



Dana Gas announces Net Profit of AED 667 million (\$182mm) for FY 2022

Highlights – FY 2022

- Adjusted net profit of AED 718 million (\$196mm) versus AED 469 million (\$128mm), up 53% year on year
- AED 1.94 billion (\$529mm) in revenue due to higher realized prices
- KRI production reached a record level of 500mmscf/d in January 2023
- Completed drilling of four out of five development wells in the Khor Mor gas field

Sharjah, UAE; 8 February 2023: Dana Gas PJSC (the “Company”), the Middle East’s largest regional private sector natural gas company, today announced its preliminary financial results for the full year ended 31 December 2022.

The Company reported net profit of AED 667 million (\$182mm) in 2022 as compared to AED 1.16 billion (\$317mm) in 2021. Excluding other income and impairments, Dana Gas reported adjusted net profit of AED 718 million (\$196mm) as compared to AED 469 million (\$128mm) in 2021, an increase of 53%. The strong year-on-year profits were sustained by high energy prices and prudent cost control.

Revenue rose 17% to AED 1.94 billion (\$529mm) in 2022 compared to AED 1.66 billion (\$452mm) in 2021 due to higher realized prices and production output in the Kurdistan Region of Iraq (KRI). Production in the KRI and Egypt remained uninterrupted throughout the year. Operational costs decreased by 5% to AED 209 million (\$57mm) in 2022 compared to AED 220 million (\$60mm) in 2021.

In 2022 production in the KRI increased by 1% to 34,300 boepd. Following the successful completion of further plant de-bottlenecking enhancements at the Khor Mor facility in the KRI in the second half of the year, the plant’s production capacity increased by 50 MMscf/d to 500 MMscf/d. Gas production reached this new record of 500 MMscf/d on the 14 January which will have a positive impact on production and revenues in 2023.

The Company reached an agreement with the Egyptian Natural Gas Holding Company (EGAS) for consolidation of its existing concessions on enhanced fiscal terms. The new terms will extend the life of Dana Gas’ economic assets and help the Company maximize value for all stakeholders over the coming years. The agreement is subject to the Egyptian parliament ratification which is expected later this year.

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

“Our strong results for the year are a testament to our ability to control costs and maintain production levels amid a prolonged environment of high energy prices. In 2022, we managed to optimize our assets in the KRI, reaching record levels of production and increasing capacity by a further 50 MMscf/d following the completion of a by-pass project. The successful completion of the project in the KRI and our plans for maximizing production in Egypt will have positive impact



on the environment as gas production displaces more carbon intensive fuels for power generation which will enhance the quality of life of residents in the KRI, Iraq and Egypt.

“Our operational performance, in which all our assets continued to produce uninterrupted throughout the year, even under testing economic circumstances and security challenges, exemplifies our ability to keep delivering on our commitments.

“The outlook for this year remains encouraging, especially if oil prices remain at current levels. However, there remains various challenges, specifically with collections in the KRI and foreign currency withdrawals in Egypt. We remain vigilant as we look at our top priorities for the year, which are, in addition to securing timely payments, to develop the vast potential presented by our world-class assets in the KRI and maximize the value of our Egypt assets once the new concession consolidation agreement is ratified by the Egyptian parliament.

Operations & Production

Average group production declined slightly in 2022 to 60,200 boepd, a 3% reduction from 62,100 boepd in 2021. This resulted from an 8% reduction in Egypt to 25,900 boepd, due to natural field declines, offset by 1% increase in production output in the KRI to 34,300 boepd versus 33,800 in 2021. Both KRI and Egypt operations continued uninterrupted throughout 2022.

Liquidity

The Company's cash balance at year-end stood at AED 553 (\$151mm), including AED 322 million (\$88mm) held at the Pearl level.

The Group collected a total of AED 1.16 billion (\$318mm) in 2022, with Egypt and the KRI contributing AED 311 mm (\$85mm) and AED 854 million (\$233mm) respectively.

As at 31 December 2022, the Company's Egypt and KRI receivables increased to AED 110 million (\$30mm) and AED 235 million (\$64mm) respectively. The increase in the KRI is a result of delays in the payment of invoices. In Egypt, the macro-economic situation has resulted in restrictions in repatriation of US dollars. As a result, investment will remain in line with collections and foreign currency availability. The Company will be taking appropriate measures to ensure recovery of all delayed payments as soon as possible.

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About Dana Gas

Dana Gas is the Middle East's first and largest regional private sector natural gas Company established in December 2005 with a public listing on the Abu Dhabi Securities Exchange (ADX). It has exploration and production assets in Egypt, Kurdistan Region of Iraq (KRI) and UAE, with 2P reserves exceeding one billion boe and average production of 60,200boepd in 2022. With sizeable assets in KRI and Egypt, and further plans for expansion, Dana Gas is playing an important role in the rapidly growing natural gas sector of the Middle East, North Africa and South Asia (MENASA) region. Visit: www.danagas.com

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