

# Clean Energy for the Future

FY 2021 – Financial Results

9 February 2022



# Disclaimer

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This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward looking statements.

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# Contents

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- 1 Highlights
- 2 Operational Update
- 3 Financial Update
- 4 Summary







# 1. Highlights

## Operations

- Group operations continued uninterrupted
- 2021 average production 62,100 boepd
  - KRI production up 5% to 33,800 boepd
- Achieved record gas and LPG production in the KRI in December
- Pearl Petroleum expansion project underway; on track to deliver first KM250 gas in Q2 2023
- Successful shut down of El Wastani and KM plants, over 320 work orders carried out without HSSE incident

## Liquidity

- Current cash balance \$185mm FY 2021, an increase of 70% compared to \$109mm at the end of 2020
- Collected \$377mm in total, representing 107% increase YoY– Egypt \$194mm and KRI \$184mm
- Record dividend payments of \$172mm (9fils/share) to Dana Gas shareholders in 2021 making Dana Gas one of the highest yielding companies in the UAE

## Financials

- Net Profit \$317mm versus \$376mm loss FY20
  - Profit includes other income and impairments
  - Net profit on like-for-like basis excluding one-off items \$128mm vs \$36mm
- Revenue of \$452mm – 30% higher (FY20: \$349mm)
  - Due to higher oil prices & higher production in KRI
- Gross profit \$195mm versus \$86mm in FY 2020
- Highest share price AED 1.27 reached since 2009
- Lowest G&A in 10 years at \$11mm

## Corporate

- Board decided to retain and operate Egypt onshore assets to maximize value to shareholders
- DG successfully defended resultant arbitration
- \$608 million damages award due following first arbitration against NIOC
- Signed \$250mm financing agreement with the DFC to help fund KRI gas expansion project

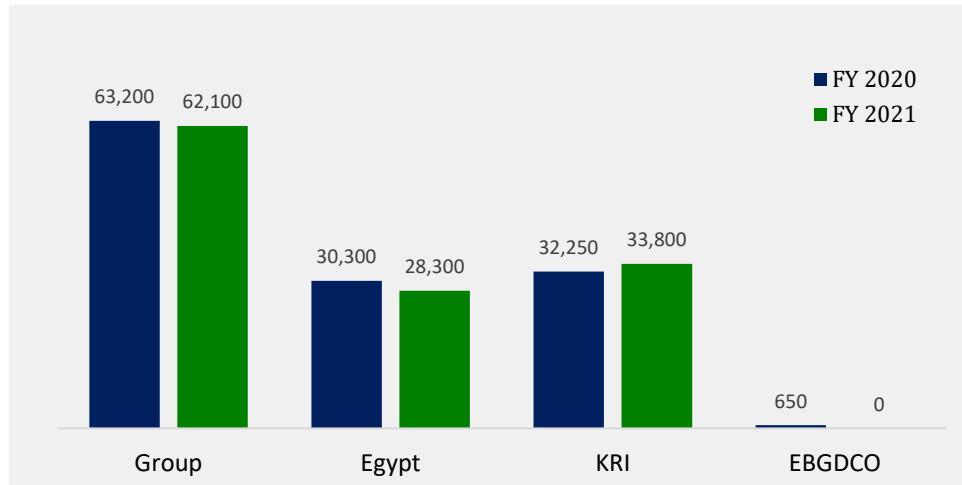




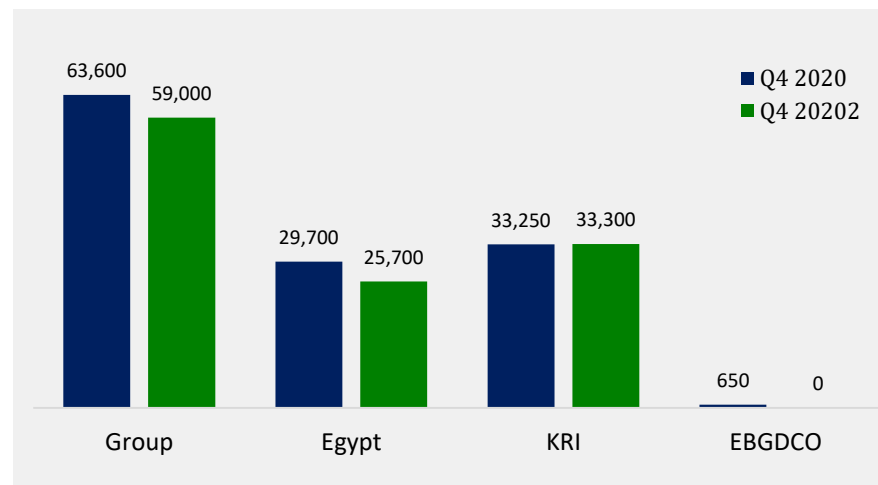
## 2. Operation Update

# Production (boepd) & Realized Prices ( USD/boe)

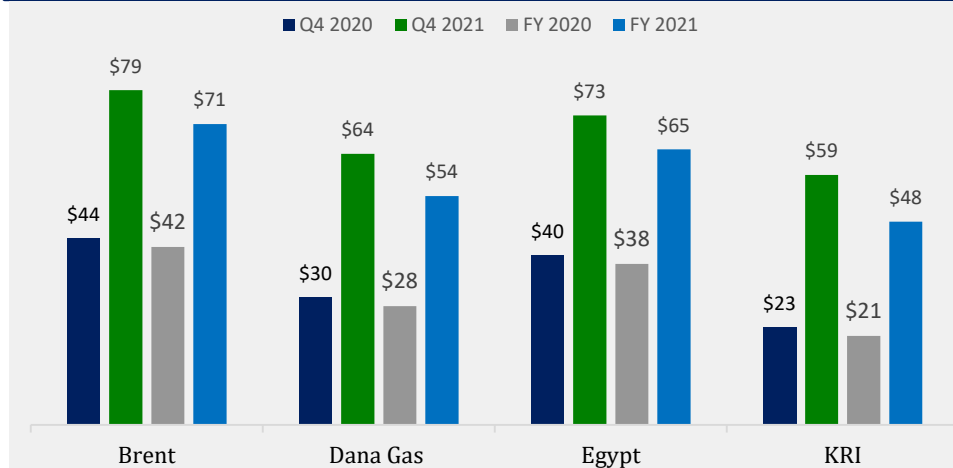
## Average production FY 2020 vs FY 2021



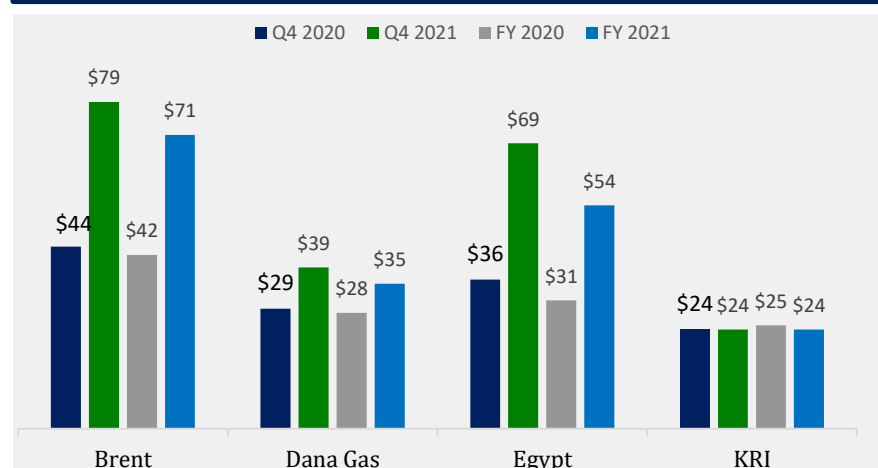
## Average production Q4 2020 vs Q4 2021



## Average Realized Price-Condensate (USD/bbl)



## Average Realized Price-LPG (USD/boe)



# Egypt Update

## Operations

- Produced 28,300 boepd in 2021 (136 MMscf of gas; 3,335bbl/d of condensate and 204 MTPD of LPG)
- Completed drilling and workover campaign on 5 wells
- Successful shutdown of El-Wastani plant to perform internal inspections, testing and certification, modifications, and upgrades. Included 790 workers on site spending a total of 85,000 hours to complete 142 work packs in 13 days

## Engagement with EGAS

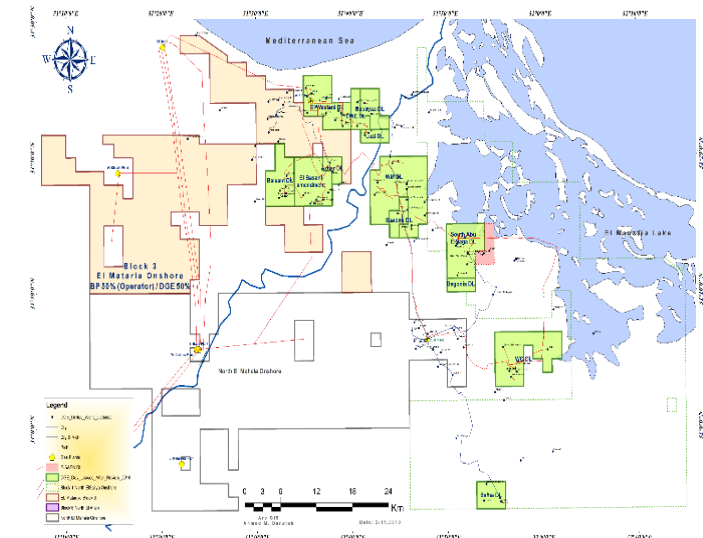
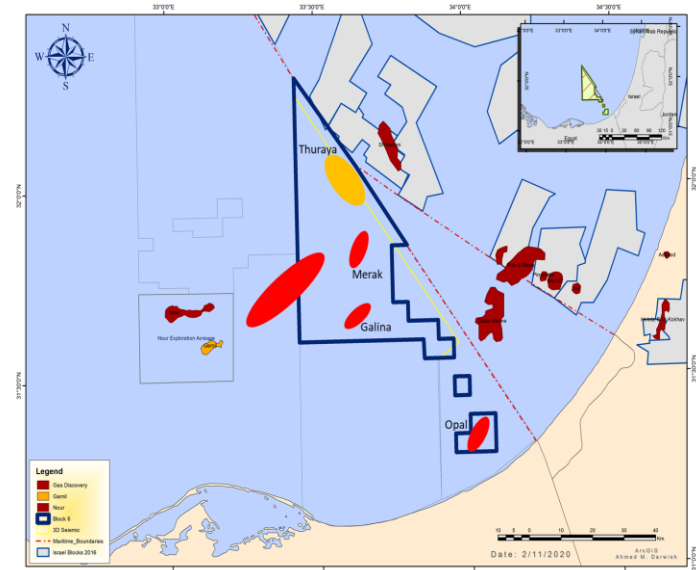
- Active engagement with EGAS, to explore opportunities that will help unlock remaining potential and extend the economic life of the Company's onshore exploration assets

## SPA with IPR Wastani - termination

- Board decided to terminate agreement in April 2021 in the best interest of the Dana Gas shareholders
- IPR initiated arbitration at LCIA – tribunal decision overwhelmingly in favour of Dana Gas

## Block 6

- Advanced preparations for drilling the deepwater Thuraya well
- Extension to the second exploration phase by EGAS for nine months until March 2022, with an option for a further 21-month extension





# KRI: Energising the country

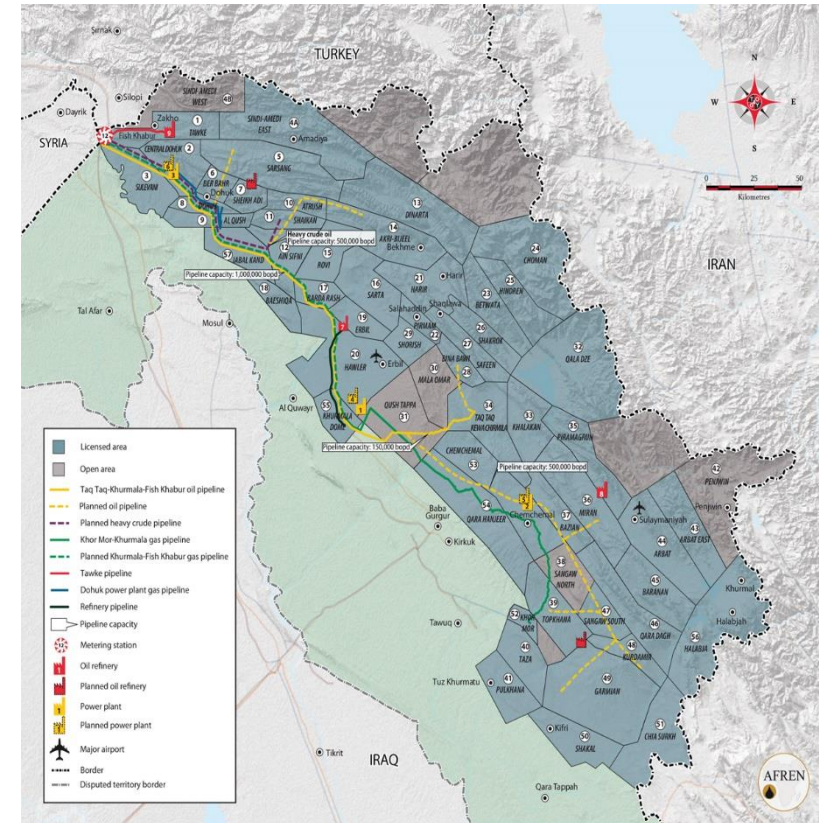
**Ambitious programme to increase daily production to 900 MMscf gas and 35,000 bbl NGL**

## Operations

- Operations continued as normal despite COVID
- 5% increase in FY 2021 net production averaging 33,800 boepd (DG share)
- Produced 420 MMscf of gas; 14,850 bbl/d of condensate and 1000 MTPD of LPG in 2020 ( gross)
- Reached record Gas and LPG production of 452 MMscf and 1112 MTPD in December
- Project has had a significant environmental impact with reduction of 42 millions tones of CO2 emissions

## Expansion project update

- Expansion plans to add an additional 500 MMscf/d through x2 250 MMscf/d gas processing trains, KM250 (first train) approved and involves total investment of \$630mm
- \$250m financing agreement in place with US International Development Finance Corp. (DFC) to help fund KM250 expansion works
- Civil engineering work ongoing
- Preparation for the drilling of 4-5 development wells which is scheduled to commence in March 2022
- KM250 is scheduled to deliver first gas in Q2 2023



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## UAE Gas Project

- At the end of Q3, the Company received an update from Crescent Petroleum regarding the issuance of the final award for damages in the first arbitration against NIOC which was initiated in 2009, pursuant to which a merit liability award on liability was already made in 2014 finding NIOC in breach of its contractual obligations.
- The first arbitration award covers the first 8.5 years of the 25-year gas sales agreement from 2005 to mid-2014. Dana Gas' entitlement for the first period is \$608 million.
- In addition, a second arbitration comprising a much larger claim for the 16.5 years covering the remainder of the gas supply period from 2014 to 2030 is currently underway, with the final hearing fixed for October 2022 in Paris, and for which a final award for damages is expected the following year in 2023.





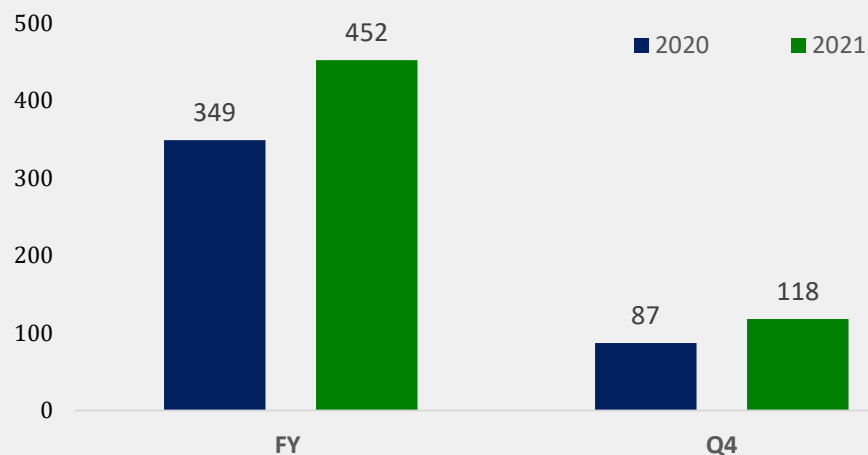


### 3. Financial Update

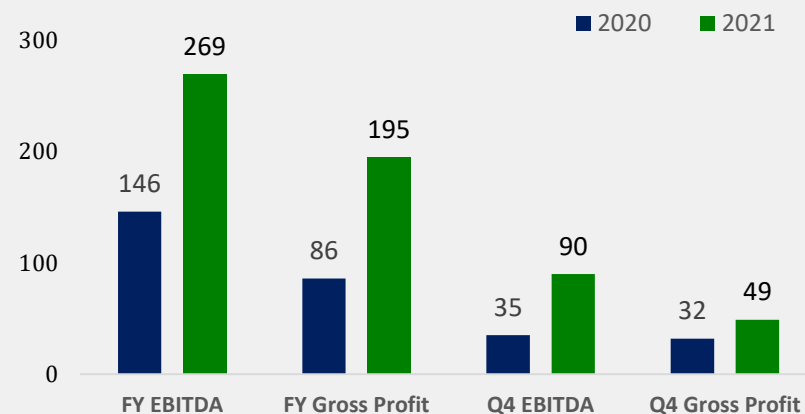


# Financial Highlights

## Gross Revenue (\$mm)



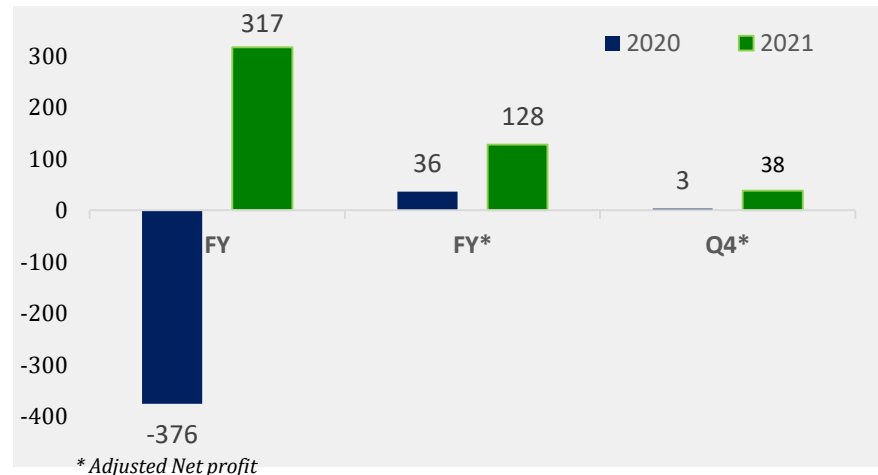
## Gross Profit and EBITDA (\$mm)



## Adjusted Net Profit (\$mm)

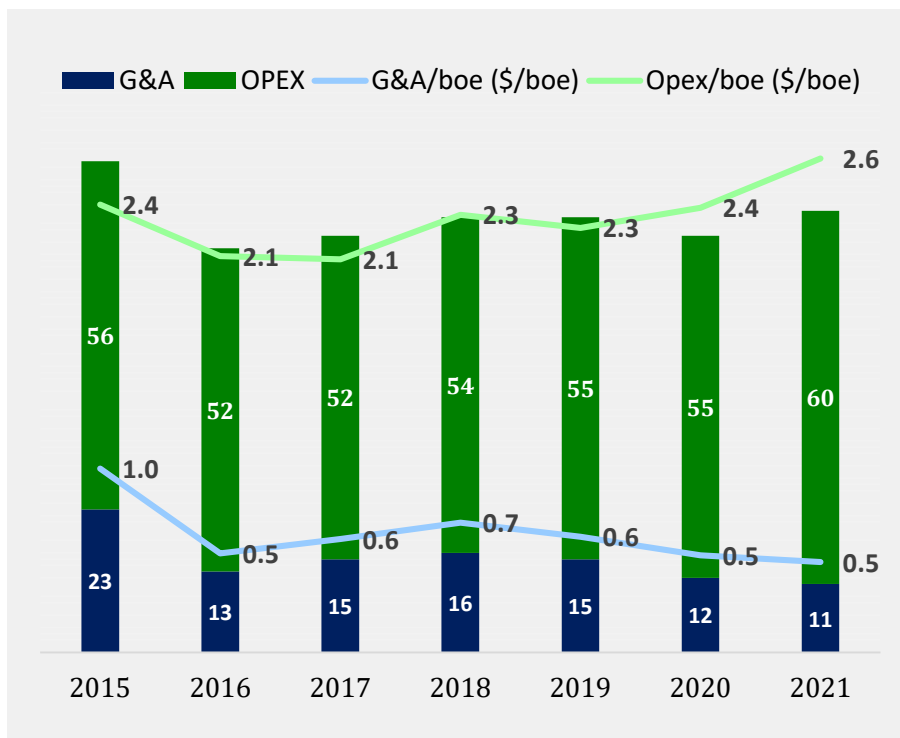
Item	\$mm
Net Profit	317
Other income including NIOC Award	(642)
Impairment of PP&E, Intangible & Invest in JV (Net)	451
<b>Adjusted (operational) Net Profit</b>	<b>128</b>

## Net Profit (\$mm)



# CAPEX & OPEX

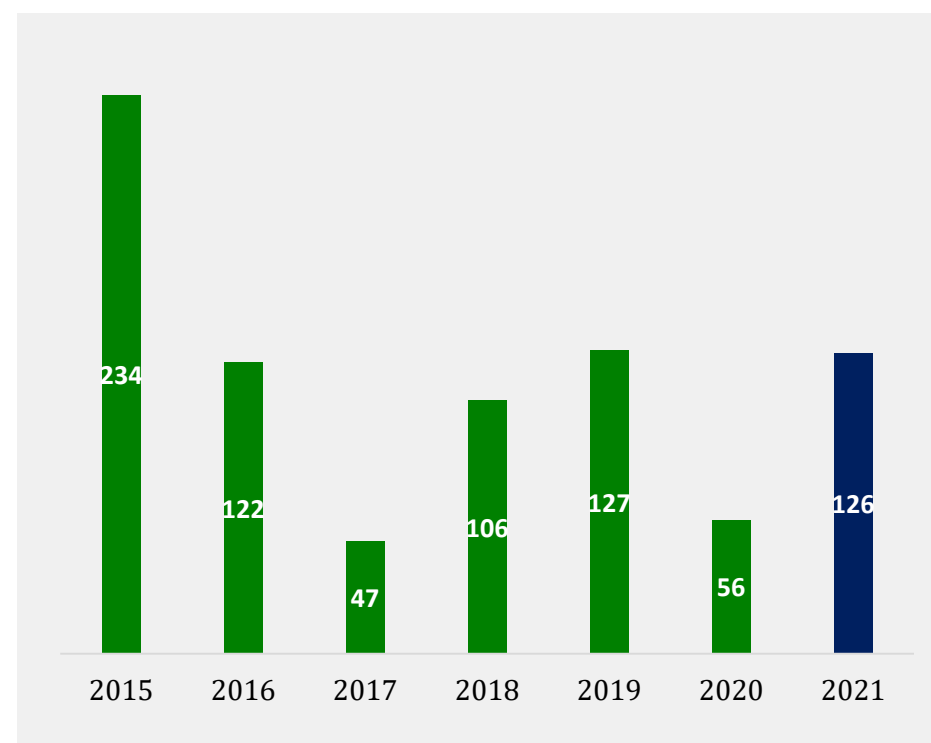
## G&A / OPEX (\$mm)



### G&A / OPEX

- Company continues to optimise costs
- OPEX increase due to higher allocation of Egypt G&A to OPEX due to reduced investment activity
- OPEX and G&A per boe remains within industry's top quartile at \$2.6 and \$0.5 per boe respectively.

## CAPEX (\$m)



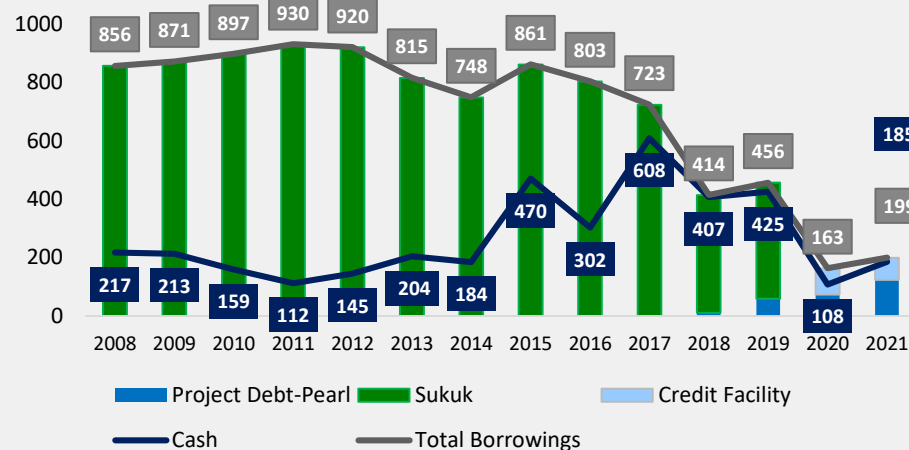
### CAPEX

- Total 2021 Capex of \$126 mm vs \$56mm in 2020
  - \$38mm in Egypt and \$88mm in the KRI
- Capex increase due to the resumption of KM250 expansion and higher spending on drilling, workovers and other similar activities in Egypt

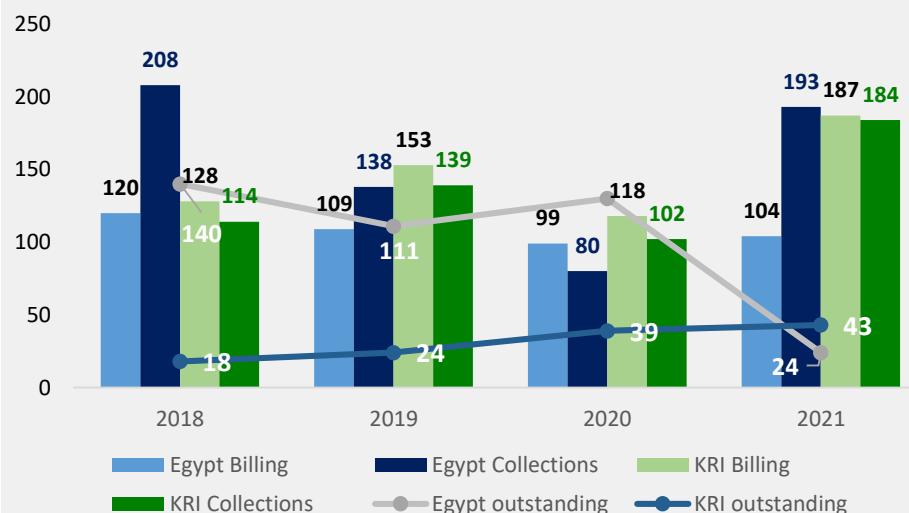
# Cash Flow, Liquidity & Receivables

- Year-end cash of \$185 vs. \$109m FY 2020;
  - \$172mm dividend payment in 2021
  - \$67mm of cash currently held at Pearl Petroleum
- Group's total borrowings stands at \$199m consisting of:
  - \$76 mm credit facility following a \$14mm repayment in 2021
  - \$123 mm non-recourse project debt at Pearl
  - Financing costs reduced by 69% due to lower borrowing base and profit rate at corporate level
- Collected \$377mm in 2021 vs \$182m in 2020
  - \$193mm in Egypt; Egypt trade receivables stands at \$24mm at its lowest level since Dana Gas commenced operations in the country in 2007
  - KRI realized 98 % of billed revenue with \$184mm of collections (DG share); KRI receivables stands at \$43mm
- Received \$100mm in dividends from DGE in 2021
- Received \$122mm in dividends from Pearl in 2021

## Debt and Cash Balance (mm\$)



## Billings and Collections (mm\$)





A photograph of an industrial facility, likely a refinery or chemical plant, featuring several tall, cylindrical distillation columns. The columns are illuminated by bright lights, creating a high-contrast scene against a dark sky. The structure is complex, with numerous pipes, ladders, and platforms. The overall color palette is dominated by dark blues and greys, with bright white and yellow highlights from the lights.

## 4. Summary

- **Strong and resilient operational performance in 2021**
  - Operations uninterrupted despite difficulty of working through the pandemic
  - Achieved record gas and LPG output in Khor Mor field
  - Sustainable revenues through gas sales under long-term contracts with host governments
  - 256% increase in operational net profit
- **Continued to deliver on strategy to maximise shareholder value in 2021**
  - Unprecedented financial performance in 2021 – Company's strongest set of results to date
  - Record profitability, collections
  - Record levels of dividends distributed to shareholders
  - Dana Gas is among highest yielding Companies in the UAE
  - Highest share price since 2009
- **Strengthened the balance sheet to better position the Company in the future**
  - High level of collections from partner governments; collections from the KRI and Egypt up 107% YoY
  - Full settlement of KRI outstanding receivables from 2019 and 2020
  - Egypt receivables lowest since 2007
  - NIOC arbitration damages award of \$607.5 million
- **Focused on future growth opportunities in the KRI and Egypt**
  - Development of world class assets in the KRI
  - Extremely prospective exploration upsides in Egypt and KRI



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