operations, ongoing debt servicing and maturity obligations, variations in the planned level of capital expenditure, success with new development leases, proceeds realised from any asset disposals, hydrocarbon prices and new agreements with governments for production increase. There is an increasing ESG focus and anti-oil and gas sentiments emerging in investment markets which may impact future availability of financing on attractive terms. Dana Gas' business performance and liquidity/receivables position may also have an impact on the Company's ability to raise financing.

Insurance

The transfer of risks to the insurance market may be affected and influenced by constraints on the availability of cover, market appetite, capacity, pricing and the decisions of regulatory authorities. Some of the major risks associated with the Group's activities cannot or may not be reasonably or economically insured. Dana Gas may incur significant losses from different types of risks that are not covered by insurance.

Strategic

Geo-Political and Sovereign Risk

The success of the Group depends in part upon understanding and managing the political, economic and market conditions in the diverse economies in the MENA Region. Specific country risks that could have an effect on the Group's business and reputation include: volatility of national currencies; unexpected changes in local laws, regulations and standards; cancellation, variation or breach of contractual rights; aggressive re-interpretation of existing tax laws; economic sanctions imposed on Iran; regional and governmental instability; government intervention in license awards; increased royalty payments or taxes mandated by governments; expropriation of assets; and political obstacles to key project delivery.

Access to New Gas Markets

Inability to adequately analyse, understand, respond and access new gas markets and the competitive environment could result in a loss of market share and have an impact on the Group's financial position. This could be due to inability to deliver new gas projects in time and understand the competitive environment from new gas supplies coming into the UAE, Egypt, the Kurdistan Region of Iraq and nearby markets. Dana Gas faces strong competition from both national oil companies (NOCs), which control a substantial percentage of the world's reserves, and international oil companies (IOCs) that operate in the region. This competition could make securing access to acreage, reserves and gas markets more challenging.

People Resource and Succession Planning

Dana Gas takes a systematic and strategic approach to resourcing to ensure it can meet its long-term human resource needs, operating short- and long-term resourcing demand models to predict and manage the people requirements that underpin the Group's business plans. The Group's performance, operating results and future growth depend on its ability to attract, retain, motivate and organise people with the appropriate level of expertise and knowledge as Dana Gas pursues its business objectives. The Group aims to identify the best people through succession planning and talent management, coupled with effective recruitment.

Operational

HSSE

Exploration, production, transmission and processing activities carry significant inherent risks relating to health, safety, security and environment (HSSE) impacts. Epidemics and pandemics originating from other parts of the world could impact our operations, projects and employees, as has been evidenced through the COVID-19 experience in 2020. Major accidents and the failure to manage the associated risks could result in injury or loss of life, delay in completion of projects, cancellation of exploration, damage to the environment, or loss of certain facilities with an associated loss or deferment of production and revenues.

Inability to Replenish Depleted Reserves

The rate of production from natural gas and oil reservoirs declines as reserves are depleted. The Group needs to replace these depleted reserves with new proved reserves cost-effectively and on a consistent basis. Delivery of production growth depends upon a number of factors, including: successful discovery and development of hydrocarbon resources; the acquisition of sufficient new resource opportunities; sufficient field appraisal; reservoir quality and performance; accurate interpretation of received data; drilling conditions or costs; rig availability; and adequate human or technical resources. Competition for exploration and development rights, and access to gas and oil resources is intense. A failure to secure appropriate new resources could impact upon the Group's production growth prospects beyond the next decade.

Asset Performance and Asset Integrity

The Company's levels of production (and therefore revenues) are dependent on the continued operational performance of its producing assets The Company's producing assets are subject to a number of operational issues including: reduced availability of those assets due to planned activities such as maintenance or shutdowns, unplanned outages, productivity and efficiency of wells; contamination of product; and the performance of joint venture partners and contractors. In addition, asset integrity failure could lead to loss of containment of hydrocarbons, major accident hazards, marine incidents and wells out of control.

Compliance/Regulation

Corporate Reputation and License to Operate:

The Group could be exposed to loss of corporate reputation due to failings in corporate governance, corporate social responsibility, HSSE, regulatory compliance, misreporting and/or restatement of results. This could impact future revenue, increased operating, capital or regulatory costs, or destruction of shareholder value. Over the years the Group has implemented robust corporate governance, corporate conduct, asset integrity and HSSE systems and processes and will continue to enhance this in line with any changes in the regulatory and compliance frameworks in the countries it operates.

Other Risks

Other risks that are regularly reviewed and assessed by the Dana Gas Executive Committee include: commodity prices, stakeholder management and cyber security.

Dana Gas has recognise from the outset that the adoption of best corporate governance practice is fundamental to building a sound commercial reputation for a private sector corporation aspiring to be a leading oil and gas company in the Middle East.

Dana Gas: Pioneering Corporate Governance

The first step towards prioritising corporate governance was taken in April 2006, shortly after the incorporation of the Company. Dana Gas commissioned the International Finance Corporation (IFC) (part of the World Bank Group) to assess corporate governance practices within the Company and make appropriate recommendations with a view to improving the effectiveness of the Board of Directors, strengthening the control environment and ensuring that the disclosure and transparency practices of the Company are consistent with international best practice.

The second milestone came in 2016 when the Company amended its Articles of Association to be consistent with the provisions of the Chairman of the Securities and Commodities Authority's Decision No. 7 (R.M) of 2016 and its amendments. The Company has diligently implemented the prescribed norms of institutional governance standards at Board level and approved a special committee to oversee and supervise the Company's compliance with applicable governance regulations and present periodical reports on corporate governance matters to the Board. Further, at the Management level the Head of Internal Audit and the Company's Compliance Officer oversee adherence to corporate governance standards by employees, operating divisions, subsidiaries and counterparties.

The third milestone came in 2020 when the Securities & Commodities Authority (SCA) issued Chairman Decision No. (3/Chairman) of 2020 concerning the Approval of Joint Stock Companies Governance Guide (the Guide). The Guide was published in the Official Gazette on 27 February 2020 and came into effect on 28 April 2020. The Company conducted an overall internal review of its articles of association, internal polices and governance framework to ensure full compliance with the Guide. The general principles of corporate governance laid down in the Guide will be proposed for inclusion in the Company`s Articles of Association and its Code of Conduct as the Company is fully committed to the highest governance standard.

The efforts of the Board of Directors and Executive Management to achieve the Company's strategy in realising sustained growth and long-term value for shareholders is predicated on a firm commitment to corporate governance standards and practices. Compliance with such standards and practices is considered instrumental in ensuring the transparency, effective control and high performance necessary to translate the Company's strategies and plans into sound business ventures and projects, and, ultimately, into value to the shareholders, whilst also serving the interests of other stakeholders locally, regionally and internationally.

In 2010, the International Finance Corporation (IFC) published a report on Corporate Governance Success Stories, demonstrating the business case for good corporate governance in the MENA region. The report shared the experience of 11 companies that had adopted governance improvements and the impact they made. According to the IFC, the impact for Dana Gas was access to substantial capital, reputation enhancement, demonstrable sustainability and significant Board effectiveness and management control.

In September 2012, the Company was given by the Securities and Commodities Authority a special award in recognition of its good corporate practices. In 2015, Dana Gas commissioned Hawkamah, the Institute of Corporate Governance in the MENA Region, to carry out an audit of the corporate governance practices with reference to the Ministerial Resolution No 518/2009. The review confirmed that the Company's corporate governance practices remained top quartile and identified a number of improvements to ensure that the Company keeps to the highest possible standards of corporate governance. Over 2017, the last remaining actions from the key recommendations were implemented under the review of the Corporate Governance, Remuneration and Nominations Committee (CGR&NC), further strengthening the corporate governance processes. During Q1 and Q2 2017 a Board assessment exercise was carried out by Stanton Chase and the outcome/ recommendations were presented to the Board of Directors in May 2017. The report highlighted that there was a high level of participation and transparency from Dana Gas Board members.

This exercise resulted in eight key recommendations that were implemented over the course of the following 12 months. A Board Effectiveness Review and Succession Planning Process was carried out by Governance Creed during 2017 with a report delivered to the Board in November 2017.

In 2018, Dana Gas was assessed for the maturity of its business integrity framework and practices as part of the Pearl Initiative Gulf Integrity Indicator Project and its business integrity was duly recognised.

During 2017 and 2018, the Company introduced a number of new controls and rolled them out in employee business awareness sessions on key terms and application of the Code of Conduct, Anti Bribery and Corruption Policy, Anti-Money Laundering Policy, the Work Place Policy and Corporate Share Dealing Code. A year-end exercise was conducted to seek employees' confirmation on understanding and compliance with these five key controls. In 2019, an audit of the application of the Anti-Bribery & Corruption Policy and Anti-Money Laundering Policy was conducted. In July 2019, Dana Gas appointed the Internal Auditors Association UAE (IAA) to conduct an assessment of the Internal Audit Activity and processes of Dana Gas. The principal objectives were to improve the Internal Audit Activity's quality, performance and use of best practices as well as its conformity to the IAA's International Standards for the Professional Practice of Internal Auditing. Dana Gas achieved the highest of the three possible ratings as "Generally Conforms" with Certification on Best Practice by the IAA. The certification is active for five years to October 2024. However, self-assessments will continue to be carried out on an annual basis.

The Board of Directors and Responsibilities

The Board of Directors is elected by the General Assembly every three years. The number of members of the Board of Directors was 18 reduced subsequently to 12 in April 2015 and reduced further to 11 members in April 2016 pursuant to the new Commercial Companies Law of 2015. The Annual General Assembly elected the current Board of Directors in its meeting held on 18 April 2018, where three new members joined the Board for the Term 2018-2021, replacing retiring members.

A number of the incumbent Directors have been on the Board since the incorporation of the Company in November 2005. The Board of Directors continues to include some of the leading businessmen from the GCC countries with considerable experience in the oil and gas business.

The responsibilities of the Board of Directors include: formulating and approving the Company's strategy and business plans; approving the annual budget and the allocation of resources; setting investment priorities and approving business opportunities; overseeing the accuracy of the financial statements and financial reporting and the effectiveness of the internal controls; assessing the executive management performance; developing and adopting by-laws and regulations, policies and procedures in connection with the Company's administration, financial matters and personnel affairs; appointing and planning the succession of senior executives.

The Board is independent of management and is formed of Non-Executive Directors and Independent Directors. At all times, at least one-third of the directors are independent and a majority of directors are non-executives with the technical and financial skills and experience required to be of benefit to Dana Gas. The current Board of Directors comprises eight Independent Directors and three Non-Executive Directors.

Board Committees

The Board has three (3) permanent committees, each having a written charter setting out their respective scope and responsibilities. These committees are:

- Audit & Compliance Committee;
- Corporate Governance, Remuneration & Nominations Committee; and
- Board Steering Committee.

In addition, in the light of the importance of the quantification of the Company's hydrocarbon resources, the Board has appointed a Reserves Sub-Committee to the Board Steering Committee to provide the specialist knowledge required for proper oversight in this area.

The Audit & Compliance Committee (A&CC)

The principal duties of the A&CC are monitoring the integrity of the Company's financial statements and its reports (annual reports, semi-annual reports, and quarterly reports), reviewing the financial and accounting policies and procedures of the Company and ensuring the independence of the Company's external auditor. It is also responsible for evaluating the integrity and quality of the Company's risk management and internal control policies and all the duties stated in the Chairman of the Securities and Commodities Exchange's Resolution No. 7/R.M. of 2016 and its amendments.

The Audit & Committee members are:

- Mr. Varoujan A. Nerguizian, Independent Director (Chair)
- Mr. Abdullah Ali I. Almajdouie, Independent Director
- Mr. Nureddin S.M. Sehweil, Independent Director
- Mr. Jassim Mohamedrafi Alseddiqi Alansaari, Independent Director
- Mr. Abdul Majid Abdul Hamid D. Jafar, Non-Executive Director

The Committee convenes not less than once every three (3) months and additionally whenever the need arises. Management provides the necessary information to the Audit Committee to enable it to discharge its functions.

Corporate Governance, Remuneration & Nominations Committee (CGR&NC)

The CGR&NC oversees compliance by the governing bodies of the Company; the General Assembly, the Board of Directors and executive management within established corporate governance standards. The Committee assists the Board in relation to the appointment of senior executives, appraisal of management performance, succession planning and remuneration policies. The Committee is responsible for nominations and election to the Board of Directors membership.

The CGR&NC members are:

- Mr. Hani Abdulaziz Hussain Al Terkait, Independent Director (Chair)
- Mr. Said S. Youssef Arrata, Non-Executive Director
- Mr. Ziad Abdulla I. Galadari, Independent Director
- Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri, Independent Director
- Mr. Nureddin S.M. Sehweil, Independent Director

Most of the members of the Committee are Independent Directors. They possess relevant knowledge and expertise in corporate governance, nominations, remuneration, salaries and benefits policies.

The Board Steering Committee (BSC)

The principal role of the Board Steering Committee (BSC) is to provide support to and facilitate the deliberations and decision-making processes of the Board of Directors through prior consideration of matters submitted for the Board's consideration relating to strategy, business planning, budgets and new investment opportunities. The BSC recommends to the Board the business performance targets and annual corporate scorecard for each year and reviews progress against the scorecard as may be required from time to time. It also considers reports from the Sub-Committee on the Company's Reserves.

The BSC members are:

- Mr. Rashed Saif Al Jarwan Al Shamsi, Independent Director (Chair)
- Mr. Varoujan A. Nerguizian, Independent Director
- Mr. Hani Abdulaziz Hussain Al Terkait, Independent Director
- Mr. Said S. Youssef Arrata, Non-Executive Director
- Mr. Abdul Majid Abdul Hamid D. Jafar, Non-Executive Director

The Reserves Sub-Committee (RSC)

The main purpose of the Reserves Sub-Committee (RSC) is to review and approve the Company's Reserves reports. The RSC reviews the Company Reserves Reports, discusses these with management and the external reserves auditors and recommends their adoption where appropriate to the Board Steering Committee in accordance with the provisions of its Charter.

The RSC is comprised of:

- Mr. Said S. Youssef Arrata, Non-Executive Director (Chair)
- Mr. Varoujan A. Nerguizian, Independent Director
- Mr. Ziad Abdulla I. Galadari, Independent Director
- Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri, Independent Director
- Mr. Nureddin S.M. Sehweil, Independent Director

Delegation of Responsibilities to the Executive Management

The Board of Directors has delegated to the Company's Executive Management the following responsibilities:

- To implement the strategies, plans and policies laid down by the Board of Directors for achieving the Company's objectives;
- To identify, pursue and submit studies and proposals relating to business development and new investment opportunities;
- To submit to the Board of Directors periodic reports about the status of the business of the Company, its financial position, internal control procedures and the measures taken to manage risks;
- To provide the Board of Directors, on a timely basis, the information and documents required for the efficient conduct of Board meetings;
- To provide regulatory bodies (e.g. Ministry of Economy, Securities and Commodities Authority, Abu Dhabi Securities Exchange) with information, disclosure statements and documents as required in accordance with applicable laws, rules and regulations and the Company's Articles of Association.

The Executive Management consists of the following:

a. Dr. Patrick Allman-Ward, Chief Executive Officer
b. Mr. Chris Hearne, Chief Financial Officer
c. Mr. Neville Henwood, Legal and Commercial Director
d. Mr. Donald Dorn-Lopez, General Manager Egypt
e. Mr. Ramganesh Srinivasan, Head of Human Resources

Company's External Auditors

The Annual General Assembly in its meeting held on 21 April 2020 approved the appointment of the auditors, PricewaterhousCoopers (PwC), and determination of their fees to perform the Group's audit work for the financial year 2020.

PricewaterhouseCoopers is a multinational professional services network of firms based in London, United Kingdom. PwC is considered one of the Big Four accounting firms, along with Deloitte, EY and KPMG.

PwC has a network of 284,000 employees in more than 155 countries. In FY 2020, PwC firms provided services to 84% of the Global Fortune 500 companies and more than 100,000 entrepreneurial and private businesses.

Internal Control

The Board of Directors acknowledges its responsibility for the Company's internal control system, review of its work mechanism and ensuring its effectiveness. In 2011, the Board of Directors established an Internal Control Department and defined its functions which include:

1. Assessment of the risks facing the Company;
2. Preparing the Risks Register and updating it quarterly and annually;
3. Preparing the audit plan linked to the Risks Register in accordance with the directions of the Board of Directors and the Audit and Compliance Committee;
4. Ensuring availability of resources to carry out audit work and internal audit plan;
5. Implementing the audit plan and submitting periodical reports to the Board of Directors and to the Audit & Compliance Committee with observations on the actions taken by executive management with respect to them.

The Internal Control Department enjoys independence in performing its functions. It reports to the Board of Directors, which is responsible for the efficiency of the internal control system. The Corporate Internal Control Manager is authorised to take the necessary action to implement the directives of the Board of Directors, and to report violations of the Company's regulations, policies and Board's directives to the Board of Directors and the Audit & Compliance Committee identified during the audit process. The Department is mandated by the Board to investigate and form an independent opinion on any matter which obstructs, delays or challenges internal control work.

The Internal Control Department audits the internal control systems of the Company, its subsidiaries and the affiliates in which the Company holds a significant stake. The Department has full authority to obtain information on those companies from employees and departments at the Group level.

The Head of Internal Controls and Risk Management prepares an annual audit plan, which is submitted to the Board for approval. The plan takes into consideration a comprehensive assessment of the risks facing the Company. The Board approved in its meeting held on 19 November 2019 the Department's audit report for 2019 and 2020 audit plan. In June the Board approved a revised audit plan for 2020.

The audit reports are shared with the Company's external auditors when auditing the company's annual financial statements.

Whistle Blowing Mechanism

The Company has established a whistleblowing mechanism whereby employees can anonymously make complaints pertaining to mal-administration, fraud or corruption. The Compliance Officer leads the Business Ethics Committee which is responsible for addressing complaints made through this procedure. Any financially-related complaints are addressed by the Compliance Officer and promptly communicated to the Audit & Compliance Committee.

Since the Head of Internal Audit reports directly to the Board of Directors, any major problems with respect to internal control or incidence of fraudulent activities would also be promptly communicated to the Board. The Manager also advises the CEO for corrective actions. During 2020, no major issues were identified that warranted disclosure in the annual financial statements for the year.

The Head of Internal Controls and Risk Management

Mr. Bobby P. S. Sehmi was appointed Corporate Internal Controls and Risk Manager in July 2016 and subsequently as Head of Internal Controls and Risk Management in April 2019.

Mr. Sehmi left the Company on 30 June 2020. His roles and responsibilities were handed over to the Legal and Commercial Director.

Compliance Officer

Mr. Duncan Maclean was the Legal and Commercial Director until his resignation effective 7 September 2020. He has over 25 years' experience in corporate, commercial and oil and gas legal practice in law firms and multinational corporations. He holds a Bachelor's Degree in Law (LLB) and a Master's Degree in Commercial Law (MCommLaw).

Mr. Neville Henwood has been appointed as the new Legal and Commercial Director effective 08 September 2020. He was appointed as the Compliance Officer for the Company by Board Resolution No. 39/2020 dated 23 September 2020, to carry on the duties and functions prescribed stated in Article (69) of the Chairman of the Securities and Commodities Authority's Resolution No. 3 (R.M) of 2020 concerning adopting the Governance Guide for Public Joint Stock Companies. He is responsible for verifying the scope of compliance by the Company and its employees with the applicable laws, regulations and resolutions.

Mr. Henwood is an Australian-qualified lawyer, is admitted as a Barrister and Solicitor of the High Court of Australia, and the Supreme Courts of the Northern Territory.

Our people are and will continue to be the most important factor contributing to our success.

Talent Attraction and Retention

Talent drives our business. At Dana Gas we strive to ensure that we offer not only extensive career opportunities, but also the right work environment for our people to continuously learn, grow, and flourish. Our Human Resources priority is to attract, retain and develop the talent needed to deliver our business objectives.

Our people strategies are aligned with our business, they strengthen and support the successful delivery of our objectives and are a key aspect in enhancing shareholder value. Dana Gas is able to continue its success in maintaining capability at all levels, by identifying, attracting and retaining skilled people. It is an integral part of our evolving culture to value expertise in a way that will generate the necessary proficiency that we require across the Group now and for the future.

Diversity and Equality

Diversity and equality are ingrained deeply in our organisation's culture. Dana Gas upholds an inclusive culture, where people are valued and encouraged to realise their potential. We focus on creating and sustaining a collaborative and nurturing environment for employees from diverse backgrounds.

We respect and value everyone, and embrace diversity which brings understanding and connection to the communities in which we operate. We are committed to equal opportunities and do not condone discrimination of any kind. Our Code of Conduct, workplace policies and practices provide an inclusive environment where everyone can contribute and develop freely and equitably. These values have helped us to build and maintain the diverse and robust community that is Dana Gas.

"As of December 2020, we employed full-time staff from 18 countries."

"As of December 2020, 19.5% of our overall full-time workforce were female employees."

Employee Engagement

We are focused on building a lean, well defined and efficient organisation, enabling empowerment and faster decision-making while enhancing effectiveness. Dana Gas has a strong shared focus on maintaining a healthy and safe working environment. We encourage all employees to report any incidents that affect their health and safety, with the goal of causing no accidents nor harm to people and minimising any adverse effect on the environment.

Dana Gas believes in open dialogue and values employees' feedback and suggestions. Our regular staff Town Hall sessions serve in communicating our operational as well as financial results and in keeping everyone informed about changes and progress that affect them as well as the Group.

Development

Developing our people and helping them to reach their full potential are important elements in delivering our people strategy and remains a key focus area. We recognise that the success of our strategy depends on successful delivery by our employees, and we therefore provide learning and development opportunities for employees at all levels. In 2020, we spent 136 person days in learning and development activities across all disciplines in the form of external, internal, on-the-job and online learning.

Performance and Rewards

At Dana Gas, we take care to ensure every individual's roles and responsibilities are articulated and understood, and ensure that expected outcomes and key results are defined. Dana Gas has a robust performance management programme that defines the criteria by which business success is measured. Goals are then set accordingly, performance reviewed periodically, employees assessed for their delivery against their goals and recognised for their contributions. Our performance management system is designed to achieve holistic development for all our employees through performance differentiation, consistent evaluation and continuous feedback.

Dana Gas understands that motivating employees is essential and that effective teamwork drives delivery and progress.

The reward philosophy of Dana Gas is performance-driven across all its levels and is designed to deliver both a solid employee value proposition as well as to support our corporate strategy effectively. Our compensation and benefits programme is founded on our belief in using the same as a lever, to enhance the performance and productivity of our employees while maintaining a means of differentiating high performers.

This helps the Company in maintaining an able workforce that is motivated and is capable of delivering the Company's business objectives. We have relentlessly pursued practices that have enabled our employees to take pride in being outcome oriented and to take on the responsibility of ensuring that they contribute to the growth of the organisation.

Head Count, Net to the Company's Interest as of 31 December 2020.

The table below sets out the number of employees and contractors employed by Dana Gas through its subsidiaries and joint ventures as of 31 December 2020.

	Employees	Contractors
Dana Gas Head Office	29	0
Dana Gas UAE Units (Saj, UGTC and Zora)	5	3
DG Kurdistan Region of Iraq	2	1
Dana Gas Egypt	83	23
Wasco (Egypt)	5	0
TOTAL	**124**	**27**

The table below sets out the number of employees as of 31 December 2020 employed by joint ventures in which Dana Gas has an interest.

	Ownership interest held by Dana Gas	JV employees (net to Dana Gas's interest)	JV Contractors (net to Dana Gas's interest)
Wasco (Egypt)	100%	393	321
EBGDCo (Egypt)	26.4%	16	20
Credan (KRI)	35%	161	0
TOTAL		**570**	**341**

Corporate social responsibility and sustainable development remain core to our values.

We want to ensure we operate in a responsible way by minimising the negative social impact of our activities, whilst make a long-lasting and positive impact on those communities around us. We firmly believe it is essential to maintain relations and positive interactions between business and people, the environment and communities, by contributing to economic and social development whilst protecting natural resources and respecting the rights of each individual. A core part of this commitment is ensuring we proactively engage with key stakeholders who are affected by or interested in the activities of the Company.

We aim to manage the impacts of our businesses in the region and to share in a prosperous future with shareholders, governments, communities, employees and industry partners alike.

Corporate Social Responsibility Commitment

In 2020 Dana Gas continued to be fully committed to its corporate social responsibility activities.

Stakeholder Engagement Objectives

1. **Identify** all those affected by or who are interested in our Operations and Projects to ensure they are included in the engagement process.
2. **Understand** the views of key stakeholders and ensure they adequately understand the positive and negative impacts of the activities.
3. **Inform** the public and partners about our activities; being transparent, honest and open.
4. **Build relationships and trust** through supporting communications, dialogue and engagement with stakeholders, and acting with transparency.
5. **Engage with stakeholders** including vulnerable and marginalised groups by having an inclusive approach to consultation and participation.
6. **Manage expectations and concerns** by providing a method for stakeholders to engage with us about their concerns and expectations.
7. **Maintain compliance** with local and national government regulations and international best practices as defined by recognised standards and associations.

Social and Economic Impact

Dana Gas makes long-term economic investments and generates significant direct and indirect benefits in the regions where we operate.

For the KRI, Dana Gas contributes to the provision of cheap natural gas and supports the generation of electricity at internationally and nationally competitive rates through the Erbil and Chemchemal power plants that we supply through the Pearl Petroleum venture. Gas-fired power generation today is reliable and affordable and the venture currently supplies about 80% of the energy used for electricity generation in the KRI.[1] Electricity supplied to the region achieves an average of 22 hours per day compared to just eight hours in 2006, in an area that is fundamentally short of power.

[1] PWC "Kurdistan Gas Project: A ten-year look back and look ahead, Impact Assessment Report 2018".

This has provided an important stimulus to the KRI economy and delivered a cleaner source of energy compared with traditional diesel alternatives, also achieving significant greenhouse gas emission savings as a result. Moreover, the venture has a positive operational impact on local employment through 2,200 permanent jobs, 1,200 of which are from direct employment and the balance through local supply chain activities.

In Egypt, gas supplies from the Dana Gas/ WASCO ventures and other producers account for 71% of the energy used for electricity generation in the country.[2] It is estimated that over the past 10 years, the energy produced has supported up to 2% of Egypt's economic activity (GDP). The supply of clean burning natural gas has enabled the avoidance of more carbon emitting heavy oil (mazout) for electricity generation and reduced reliance on more expensive imports of LNG. Around 1,000 people are employed on a full-time basis during day-to-day operations, which has a positive direct economic impact on local communities in the Nile Delta region.

Social Investment Focus Areas

Our social investment initiatives are broadly based on four main themes, which have been developed with country/ asset teams to target specific local community issues and social performance objectives in those areas.

1. Education – Supporting better quality education.
2. Health – Improved medical services and community healthcare.
3. Energy and infrastructure – Assisting improved infrastructure, such as roads and water supply, and access to reliable sources of electricity.
4. Employment and income generation – Enabling employment opportunities for local communities, provision of small business grants, and helping those who have been negatively impacted by conflict.

As a result of the COVID-19 pandemic, we revised and diverted some of our social investment in 2020 to support local health authorities in building COVID-19 response capability. This included provision of essential medical equipment in the KRI and Egypt. We also further helped enhance COVID-19 resilience amongst local communities via specific awareness campaigns.

UAE

Dana Gas Head Office continued to support a Sharjah-based academic empowerment project providing orphans with access to education, which has provided for education of five orphaned children over the past three years. We also sponsored events by the Sharjah City for Humanitarian Services to support people with disabilities.

Egypt

Dana Gas Egypt maintained its existing programmes of social investment with a health, education and small business assistance focus across the three governorates in which we operate.

A Teacher Training Programme with the American University of Cairo started in 2019, and continued through 2020, aimed at the development of 100 teachers from different schools around our facilities. Ongoing small business assistance was granted through the highly successful programme of Women Empowerment with the Misr El Kheir Foundation, which has supported over 30 different income generation projects for the neediest women in Dakahlia Governorate, including the set-up of enterprises such as stationery shops, grocery stores, poultry breeding, needlework and knitting services.

Dana Gas partnered with the Dar Al Orman Association in providing critical medical operations support and equipment such as wheelchairs, artificial limbs and hearing-aids in local communities.

We participated in an Egyptian oil and gas joint-industry programme in conjunction with the Misr El Kheir Foundation, Ministry of Health and Ministry of Petroleum to provide essential materials and supplies to hospitals across the country in the national fight against COVID-19. The annual tradition of distributing Ramadan boxes amongst the community was also continued.

Kurdistan Region of Iraq

Under the joint operatorship of Crescent Petroleum and Dana Gas, Pearl Petroleum's Community Action Plan (CAP) contributes employee time and financial resources to local villages, businesses and schools in supporting improved living standards, health, wellbeing, security and development of human capital in the KRI. A comprehensive CAP strategy and five-year plan covers three areas of impact to address the urgent needs of communities surrounding operational areas and the implementation of larger-scale projects for villages, public services, and communities. These projects aim to offer improvements to electricity supply and provision of clean water, enhance healthcare and sites of worship, reduce poverty and improve quality of life through promoting access to education, employment, and recreational activities.

Since 2011, the venture has provided free electricity from the Khor Mor plant to local villages in and around Qadir Karam and Khor Mor. Electricity provided during 2020 was approximately 16,000 kWh per day, approximately 30 percent of the total electric power generated at the Khor Mor plant. Based on a commercial cost of US$ 0.2/kWh, the value of this initiative is approximately US$ 96,000/month. Since it began, the total electric value to the community is estimated to have been around US$ 9.8 million.

[2] PWC "Clean Energy for a Better Tomorrow: Dana Gas Impact Assessment Report 2019"

The total value of aid and support from the venture in 2020 was $2.2 million, some $1.74 million of which was for electricity generation and supply to Qadir Karam Town and five other smaller nearby villages. Electricity was generated by the Khor Mor plant for these villages throughout the entire year.

Approximately $570,000 has been directed to a range of education, community healthcare, youth development, rural water supply, agriculture development and social assistance programmes in 2020. Given the extreme stress experienced by the KRI through the COVID-19 pandemic, some $326,000 of annual social investment spend was diverted to support local health authorities in procurement of essential medical equipment and supplies. This included purchase of two PCR testing machines, test kits and laboratory equipment for the Directorate of Health in Chemchemal District. The venture also distributed nearly 2,000 care packages to local communities through the year, and launched COVID-19 awareness campaigns to help support resilience.

Recognising the complex social environment in the KRI, our Corporate Social Responsibility (CSR) Department in the KRI has been re-positioned to become a social performance (SP) function, with the aim of better identifying and managing social risks in support of the business and future growth of the company. The SP function is taking a more structured and longer-term approach to maintaining active relationships with local stakeholders, looking to minimise negative social impacts and maximise positive benefits and opportunities for society.

Summary

Dana Gas believes that our support to the wide range of programmes established continues to make a difference to people in the communities where we operate.

- Dana Gas is committed to social investment and community development activities.
- Dana Gas recognises that corporate social responsibility is about managing interactions between business and people, environment and communities.
- Our objective is to directly contribute to economic and social development while protecting natural resources and respecting the rights of individuals.
- We endeavour to make a positive and lasting contribution to society.
- We believe that the ideal way to achieve our goals is by empowering communities and providing them with the necessary resources that lead to successful and sustainable results.
- One of the most essential factors for achieving our goals for sustainability and making the outcomes impactful is recognising the efforts and contributions of our own employees.
- The success of the Dana Gas journey for community social responsibility and sustainability is ensuring that our employees are involved and engaged.
- The key to achieving the Dana Gas sustainability goals is through having a solid and reputable corporate governance system in place.

"Dana Gas assures its stakeholders that we are a responsible business and we will continue to focus on the environment and the people where we operate. Our commitment is to deliver sustainable, long-term value, while making a positive contribution to the communities with which we engage."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Financial Statements

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Independent Auditor’s Report to the Shareholders of Dana Gas PJSC

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Dana Gas PJSC (the “Company”) and its subsidiaries (together the “Group”) as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated income statement for the year ended 31 December 2020;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key Audit Matters	• Carrying value of UAE Gas Project assets and legal arbitration • Estimation of fair value of financial assets at fair value through profit or loss • Impairment assessment of Goodwill and Oil and Gas interests • Accounting for certain interests of Dana Gas Egypt as assets held for sale

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Carrying value of UAE Gas Project assets and legal arbitration	
The Group's consolidated statement of financial position includes UAE Gas Project assets as at 31 December 2020 comprising of: (a) Property, plant and equipment of USD 207 million (note 13); (b) intangible assets of USD 289 million (note 14b); and (c) investment in joint venture of USD 553 million (note 16), collectively "the UAE Gas Project assets" (Note 3.1) As disclosed in Note 3, management has determined that the carrying value of the UAE Gas Project assets depends on the commencement of gas supplies by the National Iranian Oil Company ("NIOC") to Crescent Petroleum, which is in turn dependent upon the final Tribunal Award on the damages claim against NIOC and the resultant share of Dana Gas. We focused on this area because it is fundamental to users' understanding of the consolidated financial statements considering the following facts: (a) the amounts relating to the UAE Gas Project assets are material to the consolidated financial statements; (b) continued delay in commencement of gas supplies has prompted a key supplier of the Group to initiate arbitration proceedings against the ultimate supplier; (c) the uncertainty surrounding the amount and timing of the damages award from the first arbitration and the outcome of the second arbitration; and (d) management had to exercise judgement and make assumptions on a number of uncertain factors and events, including the supply of gas by NIOC, the final outcome of the arbitration, timing of cash flows, pricing, and discount rate.	Our procedures in relation to management's assessment of the recoverability of the UAE Gas Project assets included: • Inspecting legal documents including the decision of the English High Court of July 2016 relating to dismissal of the NIOC challenge of the Award, discussing the progress and status with the Group's legal department, and inspecting the legal advice provided to management by external lawyers involved in the arbitration; • Assessing management's assumptions around the probability of receipt of the award and whether the award will be sufficient to cover damages from losses; • Assessing management's judgement in respect of supply of gas and supply volumes; • Comparing management's hydrocarbon price assumptions for reasonableness against third party forecasts, peer information, contractual arrangements and relevant market data; • Assessing the reasonableness of the discount rates used in impairment tests with input from PwC valuation experts; • Inspecting publicly available information of a case involving Iran in international arbitrations, Iran's adherence to the decisions by courts, form and timing of related settlements; and • Assessing the adequacy of the related disclosures in the consolidated financial statements, including management's judgements surrounding the carrying value of the assets and the uncertainty over the amount and timing of the damages award from the first arbitration and the outcome of the second arbitration.
Estimation of fair value of financial assets at fair value through profit or loss	
As disclosed in Note 20 to the consolidated financial statements, the Group has financial assets at fair value through profit or loss of USD 98 million at 31 December 2020. These assets arise from certain reserve based earn out entitlements from Joint Operations Partners MOL Hungarian Oil and Gas Public Limited Company ('MOL'), OMV Upstream International GMBH ('OMV') and certain confined payments from RWE. Estimating the fair value of these assets is a complex process and involves a high estimation uncertainty. In February 2020, the Group together with Crescent Petroleum commenced arbitration proceedings against MOL and OMV due to their attempts to avoid paying reserve based earn out payments to the Group and Crescent Petroleum arising out of the terms of the Sale and Purchase agreement entered into between the Parties in 2009 through which both MOL and OMV, acquired their respective 10% shareholding in Pearl Petroleum. We focused on this area because the financial asset balances are material to the consolidated financial statements and the recognition of financial assets at fair value through profit or loss requires significant judgements and estimates undertaken by management. Key estimates in management's fair value model are probability of collection and discount rates.	Our procedures in relation to management's assessment of the fair value of financial assets included: • Assessing reasonableness of management's rationale for concluding on the probability of the collection, reviewing the cash received during the year and reviewing independent external legal confirmations for disputes from Joint Operations Partners; • Inspecting legal documents related to the filing of the arbitration; • Independently assessing the reasonableness of discount rates used in the model with input from PwC valuation experts; and • Assessing the adequacy of the related disclosures in the consolidated financial statements, including management's judgements and estimation uncertainty surrounding the carrying value of the assets.

Report on the audit of the consolidated financial statements continued

Our audit approach continued

Impairment assessment of Goodwill and Oil & Gas interests

As at 31 December 2020, the Group has goodwill of USD 145 million (note 14) relating to Egyptian assets and tangible oil and gas interests of USD 428 million (note 13). As required by IAS 36 'Impairment of Assets', management performed an annual impairment test of Goodwill and tangible Oil and Gas Interests with value in use model supported by an independent expert's reserve report.

We focused on this area because of the materiality of the balances, and because it requires significant management judgements and assumptions that are affected by future market conditions, particularly future hydrocarbon prices, commercial recoverability of resources from prospects considered for goodwill evaluation, expected reserves amount and macro-economic conditions.

Key estimates in management's impairment test are judgement around hydrocarbon price assumptions, discount rates, production forecasts and future capital and operational costs.

Our procedures in relation to management's assessment of the recoverability of goodwill and oil & gas assets included:

- Comparing management's hydrocarbon price assumptions against third party forecasts, peer information, contractual arrangements and relevant market data to determine whether the price assumptions were within the range of such forecasts;
- Assessing the reasonableness of the discount rates used in impairment tests with input from PwC valuation experts;
- Inspecting reports provided by external experts and assessing their scope of work and conclusions, assessing the competence, capability and objectivity of external reserve experts;
- Reviewing reserves estimation methods applied by the experts;
- Comparing production forecasts and proved and probable reserves to reserve reports and our understanding of the life of fields, performing a look-back analysis to check for indications of bias over time.
- Verifying estimated future capital and operational costs by comparison to the approved budgets and assessed them with reference to field production forecasts; and
- Assessing the adequacy of the Group's disclosures in relation to impairment, assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of oil and gas assets and goodwill, which are disclosed in note 3 to the consolidated financial statements.

Accounting for certain interests of Dana Gas Egypt as assets held for sale

As at 31 December 2020, the Group's consolidated statement of financial position includes assets of USD 156 million and liabilities of USD 46 million related to Dana Gas Egypt assets that are classified as held for sale as at 31 December 2020 and recognised at the lower of carrying value and fair value less costs to sell (FVLCS).

In accordance with IFRS 5 – 'Non-current Assets Held for Sale and Discontinued Operations', management is carrying these assets at the lower of carrying value and FVLCS.

We focused on this area because of the materiality of the balances to the consolidated financial statements, and because the classification and measurement of assets held for sale requires judgements and estimates.

Key estimates in management's fair value model are affected by movements in working capital, changes in oil prices and actual production.

Our procedures in relation to management's assessment of the accounting for certain interests of Dana Gas Egypt as assets held for sale included:

- Reviewing the minutes of the meetings of the Board of Directors;
- Reviewing the signed Sale and Purchase Agreement (SPA) between the Buyer and Dana Gas;
- Assessing the reasonableness of the fair value model and discount rate used in measuring the fair value with input from PwC valuation experts; and
- Assessing the adequacy of the related disclosures in the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises of the Report of the Directors (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Group's 2020 Annual report, which is expected to be made available to us after the date of our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's 2020 Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and report the fact.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Report on the audit of the consolidated financial statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that for the year ended 31 December 2020:

(i) we have obtained all the information we considered necessary for the purposes of our audit;

(ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;

(iii) the Group has maintained proper books of account;

(iv) the financial information included in the Report of the Directors is consistent with the books of account of the Group;

(v) as disclosed in note 20 to the consolidated financial statements the Group has not purchased or invested in any shares during the year ended 31 December 2020;

(vi) note 32 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;

(vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2020 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2020.

(viii) note 36 to the financial statements discloses the social contributions made during the year ended 31 December 2020.

PricewaterhouseCoopers
10 March 2021

Rami Sarhan
Registered Auditor Number 1152
Sharjah, United Arab Emirates

Consolidated Income Statement

For the year ended 31 December 2020

		2020						2019					
		Continuing operations		Discontinued operations		Total		Continuing operations		Discontinued operations		Total	
	Notes	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm
Revenue	5	**122**	**447**	**227**	**832**	**349**	**1,279**	164	601	295	1,081	459	1,682
Royalties	5	**–**	**–**	**(124)**	**(455)**	**(124)**	**(455)**	(1)	(4)	(173)	(634)	(174)	(638)
Net revenue	5	**122**	**447**	**103**	**377**	**225**	**824**	163	597	122	447	285	1,044
Operating costs & depletion	6	**(60)**	**(220)**	**(79)**	**(290)**	**(139)**	**(510)**	(61)	(224)	(97)	(355)	(158)	(579)
Gross profit		**62**	**227**	**24**	**87**	**86**	**314**	102	373	25	92	127	465
General and administration expenses		**(12)**	**(44)**	**–**	**–**	**(12)**	**(44)**	(15)	(55)	–	–	(15)	(55)
Investment & finance income	7	**15**	**55**	**–**	**–**	**15**	**55**	14	51	1	4	15	55
Other income	8	**1**	**4**	**–**	**–**	**1**	**4**	134	491	1	4	135	495
Other expenses		**(9)**	**(33)**	**(2)**	**(7)**	**(11)**	**(40)**	(8)	(29)	–	–	(8)	(29)
Impairment of oil & gas assets	12/13	**–**	**–**	**(403)**	**(1,477)**	**(403)**	**(1,477)**	(60)	(220)	–	–	(60)	(220)
Impairment of financial assets		**(5)**	**(18)**	**(4)**	**(14)**	**(9)**	**(32)**	(6)	(22)	–	–	(6)	(22)
Change in fair value of asset held for sale	12	**–**	**–**	**(18)**	**(66)**	**(18)**	**(66)**	–	–	–	–	–	–
Change in fair value of investment property	15	**(2)**	**(7)**	**–**	**–**	**(2)**	**(7)**	–	–	–	–	–	–
Share of loss of a joint venture	16	**(2)**	**(7)**	**–**	**–**	**(2)**	**(7)**	(1)	(4)	–	–	(1)	(4)
Exploration expenses/write off		**–**	**–**	**(1)**	**(4)**	**(1)**	**(4)**	–	–	–	–	–	–
Finance costs	9	**(16)**	**(59)**	**–**	**–**	**(16)**	**(59)**	(16)	(59)	–	–	(16)	(59)
PROFIT/(LOSS) BEFORE INCOME TAX		**32**	**118**	**(404)**	**(1,481)**	**(372)**	**(1,363)**	144	526	27	100	171	626
Income tax expense	10	**–**	**–**	**(4)**	**(15)**	**(4)**	**(15)**	–	–	(14)	(51)	(14)	(51)
PROFIT/(LOSS) FOR THE YEAR		**32**	**118**	**(408)**	**(1,496)**	**(376)**	**(1,378)**	144	526	13	49	157	575
PROFIT/(LOSS)/ATTRIBUTABLE TO:													
- Equity holders of the parent		**32**	**118**	**(408)**	**(1,496)**	**(376)**	**(1,378)**	144	526	13	49	157	575
Basic & Diluted earnings/(loss) per share (USD/AED per share)	11	**0.004**	**0.017**	**(0.058)**	**(0.21)**	**(0.054)**	**(0.19)**	0.020	0.074	0.002	0.008	0.022	0.082

The attached notes 1 to 36 form part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income

For the year ended 31 December 2020

	2020		2019	
	USD mm	AED mm	USD mm	AED mm
(Loss)/Profit for the year	**(376)**	**(1,378)**	157	575
Other comprehensive income	**–**	**–**	–	–
Other comprehensive income for the year	**–**	**–**	–	–
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(376)**	**(1,378)**	157	575
ATTRIBUTABLE TO:				
- Equity holders of the parent	**(376)**	**(1,378)**	157	575
- Non-controlling interest	**–**	**–**	–	–
	(376)	**(1,378)**	157	575
ATTRIBUTABLE TO EQUITY HOLDERS FROM:				
- Continuing operations	**32**	**118**	144	526
- Discontinued operations	**(408)**	**(1,496)**	13	49
	(376)	**(1,378)**	157	575

The attached notes 1 to 36 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	2020 USD mm	2020 AED mm	2019 USD mm	2019 AED mm
ASSETS					
Non-current assets					
Property, plant and equipment	13	**948**	**3,475**	1,203	4,410
Intangible assets	14	**458**	**1,679**	636	2,331
Investment property	15	**20**	**73**	22	81
Interest in joint ventures	16	**561**	**2,056**	563	2,063
Financial assets at fair value through profit or loss	20	**47**	**172**	58	213
		2,034	**7,455**	2,482	9,098
Current assets					
Inventories	18	**4**	**15**	40	147
Trade and other receivables	19	**69**	**253**	175	641
Financial assets at fair value through profit or loss	20	**51**	**188**	53	194
Funds held for development	21	**–**	**–**	27	99
Cash and cash equivalents	22	**108**	**396**	425	1,558
		232	**852**	720	2,639
Assets classified as held for sale	12	**156**	**572**	–	–
Total current assets		**388**	**1,424**	720	2,639
TOTAL ASSETS		**2,422**	**8,879**	3,202	11,737
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	**1,908**	**6,995**	1,908	6,995
Treasury shares	24	**(9)**	**(33)**	(9)	(33)
Legal reserve	25	**132**	**483**	132	483
Voluntary reserve	25	**132**	**483**	132	483
(Accumulated losses)/Retained earnings		**(20)**	**(75)**	463	1,697
Other reserves	26	**–**	**–**	4	15
Attributable to equity holders of the Company		**2,143**	**7,853**	2,630	9,640
Non-controlling interest		**2**	**8**	2	8
Total equity		**2,145**	**7,861**	2,632	9,648
LIABILITIES					
Non-current liabilities					
Borrowings	27	**68**	**249**	54	198
Provisions	28	**3**	**11**	15	55
		71	**260**	69	253
Current liabilities					
Borrowings	27	**95**	**349**	402	1,474
Trade payables and accruals	29	**65**	**239**	99	362
		160	**588**	501	1,836
Liabilities directly associated with assets classified as held for sale	12	**46**	**170**	–	–
Total current liabilities		**206**	**758**	501	1,836
Total liabilities		**277**	**1,018**	570	2,089
TOTAL EQUITY AND LIABILITIES		**2,422**	**8,879**	3,202	11,737

The consolidated financial statements were approved for issue by the Board of Directors on 10 March 2021 and signed on their behalf by:

Director

Director

The attached notes 1 to 36 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Notes	2020 USD mm	2020 AED mm	2019 USD mm	2019 AED mm
OPERATING ACTIVITIES					
Profit/(loss) before income tax from					
Continuing operations		**32**	**118**	144	526
Discontinued operations		**(404)**	**(1,481)**	27	100
Adjustments for:					
Depreciation and depletion	13	**84**	**308**	103	377
Investment and finance income		**(15)**	**(55)**	(15)	(55)
Other income		**(1)**	**(4)**	(135)	(494)
Impairment of oil & gas assets		**403**	**1,477**	60	220
Impairment of financial assets		**9**	**32**	6	22
Change in fair value of assets held for sale	12	**18**	**66**	–	–
Change in fair value of investment property	15	**2**	**7**	–	–
Share of loss of a joint venture		**2**	**7**	1	4
Exploration expenses/write-off		**1**	**4**	–	–
Finance costs		**16**	**59**	16	59
		147	**538**	207	759
Changes in working capital:					
Trade and other receivables		**(31)**	**(113)**	38	139
Funds held for development		**27**	**99**	42	154
Inventories		**–**	**–**	(3)	(11)
Trade payables and accruals		**(3)**	**(10)**	(17)	(63)
Net cash generated from operating activities		**140**	**514**	267	978
Directors' remuneration paid		**(3)**	**(11)**	–	–
Income tax		**(4)**	**(15)**	(14)	(51)
Net cash flows generated from operating activities		**133**	**488**	253	927
INVESTING ACTIVITIES					
Payment for property, plant and equipment		**(47)**	**(172)**	(105)	(385)
Payment for intangible assets	14	**(5)**	**(18)**	(51)	(188)
Investment and finance income received		**7**	**26**	13	48
Net cash flows used in investing activities		**(45)**	**(164)**	(143)	(525)
FINANCING ACTIVITIES					
Dividends paid		**(104)**	**(383)**	(105)	(384)
Acquisition of treasury shares		**–**	**–**	(9)	(33)
Repayment of borrowings		**(388)**	**(1,422)**	(7)	(26)
Proceeds from borrowings		**104**	**381**	49	180
Finance costs paid		**(16)**	**(59)**	(20)	(73)
Net cash flows used in financing activities		**(404)**	**(1,483)**	(92)	(336)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(316)**	**(1,159)**	18	66
Cash and cash equivalents at the beginning of the year		**425**	**1,558**	407	1,492
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	**109**	**399**	425	1,558

The attached notes 1 to 36 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Attributable to equity holders of the Company												Non-controlling interest		Total	
	Share capital		Legal reserve		Voluntary reserve		(Accumulated losses)/Retained earnings		Other reserves		Treasury Shares					
	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm
As at 1 January 2020	**1,908**	**6,995**	**132**	**483**	**132**	**483**	**463**	**1,697**	**4**	**15**	**(9)**	**(33)**	**2**	**8**	**2,632**	**9,648**
Loss for the year	–	–	–	–	–	–	**(376)**	**(1,378)**	–	–	–	–	–	–	**(376)**	**(1,378)**
Total comprehensive loss for the year	–	–	–	–	–	–	**(376)**	**(1,378)**	–	–	–	–	–	–	**(376)**	**(1,378)**
Transfer (note 26)	–	–	–	–	–	–	–	–	**(4)**	**(15)**	–	–	–	–	**(4)**	**(15)**
Dividends paid (note 33)	–	–	–	–	–	–	**(104)**	**(383)**	–	–	–	–	–	–	**(104)**	**(383)**
Directors remuneration	–	–	–	–	–	–	**(3)**	**(11)**	–	–	–	–	–	–	**(3)**	**(11)**
As at 31 December 2020	**1,908**	**6,995**	**132**	**483**	**132**	**483**	**(20)**	**(75)**	–	–	**(9)**	**(33)**	**2**	**8**	**2,145**	**7,861**
As at 1 January 2019	1,903	6,977	116	424	116	424	443	1,624	7	26	–	–	2	8	2,587	9,483
Profit for the year	–	–	–	–	–	–	157	575	–	–	–	–	–	–	157	575
Total comprehensive income for the year	–	–	–	–	–	–	157	575	–	–	–	–	–	–	157	575
Share based payment	–	–	–	–	–	–	–	–	2	7	–	–	–	–	2	7
Transfer to reserves	–	–	16	59	16	59	(32)	(118)	–	–	–	–	–	–	–	–
Dividends paid (note 33)	–	–	–	–	–	–	(105)	(384)	–	–	–	–	–	–	(105)	(384)
Acquisition of treasury share	–	–	–	–	–	–	–	–	–	–	(9)	(33)	–	–	(9)	(33)
Issuance of shares to employees (note 26)	5	18	–	–	–	–	–	–	(5)	(18)	–	–	–	–	–	–
As at 31 December 2019	1,908	6,995	132	483	132	483	463	1,697	4	15	(9)	(33)	2	8	2,632	9,648

The attached notes 1 to 35 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

At 31 December 2020

1 Corporate information

Dana Gas PJSC ("Dana Gas" or the "Company") was incorporated in the Emirate of Sharjah, United Arab Emirates as a Public Joint Stock Company on 20 November 2005 pursuant to incorporation decree number 429/2005 issued by the Ministry of Economy. Dana Gas shares are listed on the Abu Dhabi Securities Exchange (ADX).

The Company, its subsidiaries, joint operations and joint ventures constitute the Group (the "Group"). The Group is engaged in the business of exploration, production, ownership, transportation, processing, distribution, marketing and sale of natural gas and petroleum related products, including the development of gas related projects and services.

The Company's registered head office is at P. O. Box 2011, Sharjah, United Arab Emirates with presence in Cairo (Egypt) and Kurdistan Region of Iraq.

The Federal Decree Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

Principal subsidiaries and joint arrangements of the Group at 31 December 2020 and 2019 and the Company's (direct and indirect) percentage of ordinary share capital or interest are set out below:

Subsidiaries	%	Country of incorporation	Principal activities
Dana LNG Ventures Limited	100	British Virgin Islands	Intermediate holding company of Dana Gas Egypt
Dana Gas Red Sea Corporation	100	Barbados	Holding company of Dana Gas Egypt
Dana Gas Egypt Ltd	100	Barbados	Oil and Gas exploration ("Dana Gas Egypt") & production
Dana Gas Explorations FZE	100	UAE	Oil and Gas exploration & production
Sajaa Gas Private Limited Company ("SajGas")	100	UAE	Gas Sweetening
United Gas Transmissions Company Limited ("UGTC")	100	UAE	Gas Transmission
Danagaz (Bahrain) WLL	66	Bahrain	Gas Processing
Joint Operations			
Pearl Petroleum Company Limited ("Pearl Petroleum")	35	British Virgin Islands	Oil and Gas exploration & production
UGTC/Emarat JV	50	Unincorporated	Gas Transmission
Joint Ventures			
Egyptian Bahraini Gas Derivative Company ("EBGDCO")	26.4	Egypt	Gas Processing
Crescent National Gas Corporation Limited ("CNGCL")	35	British Virgin Islands	Gas Marketing
GASCITIES Ltd	50	British Virgin Islands	Gas Cities

2 Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment property and financial assets at fair value through profit or loss account that have been measured at fair value. The consolidated financial statements are presented in United States Dollars (USD), which is the Company's functional currency, and all the values are rounded to the nearest million (USD mm) except where otherwise indicated. The United Arab Emirates Dirhams (AED) amounts have been presented solely for the convenience to readers of the consolidated financial statements. AED amounts have been translated at the rate of AED 3.6655 to USD 1.

The consolidated income statement and the consolidated statements of comprehensive for the prior year have been re-presented to reflect discontinued operations both those operations reported as discontinued in the comparative year together with those classified as discontinued in the current year, separately.

2.2 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as issued by the International Accounting Standards Board (IASB).

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.3 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

These new standards and interpretations did not have any major impact on the accounting policies, financial position or performance of the Group.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2020.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Where the Group has less than a majority of the voting, or similar, rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement(s) with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. Specifically,

the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owner of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gain or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

2 Summary of significant accounting policies continued

2.4 Basis of consolidation continued

(a) Subsidiaries continued

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Inter-company transactions, balances and unrealised gains on transaction between Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the Group loses control over a subsidiary, it dercognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss.

(d) Joint arrangements

Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

In relation to its interest in joint operations, the Group recognises its:
- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from sale of its share of the output arising from the joint operations
- Share of the revenue from the sale of the output by the joint operations
- Expenses, including its share of any expenses incurred jointly.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision-maker. The Chief Operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in USD which is the Company's functional currency and AED is presented as the Group's presentation currency for the convenience of the users of the consolidated financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each statement of financial position item presented are translated at the closing rate at the date of statement of financial position;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) All resulting exchange differences are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment is stated at cost net of accumulated depreciation and/or accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land is not depreciated.

Depreciation/depletion is computed on a straight line/Unit-of-production basis over the estimated useful lives of the assets as follows:

	Useful lives
Oil and gas interests	unit-of-production
Buildings	25 years
Plant and equipment	15 – 25 years/unit-of-production
Pipelines & related facilities	25 years/unit-of-production
Other assets	2-5 years

2 Summary of significant accounting policies continued

2.7 Property, plant and equipment continued

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indications exist and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively if appropriate.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the income statement as the expense is incurred.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Capital work-in-progress is stated at cost. On commissioning, capital work-in-progress is transferred to property, plant and equipment and depreciated or depleted in accordance with Group policies.

Oil and gas interests are depleted using the unit-of-production method. Unit-of-production rates are based on proved reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods.

2.8 Intangible assets

Intangible assets acquired as part of a business combination relating to oil and gas interests are recognised separately from goodwill if the asset is separable or arises from contractual or legal rights and its fair value can be measured reliably.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated income statement.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life when the asset is available for use and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as a change in accounting estimate.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually either individually or at the cash-generating unit level. When development in respect of the oil and gas properties is internally approved, the related amount is transferred from intangible assets to property, plant and equipment and depleted in accordance with the Group's policy. If no future activity is planned, the remaining balance is written off.

(a) Oil and gas interest

Oil and natural gas exploration and evaluation expenditures are accounted for using the 'successful efforts' method of accounting. Pre-license costs are expensed in the period in which they are incurred. License costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit. Exploration license and leasehold property acquisition costs are capitalised in intangible assets. Geological and geophysical costs are recognised in the consolidated income statement, as incurred.

Costs directly associated with an exploration well are capitalised as an intangible asset until the drilling of the well is complete and the results have been evaluated. If hydrocarbons are not found, the exploration expenditure is written off as a dry hole. If hydrocarbons are found and, subject to further appraisal activity which may include the drilling of further wells (exploration or exploratory-type stratigraphic test wells), are likely to be capable of commercial development, the costs continue to be carried as an asset. All such carried costs are subject to a technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off. When proven reserves of oil and natural gas are determined and development is sanctioned, capitalisation is made within property, plant and equipment.

(b) Impairment – exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to development tangible or intangible assets, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less cost to sell and their value in use.

2.9 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquire.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

2.10 Non-current assets (or disposal groups) classified as held for sale and discontinued operations

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair values less costs to sell. Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of comprehensive income.

The Group re-present the disclosures for discontinued operations and disposal group classified as held for sale for the prior year so that the disclosures relate to all operations that have been discontinued by the end of the reporting year. The discontinued operations and disposal groups classified as held for sale presented in the consolidated statements of comprehensive income and cash flows in the comparative year therefore include all operations that have been discontinued by the end of the reporting year. In contrast, the consolidated statement of financial position for the prior year is neither restated nor remeasured.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or a cash generating unit (CGU) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's or CGU's recoverable amount. An asset's or CGU's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets in which case, the asset is tested as part of a large CGU to which it belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assumptions of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

2 Summary of significant accounting policies continued

2.11 Impairment of non-financial assets continued

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset or CGU is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

2.12 Financial assets and liabilities

Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- Those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows and is determined at the time of initial recognition. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For assets measured at fair value, gain and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business mode for managing those assets changes.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss. This category includes the Group's trade and other receivables.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses when are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is recycled to profit or loss and recognised in other gain/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises

Equity Instruments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed

an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment
The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

2.13 Profit-bearing loans and borrowings
All profit-bearing loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs directly attributable to the borrowing. The effective profit rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument.

After initial recognition, profit-bearing loans and borrowings are subsequently measured at amortised cost using the effective profit rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

2.14 Investment properties
Investment properties are initially measured at cost, including transaction costs. Subsequent expenditure is added to the carrying value of investment properties when it is probable that future economic benefits, in excess of the originally assessed standard of performance, will flow to the Group. Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance expenses and is charged to the consolidated income statement in the period in which it is accrued.

Subsequently investment properties are stated at fair value, which reflects market conditions at the reporting date. Any gains or loss arising from changes in fair values of investment properties are included in the income statement. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated income statement in the period of derecognition.

2 Summary of significant accounting policies continued

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase price, cost of production, transportation and other directly allocable expenses. Costs of spares and consumables are determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Trade and other receivables

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.18 Trade payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Decommissioning liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of that particular asset. The cash flows are discounted at a current pre tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset. The abandonment and site restoration costs initially recorded are depleted using the unit-of-production method based on proven oil and gas reserves. Subsequent revisions to abandonment and site restoration costs are considered as a change in estimates and are accounted for on a prospective basis.

Employees' end of service benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. With respect to its UAE national employees, the Group makes contributions to a pension fund established by the General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

2.20 Royalty

Royalty is recognised when associated revenue is earned. Royalties are government's share of sales and is either a per barrel amount from sales volume or a percentage of the revenue from sales of hydrocarbons. Accordingly, royalties are excluded to arrive at Net revenue.

2.21 Income Taxes

In Egypt, the Government receives production in lieu of income tax. The Group records this production as a current income tax expense.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of respective assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as finance cost in the income statement in the period in which they are incurred.

2.23 Share based payment transactions

Service-based restricted shares are granted at no cost to key employees and generally vest one third each year over a three year period from the date of grant. Restricted shares vest in accordance with the terms and conditions established by the Board of Directors and are based on continued service.

The fair value of service-based restricted shares is determined based on the numbers of shares granted and the closing price of the Company's common stock on the date of grant. The cost is being amortised on a straight line method, based on the vesting period.

2.24 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
  Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

2.25 Revenue recognition

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15.

Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) The Group's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

(b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

2 Summary of significant accounting policies continued

2.25 Revenue recognition continued

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The Company identified one performance obligation which is the delivery of condensate, LPG and gas to the customers as per the terms of the customer contracts. Accordingly, revenue is recognised point in time when the performance obligation is fulfilled.

Finance income

Income from surplus funds invested with financial institutions and interest charged to debtors for overdue receivables is recognised as the profit/interest accrues.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and accompanying disclosures, and the disclosure of contingent asset and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates if different assumptions were used and different conditions existed. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

3.1 Carrying value of UAE Gas project: This includes investment in CNGCL and assets relating to Sajgas and UGTC included under Property, plant and equipment (note 13) and Intangible assets (note 14). The Group assesses at each statement of financial position date whether there is any evidence of impairment in the carrying value of the UAE Gas Project assets. This requires management to estimate the value in use using estimates and assumptions such as long term hydrocarbon prices, supply volumes, discount rate, operating cost, future capital requirement and operating performance uncertainty. An increase by 100 basis point in the discount rate will not result in an impairment. The Gas Sales & Purchase Contract between Dana Gas's partner Crescent Petroleum and the National Iranian Oil Company ('NIOC') for the supply of gas to the UAE Gas Project has been the subject of international arbitration since June 2009 (refer note 14). Management believes that the final awards for both arbitrations will be sufficient to cover the existing carrying values of the related assets. However, the amount and timing of the damages award from the first arbitration and the outcome of the second arbitration remains uncertain.

3.2 Exploration and evaluation expenditures: The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment to determine whether it is likely that future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

3.3 Joint arrangements: As at 31 December 2020, the Group holds 35% (31 December 2019: 35%) of the voting rights in PPCL. The group has joint control over PPCL as under the contractual arrangements, unanimous consent is required from all parties to the arrangement for majority of the relevant activities. Though PPCL is structured as a limited liability company, the underlying agreements provide the company with rights and obligations to its share of jointly owned assets/income and jointly incurred liabilities/expenses. Therefore, this arrangement is classified as joint operations.

Estimates and assumptions

The Group has identified the following areas where significant estimates and assumptions are required, and where if actual results were to differ, may materially affect the financial position or financial results reported in future periods. Changes in estimates are accounted for prospectively. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the consolidated financial statements. The Group based its assumptions and estimates on parameter available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.4 Impairment of goodwill: The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the fair value of the cash-generating units to which the goodwill is allocated. The recoverable amount has been determined based on value in use calculation using cash flow projections approved by the senior management economic limit of the field, based on current estimate of reserves and resources. The estimated date of cessation of production depends on the interaction of a number of variables, such as recoverable quantities of hydrocarbons. The key assumptions used in the value in use calculation are hydrocarbon prices, production volumes, capital and operating expenditures and the discount rate. The actual outcomes may differ from the assumptions made. The calculation for fair value is most sensitive to the discount rate and oil prices. The future cash flows are discounted to their present value using a pre-tax discount rate of 10%. An increase by 100 basis point in the discount rate will result in fair value to be lower by USD 24 million. If the oil price forecast were to decrease by 10%, the change in value in use would not result in impairment. The carrying amount of goodwill at 31 December 2020 was USD 145 million (2019: USD 308 million).

3.5 Recoverability of oil and gas assets: The Group assesses at each statement of financial position date whether there is any evidence of impairment in the carrying value of its oil and gas assets in property, plant and equipment. This requires management to estimate the recoverable value of its oil and gas assets using estimates and assumptions such as long term hydrocarbon prices, discount rates, operating costs, future capital requirements, decommissioning costs, explorations potentials, reserves and operating performance uncertainty. These estimates and assumptions are subject to risk and uncertainty. The calculation for value in use is most sensitive to the discount rate and oil price. The future cash flows are discounted to their present value using a pre-tax discount rate of 10% – 12.5%.

3.6 Financial assets through profit or loss: The Group based its assumptions and estimates on parameter available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group uses various models and assumptions in measuring fair value of financial assets. Judgement is applied in identifying the most appropriate model for each type of asset as well as determining the assumptions used in these models, including assumptions around probabilities and discount rates. During the year, the Group has reviewed the discount rate, hydrocarbon prices and probability assumptions and revised for the current economic environment which did not result in material impact to the fair value of these assets at 31 December 2020. A 100 basis point increase/decrease in discount rate would impact the fair value of the financial asset at fair value through profit or loss by USD 4 million.

3.7 Hydrocarbon reserve and resource estimates: Oil and gas properties are depreciated on a unit of production (UOP) basis at a rate calculated by reference to total proved reserves determined in accordance with the Society of Petroleum Engineers' rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates.

Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the relevant commercial arrangements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The carrying amount of oil and gas properties at 31 December 2020 and 2019 is shown in Note 13.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results, which include:

- The carrying value of oil and gas properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the UOP method, or where the useful life of the related assets change.
- Provisions for decommissioning may change as the changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.

3.8 Investment Property: The Group carries its investment property at fair value, with changes in fair values being recognised in the consolidated income statement. The Group engaged a qualified independent property consultant to determine fair value reflecting market conditions at 31 December 2020.

3.9 Units of production depreciation of oil and gas properties: Oil and gas properties are depreciated using the units of production (UOP) method over total proved reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field. Each items' life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates changes. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves and are accounted for prospectively.

4 Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (CEO) that are used to make strategic decisions. The CEO considers the business from a geographic perspective which is divided into three geographical units. Unallocated amounts are included in General & administration expenses, investment and finance income, other income, other expenses and finance cost.

Year ended 31 December 2020

	Continuing Operations				Discontinued operations	
	United Arab Emirates USD mm	Kurdistan Region of Iraq USD mm	Egypt USD mm	Total USD mm	Egypt USD mm	Total USD mm
Revenue	4	118	–	122	227	349
Royalties	–	–	–	–	(124)	(124)
Net revenue	4	118	–	122	103	225
Operating cost & depletion	(2)	(58)	–	(60)	(79)	(139)
Gross profit	2	60	–	62	24	86
General and administration expenses				(12)	–	(12)
Investment and finance income				15	–	15
Other income				1	–	1
Other expenses				(9)	(2)	(11)
Impairment of oil & gas assets				–	(403)	(403)
Impairment of financial asset	(5)			(5)	(4)	(9)
Change in fair value of asset held for sale					(18)	(18)
Change in fair value of investment property	(2)			(2)	–	(2)
Share of loss of a joint venture				(2)	–	(2)
Exploration expenses/write off				–	(1)	(1)
Finance cost				(16)	–	(16)
Profit/(loss) for the year from continuing operations				32	(404)	(372)
Income tax expense				–	(4)	(4)
Profit/(loss) for the year				32	(408)	(376)
Segment assets	1,284	797	185	2,266	–	2,266
Assets classified as held for sale	–	–	–	–	156	156
Total assets	1,284	797	185	2,266	156	2,422
Segment liabilities	123	100	8	231	–	231
Liabilities directly associated with asset held for sale	–	–	–	–	46	46
Total liabilities	123	100	8	231	46	277
Other segment information						
Capital expenditure:						
Property, plant and equipment	–	27	–	27	24	51
Intangible assets	–	–	1	1	4	5
Total	–	27	1	28	28	56
Depreciation & depletion	2	35	–	37	47	84
Trade & other receivable	21	48	–	69	140	209

Year ended 31 December 2019

	Continuing operations				Discontinued operations	
	United Arab Emirates USD mm	Kurdistan Region of Iraq USD mm	Egypt USD mm	Total USD mm	Egypt USD mm	Total USD mm
Revenue	11	153	–	164	295	459
Royalties	(1)	–	–	(1)	(173)	(174)
Net revenue	10	153	–	163	122	285
Operating cost & depletion	(9)	(52)	–	(61)	(97)	(158)
Gross profit	1	101	–	102	25	127
General and administration expenses				(15)	–	(15)
Investment and finance income				14	1	15
Other income				134	1	135
Other expenses				(8)	–	(8)
Impairment of oil & gas assets	–	–	(60)	(60)	–	(60)
Impairment of financial asset	(6)	–	–	(6)	–	(6)
Share of loss of a joint venture				(1)	–	(1)
Finance cost				(16)	–	(16)
Profit for the year from continuing operations				144	27	171
Income tax expense				–	(14)	(14)
Profit/(loss) for the year				144	13	157
Segment assets	1,613	823	766	3,202		
Segment liabilities	436	83	51	570		
Other segment information						
Capital expenditure:						
Property, plant and equipment	–	57	19	76		
Intangible assets	–	–	51	51		
Total	–	57	70	127		
Depreciation & depletion	2	31	–	33	70	103
Trade & other receivable	21	32	122	175		

5 Revenue

Continuing operations

	2020 USD mm	2019 USD mm
Gross revenue	**118**	160
Tariff fee	**4**	4
	122	164
Less: royalties	**–**	(1)
Net revenue	**122**	163

Royalties relate to Government share of production in United Arab Emirates. Tariff fees relates to fixed pipeline capacity fees earned by UGTC. As the contract includes monthly fixed fee, revenue is recognised over a period of time when customers are invoiced.

In Pearl, revenue against sale of condensate to KRG under the terms of the PDA is recognized based on provisional prices following the principles laid out in the PDA. As per the terms of the PDA, KRG is obliged to provide price particulars for each month based on which provisionally priced condensate sales invoices are raised, which may undergo reconciliations once audited price particulars are received.

6 Operating costs & depletion

Continuing operations	2020 USD mm	2019 USD mm
Production costs	**13**	18
Staff costs	**10**	10
Depreciation and depletion	**37**	33
	60	61

7 Investment and finance income

Continuing operations	2020 USD mm	2019 USD mm
Gain on buyback of Sukuk	**9**	–
Profit on short term deposit	**6**	13
Others	**–**	1
	15	14

8 Other income

Continuing operations	2020 USD mm	2019 USD mm
Financial asset recognised during the year (note 20)	**–**	126
Reimbursement of arbitration cost	**–**	6
Others	**1**	2
	1	134

9 Finance cost

Continuing operations	2020 USD mm	2019 USD mm
Profit on Sukuk (note 27a)	**12**	16
Term finance (note 27b)	**1**	–
Project finance – Pearl (note 27c)	**1**	–
Others	**2**	–
	16	16

10 Income tax expense

(a) UAE

The Company is not liable to corporate income tax in its primary jurisdiction (UAE). Dana Gas Exploration FZE is however, liable to income tax at a rate of 50%.

(b) Kurdistan Region of Iraq

The PDA provides that corporate income tax in the Kurdistan Region of Iraq will be paid directly by the KRG to the relevant tax authorities on behalf PPCL.

(c) Egypt

The income tax expense in the income statement under discontinued relates to Dana Gas Egypt operations which is taxed at an average tax rate of 40.55% (2019: 40.55%). This tax is paid by Egyptian General Petroleum Corporate (EGPC)/Egyptian Natural Gas Holding Company (EGAS) on behalf of the Company from their share of production. Dana Gas Egypt does not have any deferred tax asset/liability at year end.

11 Earnings per share

Basic earnings per share (EPS) is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	2020 USD mm	2019 USD mm
Earnings:		
Net profit for the year from continuing operations- USD mm	**32**	144
Net (loss)/profit for the year from discontinued operations – USD mm	**(408)**	13
Shares:		
Weighted average number of shares outstanding – million	**6,958**	6,983
Earnings per share (Basic) from continuing operations– USD:	**0.004**	0.02
(Loss)/profit per share (Basic) from discontinued operations	**(0.058)**	0.002

12 ASSET AND LIABILITIES CLASSIFIFED AS HELD FOR SALE

The Group announced on 25 October 2020 that it has entered into a binding agreement with IPR Wastani Petroleum Ltd, a member of the IPR Energy Group ("IPR") for the sale of its onshore Egyptian producing oil and gas assets for a consideration of up to USD236 million including contingent payments. The perimeter of the transaction includes Dana Gas' 100% working interest in the El Manzala, West El Manzala, West El Qantara and North El Salhiya onshore concessions and associated development leases. The Company, through its wholly-owned subsidiary Dana Gas Egypt, will retain its interest in its onshore and offshore exploration concessions, respectively El Matariya (Block-3) and North El Arish (Block-6). Under the terms of the sale, the consideration comprises (i) a base cash consideration of USD 153 million, including the net working capital associated with the assets and before any closing adjustments, and (ii) contingent payments of up to USD 83 million subject to average Brent prices and production performance between 2020-2023 as well as the realisation of potential third party business opportunities. Upon closing, the base consideration will be adjusted by the collections received and payments made by the Company during the intervening period between the economic date and the closing date.

The transaction, which is subject to a number of conditions precedent and to the Egyptian Ministry of Petroleum and Mineral Resources' approval, is currently expected to complete during H1 2021.

The following assets and liabilities have been reclassified as held for sale at 31 December 2020:

	31 December 2020 USD mm
Property, plant & equipment	**197**
Intangible assets	**14**
Goodwill	**163**
Trade and other receivables	**140**
Inventory	**36**
Cash at bank	**1**
Total assets	**551**
Decommissioning provision	**(13)**
Trade payables and accruals	**(38)**
Total liabilities	**(51)**
Total net assets	**500**
Impairment on assets	**(209)**
Impairment on Goodwill	**(163)**
Change in fair value of asset held for sale	**(18)**
Total net assets of disposal group held for sale	**110**

The Cash flow from discontinued operations during the year ended 31 December 2020 is as follows:

	2020 USD mm	2019 USD mm
Net cash inflow from operating activities	**50**	96
Net cash outflow from investing activities	**(26)**	(82)
Net increase in cash	**24**	14

13 Property, plant and equipment

	Freehold land USD mm	Building USD mm	Oil and gas interests USD mm	Plant and equipment USD mm	Other assets USD mm	Pipeline & related facilities USD mm	Capital work-in-progress USD mm	Total USD mm
Cost:								
At 1 January 2020	**14**	**12**	**1,597**	**384**	**44**	**119**	**276**	**2,446**
Additions	**–**	**–**	**17**	**–**	**–**	**–**	**27**	**44**
Transfer from capital work in progress	**–**	**–**	**2**	**–**	**–**	**–**	**(2)**	**–**
Transfer from intangible assets (note 14)	**–**	**–**	**4**	**–**	**–**	**–**	**–**	**4**
Assets classified as held for sale	**–**	**–**	**(1,099)**	**(140)**	**(10)**	**–**	**–**	**(1,249)**
At 31 December 2020	**14**	**12**	**521**	**244**	**34**	**119**	**301**	**1,245**
Depreciation/depletion:								
At 1 January 2020	**–**	**6**	**954**	**200**	**24**	**59**	**–**	**1,243**
Depreciation/depletion charge for the year	**–**	**–**	**60**	**17**	**2**	**4**	**1**	**84**
Impairment	**–**	**–**	**30**	**–**	**–**	**–**	**–**	**30**
Assets classified as held for sale	**–**	**–**	**(951)**	**(108)**	**(1)**	**–**	**–**	**(1,060)**
At 31 December 2020	**–**	**6**	**93**	**109**	**25**	**63**	**1**	**297**
Net carrying amount:								
At 31 December 2020	**14**	**6**	**428**	**135**	**9**	**56**	**300**	**948**

Capital Work in Progress comprises:	USD mm
SajGas plant and facilities	99
UGTC pipeline & related facilities	89
Kurdistan Region of Iraq project	112
	300

Sajgas and UGTC assets included in Property, plant & equipment amounted to USD 207 million (2019: USD 208 million).

Some of Pearl Petroleum's property, plant and equipment is pledged against loan facility (note 27).

Property, plant and equipment include financing cost amounting to USD 8 million as at 31 December 2020 (2019: USD 4 million) on borrowings for ongoing development and capitalised using effective interest rate of the specific borrowing.

	Freehold land USD mm	Building USD mm	Oil and gas interests USD mm	Plant and equipment USD mm	Other assets USD mm	Pipeline & related facilities USD mm	Capital work-in-progress USD mm	Total USD mm
Cost:								
At 1 January 2019	14	12	1,566	381	40	119	234	2,366
Additions	–	–	16	2	1	–	57	76
Transfer from capital work in progress	–	–	11	1	3	–	(15)	–
Transfer from intangible assets	–	–	4	–	–	–	–	4
At 31 December 2019	14	12	1,597	384	44	119	276	2,446
Depreciation/depletion:								
At 1 January 2019	–	5	880	179	21	55	–	1,140
Depreciation/depletion charge for the year	–	1	74	21	3	4	–	103
At 31 December 2019	–	6	954	200	24	59	–	1,243
Net carrying amount:								
At 31 December 2019	14	6	643	184	20	60	276	1,203

Capital Work in Progress comprises:	USD mm
SajGas plant and facilities	99
UGTC pipeline &related facilities	89
Kurdistan Region of Iraq project	88
	276

Sajgas and UGTC assets included in Property, plant & equipment amounted to USD 208 million (2018: USD 209 million).

Some of Pearl Petroleum's property, plant and equipment is pledged against loan facility (note 27).

Property, plant and equipment include financing cost amounting to USD 4 million as at 31 December 2019 (2018: USD Nil) on borrowings for ongoing development and capitalised using effective interest rate of the specific borrowing.

14 Intangible assets

	Oil and gas interests USD mm	**Transmission & sweetening rights USD mm**	**Gas processing rights USD mm**	**Development cost USD mm**	**Goodwill USD mm**	**Total USD mm**
Cost at 1 January 2020	**214**	**289**	**7**	**2**	**308**	**820**
Less: accumulated impairment	**(175)**	**–**	**(7)**	**(2)**	**–**	**(184)**
Net book amount at 1 January 2020	**39**	**289**	**–**	**–**	**308**	**636**
Additions*	**5**	**–**	**–**	**–**	**–**	**5**
Transfer to property, plant and equipment (note 13)	**(4)**	**–**	**–**	**–**	**–**	**(4)**
Exploration write off	**(1)**	**–**	**–**	**–**	**–**	**(1)**
Asset classified as held for sale	**(15)**	**–**	**–**	**–**	**(163)**	**(178)**
At 31 December 2020	**24**	**289**	**–**	**–**	**145**	**458**

	Oil and gas interests USD mm	Transmission & sweetening rights USD mm	Gas processing rights USD mm	Development cost USD mm	Goodwill USD mm	Total USD mm
Cost at 1 January 2019	167	289	7	2	308	773
Less: impairment	(115)	–	(7)	(2)	–	(124)
At 1 January 2019	52	289	–	–	308	649
Additions*	51	–	–	–	–	51
Transfer to property, plant and equipment (note 13)	(4)	–	–	–	–	(4)
Impairment	(60)	–	–	–	–	(60)
At 31 December 2019	39	289	–	–	308	636

* Additions relate to cash outflows in respect of cost of exploration and evaluation assets

(a) Oil and Gas Interests

Oil and gas interests in Intangible assets relates to retained concessions in Dana Gas Egypt as described below in more detail:

- El Matariya Onshore (Block-3) – In September 2014, Dana Gas Egypt was awarded a 50% working interest in the Block 3 concession area. The area is located onshore Nile Delta. As per the concession agreement, Dana Gas Egypt as a partner and BP as an operator will participate on a 50:50 basis. During the year an amount of USD 7.5 million has been impaired in relation to signature bonus paid. Subsequent to year end, in January 2021, the area was relinquished.
- North Al Arish Offshore (Block-6) – In April 2013, Dana Gas Egypt was awarded a 100% working interest in the North El Arish Offshore (Block 6) concession area. The area currently comprises 2,000 sq. km after relinquishment of 1/3 of the original area in July 2019, offshore Nile Delta/Sinai Peninsula, in the eastern part of the Mediterranean Sea. A 3D seismic survey acquisition was carried out in the Block, covering 1,830 full fold sq. Km. The Company completed the drilling operations at its deepwater Merak-1 well in July 2019. The well was drilled to a total depth of 3,890 meters and encountered 36m of sand in the Miocene objective interval but did not encounter commercial hydrocarbons. In 2020, the Company carried out reprocessing of 1,000 sq. km and acquisition of further 345 sp. km 3D seismic over the Thuraya prospect.

14 Intangible assets continued

(b) Transmission and sweetening rights

Intangible assets include USD 289 million which represent the fair value of the rights for the transmission and sweetening gas and related products acquired by the Company through its shareholdings in SajGas and UGTC. The fair value of the rights acquired in 2005 was determined by reference to valuation exercises undertaken by professionally qualified independent third parties based on the expected future cash flows arising from the underlying contractual relationships. The intangible assets will be amortised over 25 years from the date of commencement of commercial activity in accordance with the terms of the contracts to which they relate. Commercial activity has not yet commenced. In July 2010, National Iranian Oil Company ('NIOC') introduced gas into its completed transmission network and Dana Gas's UGTC pipeline and SajGas processing facilities in Sharjah for commissioning purposes. However, subsequently as it pressured up, NIOC discovered significant leaks in its offshore gas transmission system which required rectification. Notwithstanding this, Crescent Petroleum is continuing with international arbitration to seek a ruling on its binding 25 years gas supply contract with NIOC.

The Company was notified by Crescent Petroleum on 10 August 2014 that the Arbitral Tribunal has issued a Final Award on the merits, determining that the 25 year contract between it and NIOC is valid and binding upon the parties, and that NIOC has been in breach of its contractual obligation to deliver gas under the Contract since December 2005.

On 18 July 2016, the English High Court finally dismissed the NIOC's remaining grounds of appeal against the 2014 arbitration award. The 2014 arbitration award found in favour of Dana Gas' partner Crescent Petroleum Company International Limited and Crescent Gas Corporation Limited on all issues. NIOC appealed the 2014 arbitration award to the English High Court. Most of the grounds of appeal were previously heard and dismissed by the Court in March 2016. The finalisation of the appeal in July 2016 confirms that the 2014 award is final and binding and that NIOC has been in breach of its gas supply obligations since 2005.

Crescent Petroleum has informed Dana Gas that the final hearing of the remedies phase against NIOC for non-performance of the contract (including claims for damages and indemnities for third party claims up to 2014) took place in November 2016. Some members of the Tribunal which heard the case resigned prior to the issuing of an Award and as result a new Tribunal was constituted. The new Tribunal agreed that they could issue an Award on the basis of the existing evidence following a clarification hearing which was held in August 2020. The final award on damages for the period 2005 to 2014 is awaited from the Tribunal, and in the meantime Dana Gas has been informed that Crescent Petroleum has commenced a second arbitration with a new Tribunal, to address the claims for damages from 2014 until the end of the contract period in 2030. Moreover, we are aware that Crescent Petroleum has made provision in its damages claim against NIOC for reimbursement of the losses suffered by the Company including any third party claims where the damages would ultimately be assessed and decided by a court. Management believes that the final awards from both arbitrations will be sufficient to cover the existing carrying values of the related assets. However, the amount and timing of the damages award from the first arbitration and the outcome of the second arbitration remains uncertain.

In accordance with IAS 36, Impairment of assets, requirement relating to intangible assets not yet available for use, management had undertaken an impairment review of the intangible assets as at 31 December 2020. Management has reviewed the various inputs into the original valuation model and believes that the inputs into the original valuation model have not materially changed.

(c) Goodwill

Goodwill of USD 308 million related to the acquisition of Dana Gas Egypt in January 2007 which enabled Dana Gas to acquire the upstream business qualification and therefore the rights to development. Management has carried an impairment review during the year (refer note 3). Goodwill of USD 163 million has been has been fully impaired (refer note 12).

15 Investment property

	2020 USD mm	2019 USD mm
Balance at 1 January	**22**	22
Change in fair value	**(2)**	–
Balance at 31 December	**20**	22

Investment property consists of industrial land owned by SajGas, a subsidiary, in the Sajaa area in the Emirate of Sharjah, United Arab Emirates. The Group considers a portion of land to be surplus to their operational requirements and will be used for earning rentals or held for capital appreciation.

Investment property is stated at fair value which has been determined based on a valuation performed by an independent firm of qualified property consultants, with reference to comparable market transactions. The latest valuation exercise was carried out by the consultants as at 31 December 2020 and resulted in a valuation of USD 20 million.

16 Interest in joint ventures

The following table summarises the statement of financial position of the joint ventures as at 31 December 2020:

	EBGDCO USD mm	Gas Cities USD mm	CNGCL USD mm	Total USD mm
Current assets				
Cash and cash equivalents	1	–	–	1
Other current assets	19	2	–	21
Total current assets	20	2	–	22
Non-current assets	69	–	23	92
Current liabilities				
Financial liabilities (exc. payable)	(7)	–	–	(7)
Other current liabilities	(19)	(9)	(46)	(74)
Total current liabilities	(26)	(9)	(46)	(81)
Non-current liabilities				
Financial liabilities (exc. payable)	(32)	–	–	(32)
Other non-current liabilities	(13)	–	(23)	(36)
Total non-current liabilities	(45)	–	(23)	(68)
Net assets/(liabilities)	18	(7)	(46)	(35)
Reconciliation to carrying amount				
Opening net assets/(liabilities) as of 1 January 2020	18	(7)	(40)	(29)
Loss for the year	–	–	(6)	(6)
Closing net assets/(liabilities) as of 31 December 2020	18	(7)	(46)	(35)
Group's share in %age	40%	50%	35%	
Group's share of net assets/(liabilities)	8	(3)	(16)	(11)
Fair value/adjustment	–	3	569	572
Carrying amount as of 31 December 2020	8	–	553	561

The following table summarises the income statement of the joint ventures for the year ended 31 December 2020:

	EBGDCO USD mm	Gas Cities USD mm	CNGCL USD mm	Total USD mm
Revenue	26	–	–	26
Interest Income	–	–	–	–
Depreciation and amortisation	(7)	–	–	(7)
Interest expense	(3)	–	–	(3)
Income tax expense	–	–	–	–
Total comprehensive loss for the year	–	–	(6)	(6)

The Joint ventures had no other contingent liabilities or capital commitments as at 31 December 2020 and 2019.

16 Interest in joint ventures continued

The following table summarises the statement of financial position of the joint ventures as at 31 December 2019:

	EBGDCO USD mm	Gas Cities USD mm	CNGCL USD mm	Total USD mm
Current assets				
Cash and cash equivalents	3	–	–	3
Other current assets	9	2	–	11
Total current assets	12	2	–	14
Non-current assets	76	–	1	77
Current liabilities				
Financial liabilities (exc. payable)	(8)	–	–	(8)
Other current liabilities	(18)	(9)	(41)	(68)
Total current liabilities	(26)	(9)	(41)	(76)
Non-current liabilities				
Financial liabilities (exc. payable)	(33)	–	–	(33)
Other non-current liabilities	(11)	–	–	(11)
Total non-current liabilities	(44)	–	–	(44)
Net assets/(liabilities)	18	(7)	(40)	(29)
Reconciliation to carrying amount				
Opening net assets/(liabilities) as of 1 January 2019	19	(7)	(36)	(24)
Loss for the year	(1)	–	(4)	(5)
Closing net assets/(liabilities) as of 31 December 2019	18	(7)	(40)	(29)
Group's share in %age	40%	50%	35%	
Group's share of net assets/(liabilities)	8	(3)	(14)	(9)
Fair value/adjustment	–	3	569	572
Carrying amount as of 31 December 2019	8	–	555	563

The following table summarises the income statement of the joint ventures for the year ended 31 December 2019:

	EBGDCO USD mm	Gas Cities USD mm	CNGCL USD mm	Total USD mm
Revenue	25	–	–	25
Interest Income	–	–	–	–
Depreciation and amortisation	(7)	–	–	(7)
Interest expense	(3)	–	–	(3)
Income tax expense	–	–	–	–
Total comprehensive loss for the year	(1)	–	(4)	(5)

Out of the total investment in joint ventures, USD 553 million relates to an interest in CNGCL which represents the fair value of the rights for the purchase and sale of gas and related products acquired by the Company through its 35% interest in CNGCL. The fair value of the rights acquired in 2005 was determined by reference to valuation exercises undertaken by professionally qualified independent third parties based on the expected future cash flows arising from the underlying contractual relationships.

Commercial activity in CNGCL has not yet commenced. In July 2010, National Iranian Oil Company ('NIOC') introduced gas into its completed transmission network and Dana Gas's UGTC pipeline and SajGas processing facilities in Sharjah for commissioning purposes. However, subsequently as it pressured up, NIOC discovered significant leaks in its offshore gas transmission system which required rectification. Notwithstanding this, Crescent Petroleum is continuing with international arbitration to seek a ruling on its binding 25 years gas supply contract with NIOC.

The Company was notified by Crescent Petroleum on 10 August 2014 that the Arbitral Tribunal has issued a Final Award on the merits, determining that the 25 year contract between it and NIOC is valid and binding upon the parties, and that NIOC has been in breach of its contractual obligation to deliver gas under the Contract since December 2005.

On 18 July 2016, the English High Court finally dismissed the NIOC's remaining grounds of appeal against the 2014 arbitration award. The 2014 arbitration award found in favour of Dana Gas' partner Crescent Petroleum Company International Limited and Crescent Gas Corporation Limited on all issues. NIOC appealed the 2014 arbitration award to the English High Court. Most of the grounds of appeal were previously heard and dismissed by the Court in March 2016. The finalisation of the appeal in July 2016 confirms that the 2014 award is final and binding and that NIOC has been in breach of its gas supply obligations since 2005.

Crescent Petroleum has informed Dana Gas that the final hearing of the remedies phase against NIOC for non-performance of the contract (including claims for damages and indemnities for third party claims up to 2014) took place in November 2016. Some members of the Tribunal which heard the case resigned prior to the issuing of an Award and as result a new Tribunal was constituted. The new Tribunal agreed that they could issue an Award on the basis of the existing evidence following a clarification hearing which was held in August 2020. The final award on damages for the period 2005 to 2014 is awaited from the Tribunal, and in the meantime Dana Gas has been informed that Crescent Petroleum has commenced a second arbitration with a new Tribunal, to address the claims for damages from 2014 until the end of the contract period in 2030. Moreover, we are aware that Crescent Petroleum has made provision in its damages claim against NIOC for reimbursement of the losses suffered by the Company including any third party claims where the damages would ultimately be assessed and decided by a court. Management believes that the final awards from both arbitrations will be sufficient to cover the existing carrying values of the related assets. However, the amount and timing of the damages award from the first arbitration and the outcome of the second arbitration remains uncertain.

17 Interest in joint operations

(a) Kurdistan Region of Iraq Project

Pearl was incorporated in the British Virgin Islands as a BVI Business Company on 19 January 2009. The activities of the Company include exploration, development, production, ownership, transportation, processing, distribution, marketing and sale of natural gas and petroleum related products, including the development of gas related projects and services in the KRI. Pearl is owned 35% each by Crescent Petroleum and Dana and 10% each by OMV Upstream International GmbH ("OM"), MOL Hungarian Oil and Gas Public Limited Company ("MOL") and RWE Middle East Holding BV ("RWE").

Pursuant to the Head of Agreement with the KRG dated 4 April 2007 (supplemented with a detailed accounting procedure dated 25 January 2008) which was subsequently amended on 30 August 2017 and termed as the "Petroleum Development Agreement" ("PDA"), Pearl is the contractor and consequently takes title to and enjoys exclusive rights to appraise, develop, produce, market and sell petroleum, including natural gas domestically and for export, from certain areas in the KRI. Crescent and Dana have been appointed as the Operator (for and on behalf of Pearl Petroleum) for the purposes of the implementation of the PDA.

The following amounts represent the Group's 35% share of the assets, liabilities and income of the joint operation:

	2020 USD mm	2019 USD mm
Assets:		
Non-current assets	**705**	713
Current assets	**92**	110
Total Assets	**797**	823
Liabilities:		
Non-current liabilities	**68**	55
Current liabilities	**31**	28
Total Liabilities	**99**	83
Net Assets	**698**	740
Revenue	**118**	153
Operating cost	**(23)**	(21)
Depreciation	**(35)**	(31)
Gross profit	**60**	101

(b) UGTC/Emarat

The Group has a 50% interest in the UGTC/Emarat jointly controlled operations which owns one of the largest gas pipelines in the UAE (48 inch diameter) with an installed capacity of 1,000 MMscfd, to transport gas in the Emirates of Sharjah from Sajaa to Hamriyah. The following amounts represent the Group's 50% share of the assets, liabilities and income of the joint operations:

	2020 USD mm	2019 USD mm
Assets:		
Non-current assets	**14**	15
Current assets	**16**	15
Total Assets	**30**	30
Liabilities:		
Current liabilities	**–**	–
Net Assets	**30**	30
Revenue	**4**	4
Operating cost	**(1)**	(1)
Depreciation	**(1)**	(1)
Gross profit	**2**	2

18 Inventories

	2020 USD mm	2019 USD mm
Spares and consumables	**4**	59
Less: provision for impairment of inventory	**–**	(19)
	4	40

Inventory recognized as an expense during the year ended 31 December 2020 was $0.6 million (2019: $1.2 million).

19 Trade and other receivables

	2020 USD mm	2019 USD mm
Trade receivables (net)	**39**	135
Prepaid expenses	**1**	7
Due from joint ventures	**18**	19
Accrued revenue (note c)	**8**	8
Other receivables	**4**	13
Less: provision for impairment	**(1)**	(7)
	69	175

(a) Trade receivables are interest bearing and are generally on 5-60 days credit period.

(b) The ageing analysis of trade receivables is as follows:

			Past due				
	Total USD mm	Not past due USD mm	<30 days USD mm	30-60 days USD mm	61-90 days USD mm	91-120 days USD mm	>120 days USD mm
31 December 2020	**39**	**13**	**3**	**–**	**–**	**–**	**23**
31 December 2019	135	68	12	1	16	–	38

(c) In 2019, an audit of the KRI pipeline metering system revealed that a meter at the Khor Mor plant had, since November 2018, been over-reporting the volume of gas supplied by the Company to the KRG by 5.9%. Another issue also discovered concurrently was an under-reporting of the heating value of the sales gas.

Whilst interim steps were taken to correct the over-reporting in July 2019, the Company and the KRG also agreed a series of steps to install full fiscal metering to resolve this issue. In the meantime, a provisional interim adjustment, relating to the period November 2018 to July 2019, was applied to the invoices of July, August and September 2019. This adjustment amounted to US$23 million with the final resolution of the provisional adjustment only once the final adjustment and reconciliation is completed. The implementation schedule for the fiscal metering package cannot be ascertained until there is visibility of the post COVID 19 situation. Accordingly, the provisional adjustment to amounts due from the KRG has been reflected in this financial statement as an accrued revenue asset.

20 Financial assets at fair value through profit or loss

	2020 USD mm	2019 USD mm
Balance at 1 January	**111**	2
Recognised during the year	**–**	126
Received during the year	**(11)**	(18)
Change in fair value	**(2)**	1
Balance at 31 December	**98**	111

Financial assets classification between non-current and current assets is as follows:

	2020 USD mm	2019 USD mm
Current assets	**51**	53
Non-current assets	**47**	58
	98	111

During 2019, the Company has recorded certain reserve based earn out entitlements as financial assets at fair value through profit or loss. These are due from certain shareholders in Pearl Petroleum as considerations which were contingent upon proving up additional reserves in Pearl Petroleum.

In addition, as part of the settlement agreement with RWE Supply & Trading GmbH ("RWE") the Company is entitled to and has recognised certain confined payments which are due only in case and in the amount dividends are distributed to RWE by Pearl (based on RWE's 10% equity in Pearl). During the year, the Company has received an amount of USD 11 million towards such confined payments.

Financial assets at fair value through profit or loss also includes investment in the Abraaj Infrastructure Fund at USD 2 million fair value which is underpinned by the underlying assets. As the fund managing entity is under liquidation, the Company was not able to obtain an indicative fair value of the fund as of 31 December 2020, however on a prudent basis, the Company decided to fully impair the investment.

The Company did not make any investment in shares or stock during the year ended 31 December 2020 (31 December 2019: Nil).

21 Funds held for development

As part of the settlement agreement with the KRG, out of the USD 1 billion received from KRG (DG Share: USD 350 million), an amount of USD 400 million – restricted cash (DG Share: USD 140 million) was dedicated for investment exclusively for further development to substantially increase production in the Kurdistan Region of Iraq. Pearl is entitled to use any funds remaining in that account after the said development is complete or 29 February 2020, whichever occurs first. If to the reasonable satisfaction of the KRG, Pearl secures financing for all or part of the development specified in the agreement, Pearl shall be entitled to use funds from this USD 400 million (DG Share: USD 140 million) in the same amount as such financing without restriction. Up to the end of 2019, USD 322 million (DG Share: USD 113 million) was released from these funds in accordance with the terms of the Settlement Agreement. Upon award of the EPC contract in January 2020, Pearl has released the remaining USD 78 million (DG Share: USD 27 million).

22 Cash and cash equivalents

	2020 USD mm	2019 USD mm
Cash at bank		
- Local Banks within UAE	**13**	12
- Foreign Banks outside UAE	**6**	6
Short-term deposits		
- Local Banks within UAE	**89**	407
Cash and cash equivalents	**108**	425

Cash at bank earns profit at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods ranging between one week and twelve months, depending on the immediate cash requirements of the Group, earn profit at the respective short-term deposit rates and are repayable on demand. The fair value of cash and bank balance including short-term deposits is USD 108 million (31 December 2019: USD 425 million). The effective profit rate earned on short term deposits ranged 0.14% to 3.6% (2019: 1.6% to 3.75%) per annum. As at 31 December 2020, 95 % (31 December 2019: 99%) of cash and bank balance were held with UAE banks and the balance held outside UAE. Out of the total cash and bank balance of USD 108 million, 5% of the amount was held in Egyptian pounds (2019: 1%).

Cash & cash equivalent includes USD 39 million (DG Share 35%) held by Pearl joint venture.

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following at 31 December 2020:

	2020 USD mm	2019 USD mm
Cash at bank and on hand	**19**	18
Short term deposits	**89**	407
Cash at bank attributable to discontinued operations (note 12)	**1**	–
Cash and cash equivalents	**109**	425

23 Share capital

	2020 USD mm	2019 USD mm
Issued and fully paid up:		
6,995,373,373 (2019: 6,995,373,373) common shares of AED 1 each (USD 0.2728 each)	**1,908**	1,908

24 Treasury Shares

The Company executed a share buyback and acquired a total 36,950,000 of its own shares at an average price of AED 0.94. Out of the total, 1,250,000 shares were bought back during 2020 (2019: 35,700,000 shares).

25 Legal and voluntary reserve

	Legal reserve USD mm	Voluntary reserve USD mm
At 1 January 2019	116	116
Transfer for the year	16	16
At 31 December 2019	132	132
Transfer for the year	–	–
At 31 December 2020	**132**	**132**

(a) Legal Reserve

In accordance with the U.A.E. Federal Law No. (2) of 2015, the Company has established a legal reserve by appropriation of 10% of the Group's net profit for each year. The allocation may cease by the decision of the General Assembly when the reserve equals 50% of the Company's paid up capital. This reserve may not be distributed to the shareholders. However, the legal reserve in excess of 50% of the paid up capital may be distributed as profits to the shareholders in the years in which the Company does not make sufficient net profits.

(b) Voluntary Reserve

As per the Article of Association of the Company, 10% of the Group's net profit for each year will be allocated to the voluntary reserve. The General Assembly may stop the allocation upon the recommendation of the Board of Directors or when the reserve reaches 50% of the paid up capital. The voluntary reserve shall be expended in accordance with a resolution of the Board of Directors on matters that serve the interests of the Company.

26 Other reserve

	Share based reserve USD mm
At 1 January 2019	7
Recognised during the year	2
Shares issued to employees	(5)
At 31 December 2019	4
Transfer during the year	(4)
At 31 December 2020	–

27 Borrowings

	2020 USD mm	2019 USD mm
Non-current		
Loan facility (c)	**68**	54
	68	54
Current		
Sukuk (a)	**–**	397
Term loan facility (b)	**90**	
Loan facility (c)	**5**	5
	95	402
Total Borrowings	**163**	456

	2020 USD mm	2019 USD mm
Total Borrowings (including Pearl joint operations)	**163**	456
Less: Pearl's Loan facility– Non recourse to Dana Gas	**(73)**	(59)
Dana Gas borrowings	**90**	397

(a) SUKUK

The Company issued its USD 530 million Sukuk on 13 August 2018 with maturity date of 31 October 2020 and carried a profit rate of 4% per annum.

The Certificates were secured against the shares of Dana LNG Ventures Limited (BVI), Sajaa Gas Company Limited (Sharjah) and United Gas Transmission Company Limited (Sharjah). In addition to the above, the security package available to holders of the Sukuk included security over certain receivables of the Company's Egyptian assets and Sajaa Gas industrial land.

During 2018 and 2019, the Company bought back Sukuk amounting to USD 133 million (nominal value). The outcome is that Dana Gas satisfied its obligations such that it would continue to pay a profit rate of 4% until maturity of the Sukuk at the end of October 2020. During 2020, the Company bought back additional Sukuk amounting to USD 88.5 million (nominal value), bringing the outstanding Sukuk to USD 309 million. All bought back Sukuk were cancelled as per the terms and conditions.

Under the terms of the Sukuk, the Company was required to comply with certain financial covenants and the Company has complied with these covenants throughout the Sukuk term.

The redemption date of the Sukuk was 31 October 2020 and the Company fully redeemed the outstanding balance of USD 309 million on the redemption date.

(b) Term loan facility

Dana Gas PJSC and Dana Gas Egypt Ltd ("DGE") together ("the borrowers") entered into a term loan facility with a local UAE bank on 14 October 2020 ("Signing date"), for partly refinancing the Company's Sukuk. The term loan facility amounts to USD 90 million for a period of one year at an initial 3% per annum margin over LIBOR. The facility can be extended for a further four years at the Company's option. The facility was fully drawn down on 22 October 2020. The first repayment date falls on the six month anniversary of the signing date with original termination date falling one year from the signing date. Therefore the entire drawn facility amount of USD 90 million has been classified as current liabilities.

The term loan facility is secured against the shares of Dana Gas Red Sea Corporation, Dana Gas Egypt Ltd, and Dana LNG Ventures (BVI). Security also includes UAE Movables pledge (accounts), UAE Real Estate Mortgage (Sajaa Gas industrial land), Egyptian Account pledge, Egyptian Insurance Assignment, Egyptian Contracts Assignment, Egyptian Commercial Mortgage (tangible and intangible assets of DGE), Egyptian Real Estate Mortgage (DGE Land).

Under the terms of the facility, the company is required to comply with certain financial covenants and the Company has complied with these covenants as of 31 December 2020.

(c) Loan facility – Pearl Petroleum

Pearl Petroleum on 18 September 2018 signed a USD 150 million non-recourse (to its shareholders including Dana Gas) loan facility "Facility Agreement" with a local UAE bank with original final repayment date of 30 September 2023 for financing its development activities. The Facility Agreement provides for a 2-year grace period followed by repayment in twelve equal quarterly instalments with the first repayment taking place in 31 December 2020. Pearl has since drawn down the full facility amount of USD 150 million. The repayment schedule for the facility has been amended by way of an Agreement executed on 30 June 2020. Repayments due in 2020 (USD 12.5 million) have been deferred and are now payable during the course of 2021. The remaining balance of the facility (i.e. USD 137.5 million of which USD 50 million was due in 2021) has been deferred by one year with the first repayment commencing from 31 March 2022 and final repayment date is 30 September 2024. The amended facility agreement also provides for capitalisation of interest payable during 2021, at the option of Pearl, with the repayment on 30 September 2024.

Pearl Petroleum signed a new term loan facility of USD 120 million non-recourse (to its shareholders including Dana Gas) on 12 December 2019 with a local UAE bank with final repayment date of 30 September 2023 for financing its development activities and working capital purposes. The facility had a 2.5 year grace period and was repayable in eight equal quarterly instalments, with the first repayment taking place on 30 June 2022. The repayment schedule for this facility has been amended by way of an agreement executed on 30 June 2020, with the first repayment now taking place in 30 June 2023 and final repayment date of 30 September 2024. Pearl has since drawn down USD 60 million (DG Share: USD 21 million) from the facility until 31 December 2020.

Pearl has provided pari-passu security to the Lender by way of assignment of revenue, insurance and registered pledge over Pearl's certain existing production assets in Kurdistan for both the facilities. Assignment of revenue will be released and replaced after construction of new gas plant. This financing is non-recourse to the Company.

The borrowings under the non-current liabilities are stated net of transaction costs and are carried at amortised cost as at 31 December 2020.

Under the terms of the loan facility, Pearl is required to comply with certain financial covenants and Pearl has complied with these covenants as of 31 December 2020.

28 Provisions

	2020 USD mm	2019 USD mm
Non-current		
Employee's end of service benefits (a)	**3**	3
Asset decommissioning obligation	**–**	12
	3	15

(a) Provision for employee's end of service benefits represents the present value of the obligations to employees in accordance with the UAE Labor Law. During the year an additional provision of USD 501,320 was recognized as an expense and USD 755,663 of provision was utilized.

29 Trade payables and accruals

	2020 USD mm	2019 USD mm
Trade payables	**6**	35
Accruals and other payables	**25**	30
Asset decommissioning obligation	**20**	20
Other liabilities	**14**	14
	65	99

30 Commitments

Dana Gas Egypt

In April 2013, Dana Gas Egypt was awarded a 100% working interest in the North El Arish Offshore (Block 6) concession area. The area is located offshore Nile Delta, in the eastern part of the Mediterranean Sea. As per the concession agreement, Dana Gas Egypt has committed to spend USD 25.5 million on the block during the first phase of exploration which is 4 years and expired on 11 February 2018. Dana Gas Egypt was granted extension for the first phase of exploration till 10 June 2019. During 2019, Dana Gas Egypt applied for and received approval to enter second phase of exploration, until 10 June 2021. To-date Dana Gas Egypt has spent USD 87 million and has fulfilled the spend commitment of both the first and second phase of exploration.

Pearl Petroleum

As at 31 December 2020, Pearl had capital commitments of circa USD 396.24 million (DG Share: USD 138.69 million) – (2019: USD 1.9 million – DG share: USD 0.67 million).

31 Staff costs

	2020 USD mm	2019 USD mm
Salaries, allowances and other employee benefits	**20**	25
	20	25

Staff costs are allocated as follows:

	2020 USD mm	2019 USD mm
Operating costs (staff cost)	**10**	10
Operating costs (production costs)	**3**	2
General and administration expenses	**5**	6
Other expenses	**1**	2
Discontinued operations	**1**	3
Capital expenditure	**–**	2
	20	25

32 Related party disclosures

Note 1 provides information about the Group's structure, including details of the subsidiaries and joint arrangement.

	2020		2019	
	Revenues USD mm	**Fees for management services USD mm**	Revenues USD mm	Fees for management services USD mm
Joint arrangement/Major shareholder	**1**	**2**	1	5
Major shareholder	**–**	**(2)**	–	(1)

Fees for management services for joint arrangement and major shareholder relates to actual cost charged in respect of time spend by Dana Gas personnel on Joint ventures activities and time spend by major shareholder personnel on activities related to Dana Gas.

Revenue relates to pipeline capacity charges billed by UGTC to CNGCL (Joint Venture) in which the Group holds 35% interest.

Due from related parties as at 31 December 2020 mainly represents amount Due from CNGCL and Pearl Petroleum (note 19) in respect of time cost and related charges, other costs incurred on behalf of the Company and pipeline capacity charges. In addition an amount of USD 1.6 million is due to Crescent Petroleum at year end.

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	2020 USD mm	2019 USD mm
Short-term benefits	**3**	4
Share based payment	**1**	2
	4	6

33 Dividend

At the Annual General Meeting of the Company held on 21 April 2020, the shareholders approved a cash dividend of AED 5.5 fils per share for 2019 (2018: AED 5.5 fils) amounting in total to USD 104.5 million (AED 383 million).

34 Financial risk management objectives and policies

Financial risk factors

The Group's principal financial liabilities comprise borrowings, decommissioning obligations (provisions), trade payables, other payables and due to related parties. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management are responsible for developing and monitoring the risk management policies and report regularly to the Board of Directors on their activities.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(a) Foreign currency risk

The Group is exposed to foreign currency risks in relation to its cash balance in Egyptian pounds held in Egypt with local banks and Egyptian pound payables amounting to USD 2 million.

At 31 December 2020, if the Egyptian pounds had strengthened/weakened by 10% against the USD with all other variables held constant, total comprehensive profit for the year would have been USD 0.5 million higher/lower (2019: USD 0.5 million), as a result of foreign exchange gains/losses on translation of Egyptian pounds denominated cash and bank balance.

(b) Profit rate risk

The Group has minimal exposure to Profit rate risk on bank deposits. The Group has exposure to profit rate risk on its share of borrowing in Pearl and its term loan facility. If the interest rate would have increase/decrease by 10% with all other variable held constant, total comprehensive (loss)/profit for the year would have been USD 0.2 million higher/lower (2019: Nil).

34 Financial risk management objectives and policies continued

(c) Price risk

The Group is exposed to commodity price risk (oil price), however this is partially mitigated due to long term fixed price agreements for sale of natural gas which constitute approximately 32 % (2019: 43%) of the Group's gross revenue. At 31 December 2020, if the average price of oil for the year had increased/decreased by 10% with all other variable held constant the Group's total comprehensive loss for the year would have been USD 4 million higher/lower (2019: USD 16 million).

(d) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from trade receivables and bank balances. Credit risk is managed on a group basis. The Group's trade receivable is considered to have low credit risk. The credit rating of the counterparties is monitored for any credit deterioration.

(i) Trade receivables

The trade receivables arise from its operations in Kurdistan Region of Iraq (USD 39 million. 2019: USD 24 million). The requirement for impairment is analysed at each reporting date on an individual basis for major customers (Government related entities). The calculation is based on actual historical data and the status of the customer. The maximum exposure to credit risk at the reporting date is the carrying amount as illustrated in note 19.

(ii) Bank balances

Credit risk from balances with banks and financial institutions is managed by Group's Treasury in accordance with the Group policy. Investment of surplus funds is made only with counterparties approved by the Group's Board of Directors. Bank balances are placed with banks having investment grade ratings. Out of the total bank balance, 85% of the balance was with one investment grade bank. The Group's maximum exposure to credit risk in respect of bank balances as at 31 December 2020 is the carrying amount as illustrated in note 22.

(e) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings, trade payables and other payables. The table below summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments:

Year ended 31 December 2020	**Less than 1 month USD mm**	**Less than 1 year USD mm**	**1 to 5 years USD mm**	**>5 years USD mm**	**Total USD mm**
Borrowings (including profit)	**–**	**101**	**81**	**–**	**182**
Trade payables and accruals	**2**	**63**	**–**	**–**	**65**
Provisions	**–**	**–**	**3**	**–**	**3**
	2	**164**	**84**	**–**	**250**

Year ended 31 December 2019	Less than 1 month USD mm	Less than 1 year USD mm	1 to 5 years USD mm	>5 years USD mm	Total USD mm
Borrowings (including profit)	4	418	61	–	483
Trade payables and accruals	3	96	–	–	99
Provisions	–	2	8	6	16
	7	516	69	6	598

Capital risk management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 31 December 2019. Capital comprises issued capital, retained earnings and other reserves attributable to the equity holders of the Parent and is measured at USD 2,143 million as at 31 December 2020 (2019: USD 2,630 million).

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2020 USD mm	2019 USD mm
Cash and cash equivalents	**108**	425
Borrowings	**(163)**	(456)
Net debt	**(55)**	(31)

	Borrowings USD mm	Cash USD mm	Total USD mm
Net debt as at 1 January 2019	(414)	407	(7)
Cash flow movement during the year	(42)	18	(24)
Net debt as at 31 December 2019	(456)	425	(31)
Cash flow movement during the year	284	(317)	(33)
Gain on buyback of Sukuk	9	–	9
Net debt as at 31 December 2020	**(163)**	**108**	**(55)**

The gearing ratio at 31 December 2020 and 31 December 2019 were as follows:

	2020 USD mm	2019 USD mm
Net debt	**55**	31
Total equity	**2,143**	2,630
Net debt to equity ratio	**2.6%**	1.2%

Financial covenants relating to borrowings are disclosed in note 27.

35 Fair value estimation

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements:

	Carrying amount 2020 USD mm	**Fair value 2020 USD mm**	Carrying amount 2019 USD mm	Fair value 2019 USD mm
Financial assets				
Trade and other receivables (excluding prepaid)	**68**	**68**	168	168
Financial assets at fair value through profit or loss	**98**	**98**	111	111
Cash and short term deposits	**108**	**108**	425	425
Financial liabilities				
Borrowings	**163**	**163**	456	456
Trade payables and accruals	**65**	**65**	99	99

The fair value of borrowings is determined as the present value of discounted future cash flows using market based discount rate. The fair value is not materially different from its carrying value.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3)

Valuation of investment property is determined with reference to comparable market transactions.

35 Fair value estimation continued

The following table presents the Group' assets that are measured at fair value on 31 December 2020:

	Level 1 USD mm	Level 2 USD mm	Level 3 USD mm	Total USD mm
Assets				
Financial assets at fair value through profit or loss	**–**	**–**	**98**	**98**
Investment property	**–**	**20**	**–**	**20**
Total	**–**	**20**	**98**	**118**

The following table presents the Group' assets that are measured at fair value on 31 December 2019:

	Level 1 USD mm	Level 2 USD mm	Level 3 USD mm	Total USD mm
Assets				
Financial assets at fair value through profit or loss	–	2	109	111
Investment property	–	22	–	22
Total	–	24	109	133

There have been no transfers between Level 1 and Level 2 during the years 2020 and 2019.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

36 Social contributions

As part of the Corporate Social Responsibility Initiatives, the Group spent USD 165,900 (2019: USD 621,600) during the year.

Designed and produced by Group Origin

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