

PRESS RELEASE

Regulated Information

Aradel Holdings Plc, Reports Revenues of ₦377.6 Billion as at Nine (9) Months 2024, Up 206.9%; Declares ₦8.00 Per Share Interim Dividend, Up 433.3%

Lagos, Nigeria – 30 October 2024 - Aradel Holdings Plc (“Aradel”, “Aradel Holdings”, “the Company” or “the Group”), Nigeria’s leading integrated indigenous energy Company, announces its unaudited Nine (9) months results for the period ended 30 September 2024.

The Chief Executive Officer of Aradel Holdings Plc, Mr. Adegbite Falade comments:

The Company’s performance in the first nine (9) months of 2024 consolidated on the strong operational and financial improvements attained in 2023. We achieved increased diversification of our revenue streams on significantly improved hydrocarbons production, and material increases in the output from our refinery operations. Wells 14 and 15 have now been drilled – and results have been favourable – concluding our Phase 1, 4-well turnkey drilling campaign. To accommodate the expected incremental volumes, we also expanded the throughput capacity of our evacuation channels. These activities, among others, put us in a position to maintain the output and efficiency levels for the nine months of the year.

Additionally, we completed the acquisition of the Olo and Olo West Marginal Fields from the TotalEnergies/NNPC Joint venture. This will further enhance our portfolio and create new opportunities for future production growth. This acquisition will complement our existing operations and provide significant long-term value, aligning with our broader strategy of expanding our asset base to multiple assets across different locations, and increasing the resilience of our business.

Our listing on the NGX bolsters liquidity of our shares and fulfils our promise to enhance shareholder value. We expect to close the year on a strong footing, barring any unforeseen circumstances.

In the light of the nine months performance, the Board has proposed the payment of interim dividend of ₦8 per share. The Interim Dividend of ₦8 per Ordinary Share of ₦0.50 each, (subject to appropriate withholding tax) will be paid to shareholders whose names appear in the Register of Shareholders as at the close of business on 20 November 2024.

Group Financial Highlights

	30 September 2024	30 September 2023	Variance
	₦’billion	₦’billion	%
Revenue	377.6	123.0	206.9
Gross Profit	210.8	69.4	203.9
Operating Profit	169.1	40.2	320.7
Operating Profit Margin	44.8%	32.7%	1211bps
EBITDA	238.1	62.3	281.9
EBITDA Margin	63.1%	50.7%	1239bps
Profit Before Tax	191.5	37.4	412.3
Profit After Tax	110.6	19.2	477.2
Earnings per Share	25.5	4.4	477.2

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Ladi Jadesimi (Chairman) Adegbite Falade (MD/CEO) Adegbola Adesina (CFO) Thierry Georger (French)
Osten Olorunsola Ede Osayande Afolabi Oladele Gbenga Adetoro Patricia Simon-Hart

Energised For A Brighter Future



Operating Cashflow	213.5	93.4	128.6
Capital Expenditure	78.8	32.5	142.4
Free Cashflow	134.7	60.9	121.2
	30 September 2024	31 December 2023	Variance
	₦'billion	₦'billion	%
Total Assets	1,748.1	923.4	89.3
Total Equity	1,354.5	704.6	92.2

Operational Highlights

- Production and Refining:
 - Crude oil production of 12,250 bbls/day up 37.7% (9M 2023: 8,893 bbls/day)
 - Gas production of 35.7 mmscfd (6,317 boepd) up by 60.6% (9M 2023: 22.4 mmscfd (3,949 boepd))
 - Refined petroleum products sold 148.6 mmltres up by 17.8% (9M 2023: 126.2 mmltres)
- Average realised oil price per barrel of \$85.9 (9M 2023: \$77.0)
- Average realised gas price per mscf of \$1.6 (9M 2023: \$1.9)
- Underlying cash operating cost (boe) of \$20 (9M 2023: \$21)

Financial Review

Foreign exchange dynamics from the floating of the naira in 2023 continued to impact the financial performance of the Group. Average exchange rate in 9M 2024 was ₦1,431.21:US\$1 relative to ₦596: US\$1 in 9M 2023.

Revenue increased by 206.9% to ₦377.6 billion (9M 2023: ₦123.0 billion). This was driven by:

- 349.9% increase in export crude oil revenue (66.6% of total revenue) to ₦251.6 billion (9M 2023 ₦55.9 billion; 45.5% of total), attributed to increased production levels, significant impact of improved utilisation of the Trans Niger Pipeline (TNP) on which there has been reduced crude losses, and additional value from the Alternative Crude Evacuation (ACE) route with resultant higher crude oil lifting of 2.1 mbbbls in 9M 2024 (9M 2023: 1.3 mbbbls).
- Gas revenue recorded a 263.5% increase to ₦22.8 billion (6.0% of total revenue), due to higher production volumes (9M 2023: ₦6.3 billion; 5.1% of total revenue).
- 69.5% increase in refined products' revenue (27.3% of total revenue) to ₦103.1 billion (9M 2023: ₦60.8 billion; 49.4% of total revenue) due to increased production and sales volumes of 148.6 mmltres, up by 17.8% (9M 2023: 126.2 mmltres).

Cost of sales (COS)¹ increased by 210.7% to ₦166.8 billion (9M 2023: ₦53.7 billion). This was primarily driven by:

- Crude Handling Charges (38.8% of COS) which increased by 328.8% to ₦64.7 billion (9M 2023: ₦15.1 billion) arising from the higher activity levels across the Trans Niger Pipeline (TNP) and ACE operations. Crude oil theft as a percentage of production reduced by 100bps in 9M 2024 to 1.3% (9M 2023: 2.0%).
- Depreciation (40.3% of COS) increased by 216.3% to ₦67.2 billion (9M 2023: ₦21.3 billion) due to higher hydrocarbon production with a depletion rate of 17.4% in 9M 2024 vs 12.3% as at 9M 2023, and addition of newly completed well costs.
- Royalties & Other Statutory expenses (18.9% of COS) increased by 280.9% to ₦31.5 billion (9M 2023: ₦8.3 billion). This is attributable to higher production levels during the period.
- Stock adjustment increased to a credit of ₦27.3 billion (9M 2023: ₦0.4 billion) due to higher inventory levels that are expected to be sold in Q4 2024.

¹ Includes stock adjustment credit of ₦27.3 billion. Without the stock adjustment COS would be ₦189.3 billion



General and Administrative (G&A) expenses increased by 113.4% to ₦25.1 billion (9M 2023: ₦11.7 billion). The major drivers of this growth include:

- Repairs and Maintenance (10.1% of G&A expenses) increased by 678.6% to ₦2.5 billion as a result of increased maintenance activities on plants and production equipment (9M 2023: ₦0.3 billion).
- Staff costs (33.4% of G&A expenses) increased by 192.7% to ₦8.4 billion (9M 2023: ₦2.9 billion) mainly due to staff additions and employee remuneration adjustments.
- Professional Fees (11.5% of G&A expenses) increased to ₦2.9 billion, up 100.7% (9M 2023: ₦1.4 billion) primarily due to Naira devaluation.
- Other expenses² (21.1% of G&A expenses) increased by 45.5% to ₦5.3 billion (9M 2023: ₦3.6 billion).

Operating profit of ₦169.1 billion (9M 2023: ₦40.2 billion) bolstered by higher realised price as evidenced by increased revenue in 9M 2024 and moderately impacted by exchange loss resulting in 320.7% increase in 9M 2024.

Finance cost increased by 12.9% to ₦11.5 billion (9M 2023: ₦10.2 billion) driven primarily by naira devaluation which offset the decrease in the interest expense in US Dollar terms from the ongoing settlement of our loan obligations. **Finance Income** increased by 185.3% to ₦10.3 billion (9M 2023: ₦3.6 billion) resulting from amounts earned on invested cash and cash equivalents.

Profit before tax of ₦191.5 billion, up by 412.3% (9M 2023: ₦37.4 billion), with an **Income tax expense** estimate of ₦80.9 billion (Cash Tax ₦38.4 billion and Deferred tax ₦42.5 billion).

Profit after tax increased by 477.2% to ₦110.6 billion (9M 2023: ₦19.2 billion).

Year-to-date growth in **total assets** of 89.3% to ₦1.7 trillion (FY 2023: ₦923.4 billion) driven by:

- Increase in Property, plant and equipment by 78.6% to ₦685.0 billion (FY 2023: ₦383.4 billion). This was impacted mainly by increased capital expenditure and higher FX rates.
- Increase in the value of assets of ND Western, the Company's associate, to ₦507.4 billion, up 87.8% year-to-date (FY 2023: ₦270.2 billion) due to share of profit and other comprehensive income for the period.

Total liabilities rose by 79.9% to ₦393.7 billion (FY 2023: ₦218.8 billion). This increase is attributable to higher tax liability estimates for the period and the Naira devaluation which caused a significant increase in translation differences.

Total equity increased by 92.2% to ₦1.4 trillion (FY 2023: ₦704.6 billion) primarily due to the retention of total comprehensive income over the period.

Cash flows from operating activities

The Company generated cash flows from operations of ₦228.9 billion as at 9M 2024, an increase of 130.5% (9M 2023: ₦99.3 billion), and net cash flows from operating activities of ₦213.5 billion was up 128.6% (9M 2023: ₦93.4 billion). This growth was buoyed by receipts of US\$42 million from December 2023 crude oil sales, as well as steady improvement in crude oil and refinery product sales (and cash receipts).

Cash flows from investing activities

Net cash flows used in investing activities was ₦74.1 billion, up 137.0% (9M 2023: ₦31.3 billion). This increase is mainly driven by capital expenditure of ₦78.8 billion year-to-date (9M 2023: ₦32.5 billion) due to the ongoing 4-well drilling campaign, and the attendant foreign exchange effects.

² which consist of catering, donations, printing and stationery, and other related administrative costs



Cash flows from financing activities

Net cash flows used in financing activities was ₦67.2 billion, up 93.6% (9M 2023: ₦34.7 billion), due to payment of a final dividend of ₦170 per share amounting to ₦36.9 billion for the year ended 31 December 2023 in the year.

Responsibility for publication

The Board member responsible for arranging the release of this announcement on behalf of Aradel Holdings is Adegbola Adesina, CFO Aradel Holdings Plc.

Signed:

A handwritten signature in black ink, appearing to read 'Adegbola Adesina', written over a horizontal line.

Adegbola Adesina

Chief Financial Officer



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Consolidated statement of profit or loss and other comprehensive income for the period ended 30 September 2024

In thousands of naira	30-Sep-2024	30-Sep-2023
Revenue	377,580,576	123,048,490
Cost of Sales	(166,802,254)	(53,690,581)
Gross Profit	210,778,322	69,357,909
Other Income/(Loss)	(16,562,296)	(17,386,389)
General and administrative expenses	(25,134,624)	(11,777,223)
Operating Profit	169,081,402	40,194,297
Finance Income	10,317,533	3,615,895
Finance Costs	(11,537,805)	(10,219,667)
Net Finance (cost)/income	(1,220,272)	(6,603,772)
Share of profit of an associate	23,596,359	3,781,469
Profit before taxation	191,457,489	37,371,994
Tax expense	(80,878,032)	(18,214,258)
Profit after taxation	110,579,457	19,157,736
Profit/(Loss) attributable to:		
Equity holders of the parent	110,371,701	18,744,673
Non-controlling interest	207,756	413,063
	110,579,457	19,157,736
Other comprehensive income:		
Other comprehensive income item that may be reclassified to profit or loss in subsequent years (net of tax):		
Foreign currency translation difference	362,312,934	143,734,999
Share of other comprehensive income of associate accounted for using the equity method	213,616,170	95,834,658
Net gain/(loss) on equity instruments at fair value through other comprehensive income	236,522	2,163,997.00
Other comprehensive income for the year, net of tax	576,165,626	241,733,654
Total comprehensive income for the year	686,745,083	260,891,390
Total comprehensive income attributable to:		
Equity holders of the parent	683,161,334	258,319,453
Non-controlling interest	3,583,749	2,571,937
Basic earnings per share	₦25.45	₦4.41



Consolidated statement of financial position as at 30 September 2024

In thousands of naira	30-Sep-2024	31-Dec-2023
Non-current assets		
Property, plant, and equipment	684,882,549	383,427,621
Intangible assets	1,419,927	1,211,772
Financial assets	7,187,612	4,051,382
Investment in associate	507,445,825	270,233,296
Total non-current assets	1,200,935,913	658,924,071
Current assets		
Inventories	47,808,299	15,973,244
Trade and other receivables	18,402,925	53,523,077
Prepayments	279,428	82,606
Financial assets	1,554,286	312,802
Cash and Bank	479,157,477	194,618,761
Total current assets	547,202,415	264,510,490
Total assets	1,748,138,328	923,434,561
Equities and Liabilities		
Shareholders' equity		
Share capital	2,172,422	2,172,422
Share premium	22,819,670	22,819,670
Translation reserve	1,034,902,134	462,349,023
Fair value reserve of financial assets at FVOCI	2,765,309	2,528,787
Retained earnings	282,469,762	209,029,238
Non-controlling interest	9,329,190	5,745,441
Total shareholders' equity	1,354,458,487	704,644,581
Non-current liabilities		
Borrowings	47,584,316	44,350,154
Deferred tax liabilities	80,235,629	18,386,481
Decommissioning liabilities	119,351,402	65,161,229
Total non-current liabilities	247,171,347	127,897,864
Current liabilities		
Trade and other payables	63,623,362	57,076,608
Contract liabilities	1,033,656	1,771,922
Taxation	51,430,343	14,421,838
Borrowings	30,421,133	17,621,748
Total Current liabilities	146,508,494	90,892,116
Total liabilities	393,679,841	218,789,980
Total equity & liabilities	1,748,138,328	923,434,561



Consolidated statement of cash flows for the period ended 30 September 2024

In thousands of naira	30-Sep-2024	30-Sep-2023
Profit before taxation	191,457,489	37,371,994
Adjustments:		
Interest expense	11,537,805	10,219,667
Interest income	(10,317,533)	(3,615,895)
Dividend received	(137,110)	(94,116)
Exchange loss	25,951,357	17,689,070
Share of profit from associate	(23,596,359)	(3,781,469)
Hedge cost in PorL	1,604,072	2,062,408
Depreciation of property, plant and equipment	69,002,180	22,147,358
Provision no longer required	(63,883)	-
Stock adjustment	(27,323,852)	(454,311)
Asset Write off	-	2,271,554
Operating cash flows before movement in working capital	238,114,166	83,816,260
Movement in working capital:		
Decrease in trade and other receivables	35,120,152	39,831,762
(Increase)/ Decrease in prepayments	(196,822)	38,438
Increase in inventory	(4,511,203)	(1,146,990)
Increase in restricted cash	(9,809,928)	(5,303,658)
Decrease in trade and other payables	(29,090,662)	(17,938,100)
Decrease in contract liabilities	(738,266)	-
Cash generated by operating activities	228,887,437	99,297,712
Tax paid	(15,388,370)	(5,899,649)
Net cash flows from operating activities	213,499,067	93,398,063
Investing activities		
Interest received	10,317,533	3,615,895
Dividend received	137,110	94,116
Purchase of property, plant and equipment	(78,789,790)	(32,503,942)
Proceeds from purchase of financial assets	(5,745,532)	(2,457,726)
Net cash used in investing activities	(74,080,679)	(31,251,657)
Financing activities		
Dividend paid	(36,931,177)	(7,603,477)
Interest paid	(7,224,663)	(4,724,947)
Repayment of borrowing	(23,013,857)	(40,380,787)
Additional borrowings	-	7,687,600
Issue of Bond	-	10,318,000
Net cash flows used in financing activities	(67,169,697)	(34,703,611)
Increase in cash and cash equivalents	72,248,691	27,442,795
Cash and cash equivalents - Beginning of year	183,008,535	55,520,654
Exchange rate effects on cash and cash equivalents	202,480,097	48,218,526
Cash and cash equivalents - End of year	457,737,323	131,181,975



Consolidated statement of profit or loss and other comprehensive income for the period ended 30 September 2024 (US Dollars)

In thousands of dollars	30-Sep-2024	30-Sep-2023
Revenue	274,407	211,802
Cost of sales	(114,743)	(92,417)
Gross profit	159,664	119,385
Other Income/(Loss)	(11,607)	(29,927)
General and administrative expenses	(18,385)	(20,272)
Operating profit	129,672	69,186
Finance income	7,617	6,224
Finance costs	(8,440)	(17,591)
Net Finance (cost)/income	(823)	(11,367)
Share of profit of an associate	16,487	6,509
Profit before taxation	145,336	64,328
Tax expense	(56,511)	(31,352)
Profit after taxation	88,825	32,976
Profit/(Loss) attributable to:		
Equity holders of the parent	88,579	32,265
Non-controlling interest	246	711
	88,825	32,976
Other comprehensive income:		
Net gain/loss on equity instruments at fair value through other comprehensive income	27	2,809
Other comprehensive income for the year, net of tax	27	2,809
Total comprehensive income for the year	88,852	35,785
Total comprehensive income attributable to:		
Equity holders of the parent	88,606	35,074
Non-controlling interest	246	711
Basic earnings per share	\$0.02	\$0.01



Consolidated statement of financial position as at 30 September 2024 (US Dollars)

In thousands of dollars	30-Sep-2024	31-Dec-2023
Non-current assets		
Property, plant, and equipment	427,779	426,318
Intangible assets	888	1348
Financial assets	4,525	4,505
Investment in associate	316,950	300,463
Total non-current assets	750,142	732,634
Current assets		
Inventories	29,860	17,759
Trade and other receivables	11,494	59,511
Prepayments	174	92
Financial assets	971	348
Cash and Bank	299,282	216,402
Total current assets	341,781	294,112
Total assets	1,091,923	1,026,746
Equities and Liabilities		
Shareholders' equity		
Share capital	19,316	19,316
Share premium	78,955	78,955
Fair value reserve of financial assets at FVOCI	2,568	2541
Retained earnings	738,793	676,571
Non-controlling interest	5,827	5,581
Total shareholders' equity	845,459	782,964
Non-current liabilities		
Borrowings	30,292	49,830
Deferred tax liabilities	50,115	20,442
Decommissioning liabilities	74,547	72,451
Total non-current liabilities	154,954	142,723
Current liabilities		
Trade and other payables	39,740	63,461
Contract liabilities	646	1,970
Taxation	32,123	16,035
Borrowings	19,001	19,593
Total Current liabilities	91,510	101,059
Total liabilities	246,464	243,782
Total equity & liabilities	1,091,923	1,026,746



Consolidated statement of cash flows for the period ended 30 September 2024 (US Dollars)

In thousands of dollars	30-Sep-2024	30-Sep-2023
Profit before taxation	145,336	64,328
Adjustments:		
Interest expense	8,440	17,591
Interest income	(7,617)	(6,224)
Dividend received	(98)	(162)
Exchange (gain)/loss	18,133	30,448
Share of profit from associate	(16,487)	(6,509)
Hedge cost in P or L	1,159	3,550
Depreciation of property, plant and equipment	48,213	38,122
Provision no longer required	(40)	-
Stock adjustment	(18,970)	(782)
Asset Write off	-	3,910
Operating cash flows before movement in working capital	178,069	144,272
Movement in working capital:		
Decrease in trade and other receivables	48,017	51,813
(Increase)/ Decrease in prepayments	(82)	50
Decrease/ (Increase) in inventory	6,869	(1,492)
Increase in restricted cash	(470)	(2,081)
Decrease in trade and other payables	(25,779)	(6,618)
Decrease in contract liabilities	(1,324)	-
Cash generated by operating activities	205,300	185,944
Tax paid	(10,752)	(10,155)
Net cash flows from operating activities	194,548	175,789
Investing activities		
Interest received	7,617	6,224
Dividend received	98	162
Purchase of property, plant and equipment	(49,212)	(45,690)
Purchase of financial assets	(3,595)	(3,197)
Net cash used in investing activities	(45,092)	(42,501)
Financing activities		
Dividend paid	(26,357)	(10,044)
Interest paid	(5,320)	(8,133)
Repayment of borrowing	(16,080)	(59,643)
Additional borrowings	-	10,000
Issue of Bond	-	13,393
Net cash flows used in financing activities	(47,757)	(54,427)
Increase in cash and cash equivalents	101,699	78,861
Cash and cash equivalents - Beginning of year	203,493	123,776
Exchange rate effects on cash and cash equivalents	(19,289)	(31,996)
Cash and cash equivalents - End of year	285,903	170,641



Definition of ratios

Operating profit margin is operating profit divided by total revenue.

EBITDA margin corresponds to EBITDA divided by total revenue.

Profit before tax corresponds to EBIT minus net finance (cost)/income and plus share of profit of associates and joint venture using the equity method.

Effective tax is income tax expense dividend by profit before income tax.

Profit before tax margin corresponds to Profit before Tax as a % of Revenue.

Return on equity corresponds to net profit reported to total equity.

Return on assets corresponds to net profit reported to total assets.

Return on ratio the return on total asset ratio indicates how well a company's investment generate revenue.

Leverage refers to the amount of debt used to finance assets.

Glossary of terms

mmbbls - million barrels of oil

bscf - Billions of standard cubic feet of gas.

boepd - Barrels of Oil Equivalent Per Day

mscf - one thousand standard cubic feet

boe - Barrel of oil equivalent

bb/d – barrels per day



Notes to editors

Aradel Holdings Plc (“Aradel Holdings” or “the Company”) is Nigeria’s foremost integrated independent energy company, delivering critical energy solutions in a sustainable and responsible way. Aradel Holdings was incorporated on 25 March 1992 (as the Midas Drilling Fund), changed its name to Niger Delta Exploration and Production Plc in November 1996, assumed its current name in May 2023, and was listed on the main board of the NGX on 14 October 2024.

The Company operates through its subsidiaries and an affiliate company:

- Aradel Energy Limited (100%), a wholly owned subsidiary of Aradel Holdings, as well as the Operator of the Ogbele (PML 14), Omerelu (PPL 247), Olo and Olo West Marginal Fields, as well as OPL 227 joint venture (subject to NUPRC approval). Established to explore and harness opportunities in the energy industry.
- Aradel Gas Limited (100%), the only Nigerian independent Non-JV Gas Supplier to Bonny LNG. Established to leverage investment opportunities in the gas sector. Has 100mmscf/d gas processing facility.
- Aradel Investments Limited (100%), a wholly owned subsidiary established to hold and manage the group’s non-oil & gas assets. Established to hold the Company’s non-oil and gas investments.
- Aradel Refineries Limited (95%), a 3-train 11kbbbl/d independent operating midstream refinery. Produces AGO, DPK, MDO, HFO and Naphtha.
- ND Western Limited (41.67%), an independent Nigerian oil and gas exploration and production company comprising four leading industry players with four limited liability companies (being Aradel Energy, Petrolin, First Exploration & Petroleum Development Company, and Waltersmith Petroman Oil) as shareholders.

For further information please refer to our website, aradel.com

Forward looking statements

Certain statements in this document may constitute forward-looking information or forward-looking statements under applicable Nigerian Securities laws (collectively “forward-looking statements”). Forward-looking statements are statements that relate to future events, including the Company’s future performance, opportunities, or business prospects. Any statements that express or involve discussions with respect to expectations, forecasts, assumptions, objectives, beliefs, projections, plans, guidance, predictions, future events or performance (often, but not always, identified by words such as “believes”, “seeks”, “anticipates”, “expects”, “continues”, “may”, “projects”, “estimates”, “forecasts”, “pending”, “intends”, “plans”, “could”, “might”, “should”, “will”, “would have” or similar words suggesting future outcomes) are not statements of historical fact and may be forward-looking statements.

By their nature, forward-looking statements involve assumptions, inherent risks and uncertainties, many of which are difficult to predict, and are usually beyond the control of management, that could cause actual results to be materially different from those expressed by these forward-looking statements. Undue reliance should not be placed on these forward-looking statements because the Company cannot assure that the forward-looking statements will prove to be correct. As forward-looking information address future conditions and events, they could involve risks and uncertainties including, but are not limited to, risk with respect to general economic conditions, regulations and taxes, civil unrest, corporate restructuring and related costs, capital and operating expenses, pricing and availability of financing and currency exchange rate fluctuations. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.