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PRESS STATEMENT

Oando PLC Announces Unaudited FYE 2021 Results, Posts ~~N~~34.7 Billion Profit-After-Tax

Lagos, Nigeria – Oando PLC (referred to as “Oando” or the “Group”), Nigeria’s leading indigenous energy group listed on both the Nigerian and Johannesburg Stock Exchange, today announced unaudited results for the twelve months period ended December 31, 2021.

HIGHLIGHTS

Operational

- **Upstream:** 40% production decrease, 26,775boe/day compared to 44,550boe/day (FYE 2020)
 - Oil production of 8,849bbls/day (vs 15,912bbls/day in FYE 2020)
 - Natural Gas production of 16,227boe/day (vs 26,881boe/day in FYE 2020)
 - NGL production of 1,699bbls/day (vs 1,757bbls/day in FYE 2020)
- **Downstream:**
 - 8% increase in traded crude oil volumes of 17.4 million (vs 16.1 million in FYE 2020)
 - 39% increase in traded refined petroleum products (962,370 MT compared to 694,653 MT in FYE 2020)

Financial

- 51% Turnover increase, ~~N~~722.5 billion compared to ~~N~~477.1 billion (FYE 2020)
- Profit-After-Tax of ~~N~~34.7 billion compared to Loss-After-Tax of ~~N~~140.7 billion (FYE 2020)
- 10% Total Group Borrowings increase, ~~N~~460.8 billion compared to ~~N~~419.6 billion (FYE 2020)

Commenting on the results Wale Tinubu, Group Chief Executive, Oando PLC said:

“2021 was defined by contrasting themes for Nigerian oil producers, with buoyant oil prices tempered by an increasingly challenging local operating environment. Bullish oil prices throughout the year saw us record a 105% increase in average realized oil sale price whilst a surge in militancy and sabotage across the Niger Delta resulted in a 40% decline in average hydrocarbon production compared to 2020.

Despite the challenges, a strong revenue performance, coupled with the refund of a long-standing receivable contributed to a Net Profit of ~~N~~34.7 billion.

As we continue to drive growth of our existing businesses, whilst also exploring creative solutions towards curbing the incessant pipeline sabotage incidences that continue to plague our local industry, we are also committed to investing in climate friendly and bankable energy solutions



via Oando Clean Energy Limited, thus expanding our portfolio from Oil and Gas to include non-fossil energy solutions. We will continue to update our esteemed shareholders as progressive developments are made in the coming year”.

OPERATIONS REVIEW

Upstream:

Production for the twelve months ended 31 December 2021:

	FYE 2021	FYE 2020	% Change
Crude Oil (bbls/day)	8,849	15,912	-44%
NGLs (bbls/day)	1,699	1,757	-3%
Natural Gas (boe/day)	16,227	26,881	-40%
Total (boe/day)	26,775	44,550	-40%

During the twelve months ended December 31, 2021, average production was 26,775 boe/day, as compared to 44,550 boe/day in 2020. In 2021, production consisted of 8,849 bbls/day of crude oil, 1,699 boe/day of NGLs and 97,363 mcf/day (16,227 boe/day) of natural gas. Production decreases were 42% at OML 60-63, 23% at OML 56 and 1% decrease at OML 13 respectively. Production decreases was a result of shut-ins for repairs and maintenance and sabotage incidences at the facilities.

During the twelve months to December 31, 2021, the Group incurred \$63.4 million on capital expenditures related to the development of oil and gas assets and exploration and evaluation activities, compared to \$83 million in the twelve months to December 31, 2020.

Capital Expenditures in 2021 consisted of \$59.2 million at OMLs 60 to 63 incurred on oil and gas properties, \$3.3 million at OML 56 and \$0.9 million capital expenditure recorded on other assets.

Downstream:

Traded volumes for the twelve months ended 31 December 2021:

Traded Volumes	FYE 2021	FYE 2020	% Change
Crude Oil (bbls)	17,445,256	16,081,633	8%
Refined Products (MT)	962,370	694,653	39%

In FYE 2021, Oando Trading sold approximately 17 million barrels of crude oil under various contracts with the Nigerian National Petroleum Corporation (NNPC) and delivered 962,370 MT of refined products.



FINANCE REVIEW

₦ Million (unless otherwise stated)	FYE 2021	FYE 2020	% Change
Revenue	722,447	477,070	51%
Operating Profit	78,691	(74,339)	206%
Profit/(Loss)-After-Tax	34,728	(140,675)	125%
Total Borrowings	460,782	419,630	10%
Average Realized Oil Price (US\$/bbl)	70.12	34.21	105%
Average Realized Gas Price (US\$/boe)	9.96	7.13	40%
Average Realized NGL Price (US\$/boe)	6.98	5.48	27%

Revenue

Revenue for the period was positively impacted by high product prices, with realized average crude oil price increasing by 105% (\$70.12 per barrel compared to \$34.21 per barrel in 2020), natural gas by 40% (\$9.96/boe compared to \$7.13/boe in 2020), and NGL by 27% (\$6.98/boe compared to \$5.48/boe in 2020). These, in addition to an 8% increase in traded crude oil volumes (17,445,256 bbls compared to 16,081,633 bbls in 2020), and a 39% increase in traded refined products (962,370 MT compared to 694,653 MT in 2020) contributed to an overall increase in revenue of 51% (₦722.5 billion compared to ₦477.1 billion in the same period in 2020). Revenue growth was negatively impacted by a 40% decline in production (26,775 boepd compared to 44,550 boepd in 2020) due to increased sabotage activities.

Operating Profit

The Operating Profit of ₦78.7 billion in 2021 was primarily driven by higher revenue as well as a net reversal of asset impairments totalling ₦112.1 billion due to the following:

- **Reversal of Impairment of Non-Current Receivables:** Following the recovery of a longstanding receivable, impaired in prior years due to uncertainty around its collectability, the impairment provision has now been reversed to the tune of ₦29.9 billion.
- **Reversal of Impairment of Trade and Other Receivables:** This relates to reversal of impairment provisions to the tune of ₦92.8 billion, made in prior years on a receivable due from a third-party following reduction in said receivables.

Profit-After-Tax

The Profit-After-Tax for FYE 2021 of ₦34.7 billion was driven primarily by a higher operating profit, as well as an increase in Finance Income to ₦44.1 billion (compared to ₦9.3 billion in 2020).



Total Borrowings

Total Borrowings increased by 10% to ₦460.8 billion (compared to ₦419.6 billion in FYE 2020).

Ends.

For further information, please contact:

Ayotola Jagun
Company Secretary
The Wings Office Complex
17a Ozumba Mbadiwe Avenue
Victoria Island,
Lagos, Nigeria.
Tel: +234 (1) 270400, Ext 6159
ajagun@oandopl.com

Adeola Ogunsemi
Group Chief Financial Officer
The Wings Office Complex
17a Ozumba Mbadiwe Avenue
Victoria Island,
Lagos, Nigeria.
Tel: +234 (1) 270400, Ext 6506
aogunsemi@oandopl.com

Ibukun Opeodu
Investor Relations Manager
The Wings Office Complex
17a Ozumba Mbadiwe Avenue
Victoria Island,
Lagos, Nigeria.
Tel: +234 (1) 270400, Ext 6114
iopeodu@oandopl.com

For Oando PLC

Ayotola Jagun
Chief Compliance Officer & Company Secretary



Oando

GLOSSARY

“boe/day”	barrels of oil equivalent per day
“bbls/day”	barrels of oil per day
“mcf/day”	thousand cubic feet per day
“bbls”	barrels of oil
“boe”	barrels of oil equivalent
“US\$/bbl”	US dollars per barrel of oil
“US\$/boe”	US dollars per barrel of oil equivalent
“US\$/mcf”	US dollars per thousand cubic feet
“MT”	Metric Tonnes
“OML”	Oil Mining Licence