

Oando PLC
(Incorporated in Nigeria and registered
as an external company in South Africa)
Registration number: RC 6474
(External company registration number 2005/038824/10)
Share Code on the JSE Limited: OAO
Share Code on the Nigerian Stock Exchange: UNTP
ISIN: NGOANDO00002
("Oando" or the "Company")



September 18, 2023

PRESS STATEMENT

Oando PLC Announces Audited FYE 2021 Results, Posts ~~N~~32.9 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 Exchange Limited (NGX) and Johannesburg Stock Exchange, today announced audited 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

- 68% Turnover increase, ~~N~~803.5 billion compared to ~~N~~477.1 billion (FYE 2020)
- Profit-After-Tax of ~~N~~32.9 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:

"Our Audited Full Year 2021 Financial Statements are broadly in line with our earlier published Unaudited results in which we announced an increase in profitability driven by a strong revenue performance - a consequence of an 82% increase in average realized

oil sale price – coupled with the refund of long-standing receivable.

Although a surge in militancy and sabotage activities across the Niger Delta negatively affected our operations during the reporting period, we have since seen progress in security initiatives and are consistently seeking innovative solutions to stabilize our oil & gas production.

Moving forward, we remain committed to driving growth within our upstream and trading businesses, whilst simultaneously diversifying our portfolio by investing in non-fossil and climate friendly energy solutions through Oando Clean Energy Limited.

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 \$63.5 million on capital expenditures related to the development of oil and gas assets and exploration and evaluation activities, compared to \$83.4 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 \$1.0 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%
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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	803,460	477,070	68%
Operating Profit	78,830	(74,339)	206%
Profit/(Loss)-After-Tax	32,859	(140,675)	123%
Total Borrowings	460,782	419,630	10%
Average Realized Oil Price (US\$/bbl)	62.14	34.21	82%
Average Realized Gas Price (US\$/boe)	9.96	7.20	38%
Average Realized NGL Price (US\$/boe)	7.16	5.48	31%

Revenue

Revenue for the period was positively impacted by high product prices, with realized average crude oil price increasing by 82% (\$62.14 per barrel compared to \$34.21 per barrel in 2020), natural gas by 38% (\$9.96/boe compared to \$7.20/boe in 2020), and NGL by 31% (\$7.16/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 68% (₦803.5 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 ₦78.8 billion in 2021 was driven by higher revenue as well as a reversal of asset impairments totalling ₦104.9 billion largely 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 ₦30.4 billion.

Reversal of Impairment of Trade and Other Receivables: This relates to reversal of impairment provisions to the tune of ₦73.9 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 ~~N~~32.9 billion was driven primarily by a higher operating profit, as well as a 374% increase in Finance Income to ~~N~~44.1 billion (compared to ~~N~~9.3 billion in 2020).

Total Borrowings

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

Ends.

For further information, please contact:

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For Oando PLC

Ayotola Jagun
Chief Compliance Officer & Company Secretary

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

Shareholders are advised that the Company’s audited financial results for the twelve months period ended 31 December 2021 are now available on the JSE Limited website and the Company’s website:

<https://senspdf.jse.co.za/documents/2023/jse/isse/untp/oando21.pdf>

www.oandopl.com

Full Announcement

This short-form announcement is the responsibility of the Directors of the Company and is a summary of the information in the full announcement.

Any investment decision by investors and/or shareholders should be based on consideration of the full announcement, copies of which may be requested from the Company Secretary DDawodu@Oandopl.com at no charge.

JSE Sponsor to Oando



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