

Dana Gas PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 SEPTEMBER 2023 (Unaudited)

DANA GAS PJSC

Report of the Directors

The Board of Directors of Dana Gas PJSC (“Dana Gas” or the “Company”) are pleased to announce the interim condensed consolidated financial results of the Company, its subsidiaries and joint arrangements (together referred to as the “Group”) for the period ended 30 September 2023 (“the period”).

Principal Activities

Dana Gas was incorporated in the Emirate of Sharjah (“Sharjah”), United Arab Emirates, as a public joint stock company on 20 November 2005 pursuant to incorporation decree number 429/2005 issued by the Ministry of Economy.

Dana Gas is the Middle East’s first and largest private sector natural gas company. The Group currently operates in the MENA (Middle East & North Africa) Region across the natural gas value chain, from exploration and production, through gas processing and transportation, to the distribution, marketing and utilisation of gas as feedstock and fuel to the petrochemical, industrial and the power sectors. Since its establishment, the Company has grown to be a regional natural gas company with presence in the United Arab Emirates, Egypt, and the Kurdistan Region of Iraq (KRI) and headquartered in Sharjah, United Arab Emirates.

Results for nine months of 2023

During the nine months of 2023, the Group earned gross revenue of USD 326 million (AED 1,195 million) as compared to USD 415 million (AED 1,521 million) in the nine months of 2022, a decrease of 21%. This decrease was mainly due to lower realised prices during the period which negatively impacted the topline by USD 83 million (AED 304 million). Realised price averaged USD 53/bbl for condensate and USD 36/boe for LPG compared to USD 85/bbl and USD 43/boe, respectively in 9M 2022.

The Group achieved a net profit of USD 126 million (AED 462 million) as compared to USD 161 million (AED 589 million). The decrease in net profit was primarily due to lower oil prices. Earnings before interest, tax, depreciation and amortisation (“EBITDA”) were lower at USD 201 million (AED 736 million) compared to USD 240 million (AED 880 million) in the corresponding period.

The Group’s share of production was 16.3 million barrels of oil equivalent or 59,750 barrels of oil equivalent per day (“boepd”), a decrease of 1% compared to corresponding period production of 16.5 million boe (60,600 boepd). Production in Kurdistan Region increased by 8% to 37,150 boepd, however, this was fully offset by a 14% decline in production in Egypt to 22,600 boepd.

Results for the quarter ended 30 September 2023

During the quarter ended 30 September 2023, the Group earned gross revenues of USD 104 million (AED 381 million) as compared to USD 131 million (AED 480 million) in the third quarter of 2022, a decrease of 21% mainly due to lower realised prices. Realised price averaged USD 45/bbl for condensate and USD 34/boe for LPG compared to USD 81/bbl and USD 39/boe respectively in Q3 2022.

The Group achieved net profit of USD 43 million (AED 158 million) as compared to USD 50 million (AED 182 million) in Q3 2022. The decrease in net profit was mainly due to lower oil prices. EBITDA was lower at USD 71 million (AED 260 million) compared to USD 76 million (AED 279 million) in Q3 2022.

The Group’s share of production in the third quarter was 5.5 million barrels of oil equivalent or 59,600 barrels of oil equivalent per day (“boepd”) as compared to corresponding period production of 5.5 million boe (59,800 boepd). Production in Egypt declined 19% to 21,000 boepd offset by a 14% increase in production in Kurdistan to 38,600 boepd.

DANA GAS PJSC

Report of the Directors

Liquidity and Financial Resources

Cash and bank balance at period end stood at USD 115 million (AED 422 million), a decrease of 24% compared to 2022 year-end balance of USD 151 million (AED 553 million). Cash includes USD 99 million (AED 363 million) being 35% Company's share of cash held at Pearl Petroleum.

The Group collected a total of USD 167 million (AED 612 million) during the period with Egypt and KRI contributing USD 40 million (AED 147 million) and USD 127 million (AED 465 million), respectively.

During the period ended 30 September 2023, the Company paid a dividend of USD 86 million (AED 315 million) as final dividend for 2022 bringing the total cash dividend for the financial year ended 31 December 2022 to 9 fils (2021: 8 fils).

Business Update

In line with its outlined strategy, the Dana Gas Group continues to focus on maximising the value of its existing hydrocarbon assets and projects, while pursuing growth through a strategy of organic exploration opportunities in our heartland areas and new business development in the upstream and midstream value chains. We continue to balance our capital expenditure with the available sources of cash to ensure we maintain a robust financial position.

Reserves & Resources

(a) Pearl Petroleum Company Limited

As reported previously, Dana Gas and Crescent Petroleum, joint operators of Pearl Petroleum Company Limited ("PPCL"), estimates that the P50 total geologically risked¹ resources of petroleum initially in-place (PIIP) of the Khor Mor and Chemchemical Fields at 75 Tscf (of wet gas) and 7 billion barrels of oil.

PPCL appointed Gaffney Cline Associates ("GCA") to carry out a certification of the reserves for these fields as at 15 May 2019. The certification is based on the earlier work carried by GCA but updated to take into account the current understanding of the field, production data and incorporating the recent appraisal well drilling and test results.

In their report, GCA estimates the following reserves:

Khor Mor

- Proved plus probable (2P) gas, condensate and LPG reserves are 6.9 Tscf, 173 MMbbl and 18 MMt, respectively, of which Dana Gas' 35% share equates to 2.4 Tscf of dry gas, 61 MMbbl of condensate and 6 MMt of LPG.
- Proved plus probable (2P) oil reserves of 51.3 MMbbl of which Dana Gas' 35% share equates to 18 MMbbl

Chemchemical

- Proved plus probable (2P) gas, condensate and LPG reserves are 5.7 Tscf, 215 MMbbl and 20 MMt, respectively, of which Dana Gas' 35% share equates to 2 Tscf of dry gas, 75 MMbbl of condensate and 7 MMt of LPG.

Dana's share of the proved plus probable (2P) hydrocarbon reserves have increased by 10% following the 2019 certification of reserves. Management's estimate of the total share of Dana Gas is equivalent to 1,087 MMboe, up from 990 MMboe when GCA first certified the field in April 2016. This confirms that the fields located in the KRI could be the biggest gas fields in the whole of Iraq.

The balance between these 2P reserves figures and the joint operator's estimated risked initially in place (gas and oil) resources (PIIP) are classified as Contingent Resources² and Prospective Resources³.

¹ Risked PIIP figures have been calculated by means of a stochastic aggregation using GeoX software with risk factors accounting for geological uncertainties calibrated by surrounding producing oil and/or gas fields.

² Those quantities of petroleum estimated to be potentially recoverable but not yet considered mature enough for commercial development due to one or more contingencies.

³ Those quantities of petroleum estimated to be potentially recoverable from undiscovered accumulations by future development projects.

DANA GAS PJSC

Report of the Directors

Reserves & Resources (continued)

(b) Dana Gas Egypt

Gaffney, Cline & Associates (GCA), a leading advisory firm carried out an independent evaluation of Dana Gas Egypt's hydrocarbon reserves as at 31 December 2022. The Group's gross proved reserves (1P) as at 31 December 2022 were assessed at 23 MMboe (31 December 2021: 30 MMboe). The gross proved and probable reserves (2P) as at 31 December 2022 were estimated at 42 MMboe (31 December 2021: 44 MMboe) and the gross proved, probable and possible reserves (3P) as at 31 December 2022 were estimated to be 62 MMboe (31 December 2021: 73 MMboe).

GCA reserves estimation is based on the enhanced fiscal terms of the concession consolidation agreement with the Egyptian Natural Gas Holding Company (EGAS). The agreement is subject to the Egyptian parliament ratification which is expected later this year.

E&P Operations

(a) Pearl Petroleum Company Limited (KRI) E&P Operations

Dana Gas's share (35%) of gross production in the KRI for the 92 days of operations in Q3 2023 was 3.5 MMboe, i.e. averaging 38,600 boe per day (Q3 2022 – DG Share 35%: 3.13 MMboe, averaging 34,000 boe per day).

Dana Gas' share of collections for the period stood at USD 127 million (AED 465 million) and hence realised 75% of the period's revenue. At period end, Dana Gas' 35% share of trade receivable balance stood at USD 106 million (AED 389 million) as compared to USD 64 million (AED 235 million) at year end 2022.

Pearl is proceeding with the development of its two world-class gas fields with in-place volumes of approximately 75 trillion cubic feet of wet gas and 7 billion bbls of oil. In January 2020, Pearl appointed Exterran, an engineering, procurement and construction ('EPC') contractor, for the first of two 250 MMscf/d gas processing trains and provide operations related technical assistance services for 5 years post hand over of the plant. The appointment of the contractor followed final approval by the Ministry of Natural Resources of the Kurdistan Regional Government, which oversees the project. The contract award marks a key milestone in Pearl Petroleum's long-term expansion plan.

The EPC contract terms reflect Exterran's contractor financing whereby the plant will be predominantly funded by Exterran with repayment of principal with interest over five years following completion of the plant. Following declarations of force majeure in 2020 under the EPC contract due to COVID, Pearl and Exterran agreed on a completion date of 30 April 2023. In 2022 Exterran was purchased by Enerflex.

Work on the KM 250 onsite EPC contract activities was temporarily suspended in June 2022 following rocket attacks in the area of the construction site and plant and a state of force majeure was declared. During the period, following enhancement of the security arrangements, Enerflex and its subcontractors remobilized to site to recommence construction. The operator and contractor have discussed the necessary improvements in security arrangements with the Kurdistan Regional Government required for construction activities to fully get underway. There was a further indirect strike that landed within Khor Mor on 30 August 2023, however it resulted in no injuries, asset damage or operational or project impact.

Production, drilling operations and non-EPC contract activities have continued throughout as normal.

DANA GAS PJSC

Report of the Directors

E&P Operations (continued)

(b) Egypt E&P operations

The Group's production in Egypt for the 92 days of operations in Q3 2023 was 1.93 MMboe i.e. averaging 21,000 boepd (September 2022: 2.37 MMboe i.e. averaging 25,800), a decrease of 19% over the corresponding period.

In Egypt, the Group collected a total USD 40 million (AED 147 million) during the period and hence realized 70% of the period's revenue. At period end, the trade receivable balance stood at USD 47 million (AED 172 million) as compared to USD 30 million (AED 110 million) at the end of 2022.

In Egypt, 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 Egypt's economic assets. The agreement is subject to the Egyptian parliament ratification which is expected later this year.

UAE Gas Project

The UAE Gas Project includes Dana Gas' 35% interest in Crescent National Gas Corporation Limited (CNGCL), which is entitled to market the gas, and 100% interests in UGTC and Saj Gas, the entities that own the offshore riser platform, the offshore and onshore pipelines to transport the gas and the sour gas processing plant to process the gas.

Arbitration Cases

- a) The Gas Sales & Purchase Contract between Dana Gas' partner Crescent Petroleum and the National Iranian Oil Company ('NIOC') for the supply of gas to the UAE has been the subject of international arbitration since June 2009. In August 2014, Dana Gas was notified by Crescent Petroleum that the Arbitral Tribunal has issued a Final Award on the merits, determining that the 25-year Contract between it and NIOC is valid and binding upon the parties, and that NIOC had been in breach of its contractual obligation to deliver gas under the Contract since December 2005.

The parties to the arbitrations are Crescent Petroleum and NIOC, who are the parties to the Gas Sales & Purchase Contract (GSPC) at issue in the arbitration. Dana Gas is not a party to the GSPC, or to the arbitration.

Dana Gas was informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC was made by the international arbitration tribunal on 27 September 2021. This first arbitration covered the period of the first 8.5 years of the 25 year gas sales agreement from 2005 to mid-2014. Dana Gas share of award was USD 608 million (AED 2.23 Billion) which was recorded in the books in 2021.

In addition, a second arbitration with a much larger claim for the 16.5 years covering the remainder of the gas supply period from 2014 to 2030 is currently underway. The final hearing was scheduled to commence in October 2022 in Paris, however, was delayed to March 2023. The hearing has been further deferred and is now anticipated in 2024. The final award on damages is expected by late 2024 or early 2025. Dana Gas will also receive a portion of the next award which is expected to be more than the sum due from the first arbitration in keeping with the longer time period.

DANA GAS PJSC
Report of the Directors

Directors

1. Mr. Hamid Dhiya Jafar, Chairman
2. Mr. Rashid Saif Al-Jarwan, Deputy Chairman
3. Mr. Ahmed Abdulhamid Alahmadi (appointed on 3 October 2023)
4. Mr. Ajit Vijay Joshi
5. Mr. Hani Abdulaziz Hussein
6. Mr. Jassim MohamadRafi Alseddiqi (resigned on 2 October 2023)
7. Mr. Majid Hamid Jafar
8. Ms. Najla Ahmed Al-Midfa
9. Mr. Shaheen Al-Muhairi
10. Mr. Varoujan Nerguizian
11. H.E. Younis Al Khoori
12. Mr. Ziad Abdulla Ibrahim Galadari

Auditors

The Company auditors, Ernst & Young, have issued their review report on the interim condensed consolidated financial statements of the Group.

On behalf of Board of Directors



Directors
07 November 2023

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF DANA GAS PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Dana Gas PJSC (“the Company”) and its subsidiaries (“the Group”) as at 30 September 2023 comprising of the interim condensed consolidated statement of financial position as at 30 September 2023 and the related interim condensed consolidated income statement and interim condensed consolidated statement of other comprehensive income for the three month period and nine month period ended, interim condensed consolidated statement of cash flows and interim condensed consolidated statements of change in equity for the nine month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of matter

We draw attention to the matters described in notes 6, 7 and 9 to the interim condensed consolidated financial statements which describes the current position with respect to arbitration proceedings that a key supplier of the Group has initiated against the ultimate supplier relating to delays in commencement of gas supplies, and the uncertainty surrounding the timing and final outcome of those arbitration proceedings. Our conclusion is not modified in respect of this matter.

For Ernst & Young



Signed by:
Anthony O’Sullivan
Partner
Registration No. 687

7 November 2023

Sharjah, United Arab Emirates

Dana Gas PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Period ended 30 September 2023 (Unaudited)

	Notes	30 September 2023		Nine months ended 30 September 2022		30 September 2023		Three months ended 30 September 2022	
		USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm
Gross revenue		326	1,195	415	1,521	104	381	131	480
Royalties		(83)	(304)	(118)	(433)	(21)	(77)	(35)	(129)
Net revenue		243	891	297	1,088	83	304	96	351
Operating costs		(37)	(136)	(42)	(153)	(15)	(55)	(16)	(58)
Depreciation & depletion		(53)	(194)	(53)	(195)	(18)	(66)	(16)	(59)
GROSS PROFIT		153	561	202	740	50	183	64	234
General and administration expenses		(9)	(33)	(9)	(33)	(3)	(11)	(3)	(11)
Other expenses		(1)	(4)	(5)	(18)	-	-	(1)	(3)
Finance income		7	26	2	7	2	8	1	3
Other income		6	22	1	4	6	22	1	4
Impairment of PP&E		-	-	(1)	(4)	-	-	(1)	(4)
Impairment of financial assets		(2)	(7)	(2)	(7)	-	-	-	-
Share of loss of a joint venture		(1)	(4)	(1)	(4)	-	-	-	-
Finance cost		(13)	(48)	(7)	(26)	(7)	(26)	(5)	(19)
PROFIT BEFORE INCOME TAX		140	513	180	659	48	176	56	204
Income tax expense		(14)	(51)	(19)	(70)	(5)	(18)	(6)	(22)
PROFIT FOR THE PERIOD		126	462	161	589	43	158	50	182
PROFIT ATTRIBUTABLE TO:									
- Equity holders of the parent		126	462	161	589	43	158	50	182
		126	462	161	589	43	158	50	182
EARNINGS PER SHARE:									
Basic & Diluted earnings per share (USD/AED per share)	5	0.018	0.066	0.023	0.084	0.006	0.022	0.007	0.026

The attached notes 1 to 20 form part of these interim condensed consolidated financial information.

Dana Gas PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Period ended 30 September 2023 (Unaudited)

	30 September 2023		30 September 2022		30 September 2023		30 September 2022	
	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm
Profit for the period	126	462	161	589	43	158	50	182
Other comprehensive income	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	126	462	161	589	43	158	50	182
ATTRIBUTABLE TO:								
- Equity holders of the parent	126	462	161	589	43	158	50	182
	126	462	161	589	43	158	50	182

The attached notes 1 to 20 form part of these interim condensed consolidated financial information.

Dana Gas PJSC and Subsidiaries

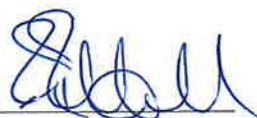
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	30 September 2023 (Unaudited)		31 December 2022 (Audited)	
		USD mm	AED mm	USD mm	AED mm
ASSETS					
Non-current assets					
Property, plant and equipment	6	1,117	4,093	1,060	3,885
Intangible assets	7	215	788	211	773
Investment property	8	20	73	20	73
Interest in joint ventures	9	360	1,320	361	1,324
Financial assets at fair value through profit or loss	10	87	319	87	319
Total non-current assets		1,799	6,593	1,739	6,374
Current assets					
Inventories		25	92	21	77
Financial assets at fair value through profit or loss	10	7	26	7	26
Sum due following arbitration award	11	608	2,229	608	2,229
Trade and other receivables	12	205	751	143	524
Cash and cash equivalents	13	115	422	151	553
Total current assets		960	3,520	930	3,409
TOTAL ASSETS		2,759	10,113	2,669	9,783
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	14	1,908	6,995	1,908	6,995
Legal reserve		182	666	182	666
Voluntary reserve		50	183	50	183
Retained earnings		197	722	160	587
Total equity		2,337	8,566	2,300	8,431
LIABILITIES					
Non-current liabilities					
Borrowings	15	109	400	159	583
Trade payables and accruals	16	56	205	58	213
Provisions		19	70	20	73
Total non-current liabilities		184	675	237	869
Current liabilities					
Borrowings	15	143	524	57	209
Trade payables and accruals	16	95	348	75	274
Total current liabilities		238	872	132	483
Total liabilities		422	1,547	369	1,352
TOTAL EQUITY AND LIABILITIES		2,759	10,113	2,669	9,783



Director
07 November 2023



CEO
07 November 2023



CFO
07 November 2023

The attached notes 1 to 20 form part of these interim condensed consolidated financial information.

Dana Gas PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2023 (Unaudited)

	Notes	Nine months ended			
		30 September 2023		30 September 2022	
		USD mm	AED mm	USD mm	AED mm
OPERATING ACTIVITIES					
Profit before income tax from		140	513	180	659
Adjustments for:					
Depreciation and depletion	6	53	194	53	194
Finance income		(7)	(26)	(2)	(7)
Impairment of PP&E		-	-	1	4
Impairment of financial assets		2	7	2	7
Share of loss of a joint venture		1	4	1	4
Finance costs		13	48	7	26
Directors' remuneration		-	-	(3)	(11)
		<u>202</u>	<u>740</u>	<u>239</u>	<u>876</u>
Changes in working capital:					
Inventories		(4)	(15)	-	-
Trade and other receivables		(64)	(234)	(23)	(84)
Trade payables and accruals		2	7	(11)	(41)
		<u>136</u>	<u>498</u>	<u>205</u>	<u>751</u>
Net cash generated from operating activities		<u>136</u>	<u>498</u>	<u>205</u>	<u>751</u>
Income tax		(14)	(51)	(19)	(70)
		<u>122</u>	<u>447</u>	<u>186</u>	<u>681</u>
Net cash flows generated from operating activities		<u>122</u>	<u>447</u>	<u>186</u>	<u>681</u>
INVESTING ACTIVITIES					
Payment for property, plant and equipment		(93)	(341)	(61)	(223)
Investment and finance income received		3	11	2	7
		<u>(90)</u>	<u>(330)</u>	<u>(59)</u>	<u>(216)</u>
Net cash flows used in investing activities		<u>(90)</u>	<u>(330)</u>	<u>(59)</u>	<u>(216)</u>
FINANCING ACTIVITIES					
Dividend paid		(86)	(315)	(86)	(315)
Repayment of borrowings		(41)	(150)	(28)	(103)
Proceeds from borrowings		76	279	27	99
Finance costs paid		(17)	(62)	(11)	(40)
		<u>(68)</u>	<u>(248)</u>	<u>(98)</u>	<u>(359)</u>
Net cash flows used in financing activities		<u>(68)</u>	<u>(248)</u>	<u>(98)</u>	<u>(359)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS					
		<u>(36)</u>	<u>(131)</u>	<u>29</u>	<u>106</u>
Cash and cash equivalents at the beginning of the period		<u>151</u>	<u>553</u>	<u>185</u>	<u>678</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13	<u><u>115</u></u>	<u><u>422</u></u>	<u><u>214</u></u>	<u><u>784</u></u>

The attached notes 1 to 20 form part of these interim condensed consolidated financial information.

Dana Gas PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2023 (Unaudited)

	Attributable to equity holders of the Company											
	Share capital		Legal reserve		Voluntary reserve		Retained earnings		Proposed dividend		Total	
	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm
As at 1 January 2023	1,908	6,995	182	666	50	183	160	587	-	-	2,300	8,431
Profit for the period	-	-	-	-	-	-	126	462	-	-	126	462
Total comprehensive income for the period	-	-	-	-	-	-	126	462	-	-	126	462
Dividend paid	-	-	-	-	-	-	(86)	(315)	-	-	(86)	(315)
Directors' remuneration	-	-	-	-	-	-	(3)	(12)	-	-	(3)	(12)
As at 30 September 2023	1,908	6,995	182	666	50	183	197	722	-	-	2,337	8,566
As at 1 January 2022	1,908	6,995	164	599	32	116	189	695	-	-	2,293	8,405
Profit for the period	-	-	-	-	-	-	161	589	-	-	161	589
Total comprehensive income for the period	-	-	-	-	-	-	161	589	-	-	161	589
Dividends	-	-	-	-	-	-	(172)	(630)	86	315	(86)	(315)
Directors' remuneration	-	-	-	-	-	-	(3)	(11)	-	-	(3)	(11)
As at 30 September 2022	1,908	6,995	164	599	32	116	175	643	86	315	2,365	8,668

The attached notes 1 to 20 form part of these interim condensed consolidated financial information.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

1 CORPORATE INFORMATION

Dana Gas PJSC (“Dana Gas” or the “Company”) was incorporated in the Emirate of Sharjah, United Arab Emirates as a Public Joint Stock Company on 20 November 2005 pursuant to incorporation decree number 429/2005 issued by the Ministry of Economy. Dana Gas shares are listed on the Abu Dhabi Securities Exchange (ADX).

The Company, its subsidiaries, joint operations and joint ventures constitute the Group (the “Group”). The Group is engaged in the business of exploration, production, ownership, transportation, processing, distribution, marketing and sale of natural gas and petroleum related products, including the development of gas related projects and services.

The Company’s registered head office is at P. O. Box 2011, Sharjah, United Arab Emirates with a presence in Cairo (Egypt) and Kurdistan Region of Iraq.

For the period ended 30 September 2023, the Group is in compliance with the provisions of the UAE Federal Decree Law No. (32) of 2021 concerning Commercial Companies. The Company has amended its Articles of Association to be in compliance with the said law.

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporation and Businesses (Corporate Tax or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime 1 became effective for accounting period beginning on or after 1 June 2023.

The Group will be subject to taxation commencing from 1 January 2024. Based on the above, the Group assessed the deferred tax implication and does not expect to have any material items of temporary timing difference as of and for the nine months period ended 30 September 2023. As certain other cabinet decisions are pending as on the date of these interim condensed consolidated financial statements, the Group will continue to assess the impact of these pending cabinet decisions on deferred taxes as and when finalised and published.

Principal subsidiaries and joint arrangements of the Group at 30 September 2023 and 31 December 2022 and the Company’s (direct and indirect) percentage of ordinary share capital or interest are set out below:

<i>Subsidiaries</i>	<i>%</i>	<i>Country of incorporation</i>	<i>Principal activities</i>
Dana LNG Ventures Limited	100	British Virgin Islands	Intermediate holding company of Dana Gas Egypt
Dana Gas Red Sea Corporation	100	Barbados	Holding company of Dana Gas Egypt
Dana Gas Egypt Ltd	100	Barbados	Oil and Gas exploration (“Dana Gas Egypt”) & production
Dana Gas Explorations FZE	100	UAE	Oil and Gas exploration & production
Sajaa Gas Private Limited Company (“Saj Gas”)	100	UAE	Gas Sweetening
United Gas Transmissions Company Limited (“UGTC”)	100	UAE	Gas Transmission
Danagaz (Bahrain) WLL	66	Bahrain	Gas Processing
<i>Joint Operations</i>	<i>%</i>		
Pearl Petroleum Company Limited (“Pearl Petroleum”)	35	British Virgin Islands	Oil and Gas exploration & production
UGTC/ Emarat JV	50	Unincorporated	Gas Transmission
<i>Joint Ventures</i>	<i>%</i>		
Crescent National Gas Corporation Limited (“CNGCL”)	35	British Virgin Islands	Gas Marketing
GASCITIES Ltd	50	British Virgin Islands	Gas Cities

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial information has been prepared on a historical cost basis, except for investment property and financial assets at fair value through profit or loss that have been measured at fair value. The interim condensed consolidated financial statements are presented in United States Dollars (USD), which is the Company's functional currency, and all the values are rounded to the nearest million (USD mm) except where otherwise indicated. The United Arab Emirates Dirham (AED) amounts have been presented solely for the convenience to readers of the interim condensed consolidated financial statements. AED amounts have been translated at the rate of AED 3.6655 to USD 1.

Statement of compliance

The interim condensed consolidated financial information of the Group for the nine months period ended 30 September 2023 ("the period") are prepared in accordance with International Accounting Standard (IAS) No 34, Interim Financial Reporting. Hence, the interim condensed consolidated financial information do not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards and should be read with the Group's annual consolidated financial statements for the year ended 31 December 2022. The results for the nine months period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the annual financial year ending 31 December 2023.

Standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards and interpretations as of 1 January 2023. These new standards and interpretations did not have any material impact on the accounting policies, financial position or performance of the Group.

The Group did not early adopt any standard, interpretation or amendment that was issued but is not yet effective.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's interim condensed consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and accompanying disclosures, and the disclosure of contingent asset and liabilities at the date of the interim condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates if different assumptions were used and different conditions existed. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There has been no significant change in judgements, estimates and assumptions used as at the 2022 year end.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

4 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (CEO) that are used to make strategic decisions. The CEO considers the business from a geographic perspective which is divided into three geographical units. Unallocated amounts are included in General & administration expenses, investment and finance income, other income, other expenses and finance cost.

Nine months ended 30 September 2023 (Unaudited)

	<i>United Arab Emirates USD mm</i>	<i>Egypt USD mm</i>	<i>Kurdistan Region of Iraq USD mm</i>	<i>Total USD mm</i>
Gross revenue	3	154	169	326
Royalties	-	(83)	-	(83)
Net revenue	3	71	169	243
Operating cost & depletion	(2)	(36)	(52)	(90)
Gross profit	1	35	117	153
General and administration expenses	-	-	-	(9)
Other expenses	-	-	-	(1)
Finance income	-	-	-	7
Other income	-	-	-	6
Impairment of financial assets	(2)	-	-	(2)
Share of loss of a joint venture	(1)	-	-	(1)
Finance cost	-	-	-	(13)
Profit before income tax				140
Income tax expense	-	(14)	-	(14)
Net profit for the period				126
Segment assets as at 30 September 2023	1,453	181	1,125	2,759
Segment liabilities as at 30 September 2023	129	35	258	422
Other segment information				
Capital expenditure:				
Property, plant and equipment	-	12	98	110
Intangible asset	-	4	-	4
Depreciation & depletion	2	24	27	53

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

4 SEGMENT INFORMATION (continued)

Six months ended 30 September 2022 (Unaudited)

	<i>United Arab Emirates USD mm</i>	<i>Egypt USD mm</i>	<i>Kurdistan Region of Iraq USD mm</i>	<i>Total USD mm</i>
Gross revenue	3	210	202	415
Royalties	-	(118)	-	(118)
Net revenue	3	92	202	297
Operating cost & depletion	(2)	(46)	(47)	(95)
Gross profit	1	46	155	202
General and administration expenses	-	-	-	(9)
Other expenses	-	-	-	(5)
Finance income	-	-	-	2
Other income	-	-	-	1
Impairment of PP&E	-	(1)	-	(1)
Impairment of financial assets	(2)	-	-	(2)
Share of loss of a joint venture	(1)	-	-	(1)
Finance cost	-	-	-	(7)
Profit before income tax	-	-	-	180
Income tax expense	-	(19)	-	(19)
Net profit for the period	-	-	-	161
Segment assets as at 30 September 2022	1,588	165	954	2,707
Segment liabilities as at 30 September 2022	82	37	223	342
Other segment information				
Capital expenditure:				
Property, plant and equipment	-	11	74	85
Depreciation & depletion	2	24	27	53

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

5 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

	<i>Nine months ended</i> <i>30 September</i>		<i>Three months ended</i> <i>30 September</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>USD mm</i>		<i>USD mm</i>	
Earnings:				
Net profit for the period - USD mm	<u>126</u>	<u>161</u>	<u>43</u>	<u>50</u>
Shares:				
Weighted average number of shares outstanding– million	<u>6,995</u>	<u>6,995</u>	<u>6,995</u>	<u>6,995</u>
Earning per share (Basic) – USD:	<u>0.018</u>	<u>0.023</u>	<u>0.006</u>	<u>0.007</u>

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

6 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land USD mm	Building USD mm	Oil and gas interests USD mm	Plant and equipment USD mm	Other assets USD mm	Pipeline & related facilities USD mm	Capital work-in- progress USD mm	Total USD mm
Cost:								
At 1 January 2023	14	12	1,673	387	44	119	490	2,739
Additions	-	-	11	1	-	-	98	110
At 30 September 2023	14	12	1,684	388	44	119	588	2,849
Depreciation/ depletion:								
At 1 January 2023	-	7	1,219	280	36	71	66	1,679
Depreciation/depletion charge for the period	-	-	42	7	1	3	-	53
At 30 September 2023	-	7	1,261	287	37	74	66	1,732
Net carrying amount:								
At 30 September 2023	14	5	423	101	7	45	522	1,117

Some of Pearl Petroleum's property, plant and equipment is pledged against loan facilities (note 15).

Property, plant and equipment include financing cost amounting to USD 34 million as at 30 September 2023 on borrowings for ongoing development and capitalised using effective interest rate of the specific borrowing.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

6 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold Land USD mm	Building USD mm	Oil and gas interests USD mm	Plant and equipment USD mm	Other assets USD mm	Pipeline & related facilities USD mm	Capital work-in- progress USD mm	Total USD mm
Cost:								
At 1 January 2022	14	12	1,658	385	44	119	389	2,621
Additions (net)	-	-	15	2	-	-	101	118
At 31 December 2022	14	12	1,673	387	44	119	490	2,739
Depreciation/ depletion:								
At 1 January 2022	-	7	1,165	269	34	67	66	1,608
Depreciation/depletion charge for the year	-	-	54	11	2	4	-	71
At 31 December 2022	-	7	1,219	280	36	71	66	1,679
Net carrying amount:								
At 31 December 2022 (audited)	14	5	454	107	8	48	424	1,060

Some of Pearl Petroleum's property, plant and equipment is pledged against loan facilities (note 15).

Property, plant and equipment include financing cost amounting to USD 25 million as at 31 December 2022 (2021: USD 15 million) on borrowings for ongoing development and capitalised using effective interest rate of the specific borrowing.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 June 2022 (Unaudited)

6 PROPERTY, PLANT AND EQUIPMENT (continued)

The majority of Saj Gas and UGTC assets have not been depreciated as commercial activity has not yet begun. Saj Gas assets are to be used for processing and sweetening of the gas received from CNGCL and UGTC assets are to be used in transportation of the same gas. CNGCL was to receive gas from Crescent Petroleum who relied on its contracted gas supplier NIOC. The failure by NIOC to supply gas meant that Saj Gas and UGTC assets could not be put to use. Crescent Petroleum is continuing with an international arbitration in relation to NIOC's supply failure in default of its 25 year gas supply contract.

Dana Gas has been informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC has been made by the international arbitration tribunal on 27 September 2021. This first arbitration covers the period of the first 8.5 years of the 25 year gas sales agreement from 2005 to mid-2014. Following the first arbitration award, management carried out an assessment of the recoverable values of the Saj Gas and UGTC assets and based on the expected future cash flows to be generated by the assets had recognised an impairment provision of USD 74 million against these assets in 2021.

Oil and Gas Interests

Oil and gas interests relates to retained concessions in Dana Gas Egypt as described below in more detail:

- El Wastani Development Lease – This development lease is held with a 100% working interest and represents approximately 2% of current production in Dana Gas Egypt. El Wastani production includes both gas and associated gas liquids. This development lease has 40.7 sq. km of land included within its boundary and is located in the Nile Delta of Egypt.
- West El Manzala Development Leases (West El Manzala Concession) - These development leases are held with a 100% working interest. These development leases have 261.5 sq. km of land included within their boundaries and are located in the Nile Delta of Egypt. To date, eleven development leases are producing both natural gas and associated liquids representing approximately 88% of Dana Gas Egypt current production.
- West El Qantara Development Leases (West El Qantara Concession) - These development leases are held with a 100% working interest. These development leases have 76.5 sq. km of land included within their boundaries and are located in the Nile Delta of Egypt. To date, two development leases are producing both natural gas and associated liquids representing approximately 10% of Dana Gas Egypt current production.

7 INTANGIBLE ASSETS

	<i>Oil and gas interests USD mm</i>	<i>Transmission & sweetening rights USD mm</i>	<i>Total USD mm</i>
Cost at 1 January 2023	221	289	510
Less: accumulated impairment	(201)	(98)	(299)
Net book amount at 1 January 2023	20	191	211
Addition	4	-	4
At 30 September 2023 (unaudited)	24	191	215
At 31 December 2022 (audited)	20	191	211

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION For the nine months period ended 30 September 2023 (Unaudited)

7 INTANGIBLE ASSETS (continued)

(a) *Transmission and sweetening rights*

Intangible assets include USD 191 million (2021: USD 191 million) which represent the rights, for the transmission and sweetening of gas and related products, acquired by the Company through its shareholdings in Saj Gas and UGTC. The fair value of the rights acquired in 2005 was determined by reference to valuation exercises undertaken by professionally qualified independent third parties based on the expected future cash flows arising from the underlying contractual relationships. The intangible assets will be amortised from the date of commencement of commercial activity in accordance with the terms of the contracts to which they relate. Commercial activity has not yet commenced. Crescent Petroleum is continuing with international arbitration to seek a ruling on its binding 25 years gas supply contract with NIOC. The parties to the arbitrations are Crescent Petroleum and NIOC, who are the parties to the Gas Sales & Purchase Contract (GSPC) at issue in the arbitration. Dana Gas is not a party to the GSPC, or to the arbitration.

Dana Gas has been informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC has been made by the international arbitration tribunal on 27 September 2021. This first arbitration covers the period of the first 8.5 years of the 25 year gas sales agreement from 2005 to mid-2014. Dana Gas will receive USD 608 million (AED 2.23 Billion). Following the first arbitration award, management had carried out an assessment of the recoverable values of the transmission & sweetening rights and based on the expected future cash flows to be generated by these assets recognised an impairment provision of USD 98 million in 2021.

In addition, a second arbitration with a much larger claim for the 16.5 years covering the remainder of the gas supply period from 2014 to 2030 is currently underway. The final hearing was scheduled to commence in October 2022 in Paris, however was delayed to March 2023. The hearing has been further deferred and is now anticipated in 2024. The final award on damages is expected by late 2024 or early 2025. Dana Gas will also receive a portion of the next award. Based on advice from Crescent Petroleum, management believes that the sums expected from the second arbitration will be sufficient to cover the remaining carrying value of the related assets.

8 INVESTMENT PROPERTY

	<i>30 September 2023 USD mm</i>	<i>31 December 2022 USD mm (Audited)</i>
Balance at 1 January	<u>20</u>	<u>20</u>
	<u>20</u>	<u>20</u>

Investment property consists of industrial land owned by Saj Gas, a subsidiary, in the Sajaa area in the Emirate of Sharjah, United Arab Emirates. The Group considers a portion of land to be surplus to their operational requirements and will be used for earning rentals or held for capital appreciation.

Investment property is stated at fair value which has been determined based on a valuation performed by an independent firm of qualified property consultants, with reference to comparable market transactions. The latest valuation exercise was carried out by the consultants as at 31 December 2022 and resulted in a valuation of USD 20.5 million.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

9 INTEREST IN JOINT VENTURES

Investment in joint venture at the year end relates to Dana Gas' 35% interest in CNGCL and represents the rights for the purchase and sale of gas and related products acquired by the Company in 2005. The fair value of the rights acquired was determined by reference to valuation exercises undertaken by professionally qualified independent third parties based on the expected future cash flows arising from the underlying contractual relationships.

CNGCL is a company established on 22 July 2003 and is owned by Crescent Petroleum (65%) and Dana Gas (35%). Its primary purpose is to market natural gas and its associated products in the UAE purchased from Crescent Petroleum whose contracted gas supplier was NIOC. Commercial activity in CNGCL has not yet commenced. NIOC's failure to supply gas meant that CNGCL could not source any gas to on-sell to end users. Crescent Petroleum is continuing with international arbitration in relation to NIOC's default. The parties to the arbitrations are Crescent Petroleum and NIOC, who are the parties to the Gas Sales & Purchase Contract (GSPC) at issue in the arbitration. Dana Gas is not a party to the GSPC, or to the arbitration.

Dana Gas was informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC has been made by the international arbitration tribunal on 27 September 2021. This first arbitration covers the period of the first 8.5 years of the 25 year gas sales agreement from 2005 to mid-2014 and Dana Gas will receive USD 608 million (AED 2.23 Billion). Following the first arbitration award, management has carried out an assessment of the recoverable values of the interest in joint venture and based on the expected future cash flows to be generated had recognised an impairment provision of USD 188 million in 2021.

In addition, a second arbitration with a much larger claim for the 16.5 years remainder of the contract from 2014 to 2030 is currently underway. The final hearing was scheduled to commence in October 2022 in Paris, however was delayed to March 2023. The hearing has been further deferred and is now anticipated in 2024. The final award on damages is expected by late 2024 or early 2025. Dana Gas will also receive a portion of the next award. Based on advice from Crescent Petroleum, management believes that the sums expected from the second arbitration will be sufficient to cover the remaining carrying value of the related assets.

Moreover, we are aware that Crescent Petroleum has made provision in its damages claim against NIOC for reimbursement of the losses suffered by the Company including any third party claims where damages would ultimately be assessed and decided by a Court.

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>30 September 2023 USD mm</i>	<i>31 December 2022 USD mm (Audited)</i>
Balance at 1 January	94	119
Recognised during the period/year	-	35
Received during the period/year	-	(16)
Write-off	-	(44)
	<u>94</u>	<u>94</u>

Financial assets classification between non-current and current assets is as follows:

	<i>30 September 2023 USD mm</i>	<i>31 December 2022 USD mm (Audited)</i>
Current assets	7	7
Non-current assets	87	87
	<u>94</u>	<u>94</u>

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

As part of the settlement agreement with RWE Supply & Trading GmbH (“RWE”) the Company is entitled to and has recognised certain confined payments which are due only in case and in the amount dividends are distributed to RWE by Pearl (based on RWE’s 10% equity in Pearl).

Financial assets at fair value through profit or loss also includes an investment in the Abraaj Infrastructure Fund. Since the fund managing entity is under liquidation, this investment was fully impaired in prior years.

11 SUM DUE FOLLOWING ARBITRATION AWARD

	30 September 2023	31 December 2022
	USD mm	USD mm (Audited)
Sum due following arbitration award	608	608

On 27 September 2021, the Company was informed by Crescent Petroleum that an award for damages in the first arbitration against NIOC has been made by the international arbitration tribunal on 27 September 2021. The first arbitration covers the period of the first 8.5 years of the 25 years gas sales agreement from 2005 to mid-2014.

The damages sum due to Dana Gas is USD 608 million (AED 2.23 billion) which was recorded in 2021. The amount is expected to be fully recovered through an enforcement process to be undertaken by Crescent Petroleum and the Company expects to receive the sum due to it within the next twelve months. In addition, the sum due is subject to interest for delayed payment which at the end of September 2023 amounted to USD 56 million.

12 TRADE AND OTHER RECEIVABLES

	30 September 2023	31 December 2022
	USD mm	USD mm (Audited)
Trade receivables (net)	153	94
Prepaid expenses	3	1
Due from joint ventures	18	16
Accrued revenue (note c)	8	8
Other receivables (note d)	23	24
	205	143

a) Trade receivables are interest bearing and are generally on 5-60 days credit period.

b) The ageing analysis of trade receivables is as follows:

	<i>Total</i>	<i>Not past due</i>	<i>Past due</i>				
			<i><30 days</i>	<i>30-60 days</i>	<i>61-90 days</i>	<i>91-120 days</i>	<i>>120 days</i>
	<i>USD mm</i>	<i>USD mm</i>	<i>USD mm</i>	<i>USD mm</i>	<i>USD mm</i>	<i>USD mm</i>	<i>USD mm</i>
30 September 2023	153	28	20	17	16	25	47
31 December 2022	94	40	25	16	9	4	-

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

12 TRADE AND OTHER RECEIVABLES (continued)

- c) In July 2019, an audit of the KRI pipeline metering system revealed that a meter at the Khor Mor plant had, since November 2018, been over-reporting the volume of gas supplied by the Company to the KRG by 5.9%. Another issue also discovered concurrently was an under-reporting of the heating value of the sales gas.

Whilst interim steps were taken to correct the over-reporting in July 2019, the Company and the KRG also agreed a series of steps to install full fiscal metering to resolve this issue. In the meantime, a provisional interim adjustment, relating to the period November 2018 to July 2019, was applied to the invoices of July, August and September 2019. This adjustment amounted to USD 23 million (DG Share: USD 8 million) with the final resolution of the provisional adjustment only once the final adjustment and reconciliation is completed. The implementation schedule for the fiscal metering package has been delayed due to COVID-19. The new system is expected to be operational in Q4 2023. Accordingly, the provisional adjustment to amounts due from the KRG has been reflected in this financial statement as an accrued revenue asset.

- d) Includes USD 6.5 million (DG Share 35%) interest billed to the KRG by Pearl on delayed payments against petroleum sales in accordance with the terms of the Petroleum Development Agreement and the Gas Sales Agreement dated 30 January 2018 with the KRG.

13 CASH AND CASH EQUIVALENTS

	<i>30 September 2023 USD mm</i>	<i>31 December 2022 USD mm (Audited)</i>
Cash at bank		
- Local Bank within UAE	19	70
- Restricted - Local Bank within UAE	-	6
- Foreign Banks outside UAE	14	3
Short-term deposits		
- Local Banks within UAE	64	64
- Restricted - Local Banks within UAE (Joint operations – 35%)	18	8
Cash and cash equivalents	<u>115</u>	<u>151</u>

Cash at bank earns profit at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods ranging between one week and twelve months, depending on the immediate cash requirements of the Group, earn profit at the respective short-term deposit rates and are callable on demand. The fair value of cash and bank balance including short-term deposits is USD 115 million (31 December 2022: USD 151 million). The profit rate on short term deposits ranges between 4.8% to 6.2% (2022: 0.1% to 5.4%) per annum. As at 30 September 2023, 88 % (31 December 2022: 98%) of cash and bank balance were held with UAE banks and the balance held outside UAE.

Cash & cash equivalent includes USD 99 million (DG Share 35%) held by Pearl joint venture.

14 SHARE CAPITAL

	<i>30 September 2023 USD mm</i>	<i>31 December 2022 USD mm (Audited)</i>
Issued and fully paid up: 6,995,373,373 (2019: 6,995,373,373) common shares of AED 1 each (USD 0.2728 each)	<u>1,908</u>	<u>1,908</u>

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

15 BORROWINGS

	30 September 2023	31 December 2022
	USD mm	USD mm (Audited)
Non-current		
Term loan facility (a)	24	38
Loan facility (c)	85	121
	<u>109</u>	<u>159</u>
Current		
Term loan facility (a)	19	19
Short term facility (b)	65	-
Loan facility (c)	59	38
	<u>143</u>	<u>57</u>
Total Borrowings	<u>252</u>	<u>216</u>
	30 September 2023	31 December 2022
	USD mm	USD mm (Audited)
Total Borrowings (including Pearl joint operations)	252	216
Less: Pearl's Loan facility– Non recourse to Dana Gas	<u>(144)</u>	<u>(159)</u>
Dana Gas borrowings	<u>108</u>	<u>57</u>

(a) Term loan facility

Dana Gas PJSC and Dana Gas Egypt Ltd (“DGE”) together (“the borrowers”) entered into a term loan facility with a local UAE bank on 14 October 2020 (“Signing date”), for partly refinancing the Company’s Sukuk. The term loan facility amounts to USD 90 million for a period of one year at an initial 3% per annum margin over LIBOR. The facility was fully drawn down on 22 October 2020. The first repayment date was on the six month anniversary of the signing date with original termination date falling one year from the signing date, with an option to extend for a further period of four years. In 2021, the Company has exercised its option to extend the facility for a further period of four years. As of 30 September 2023, the amount outstanding towards principal is USD 43 million.

The term loan facility is secured against the shares of Dana Gas Red Sea Corporation, Dana Gas Egypt Ltd, and Dana LNG Ventures (BVI) and against certain other assets in UAE and Egypt.

Under the terms of the facility, the Company is required to comply with certain financial covenants. The Company has complied with all the financial covenants as of 30 September 2023 except for debt service coverage ratio for Dana Gas Egypt.

During the period, in July 2023 the bank has waived the requirement for compliance with this financial covenant related to Dana Gas Egypt debt service coverage ratio for a period of one year i.e. upto 30 June 2024. In addition, in September the bank agreed to defer principal payment due on 14 October 2023. The deferred principal amount will be added to the final outstanding amount payable under the loan agreement.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

15 BORROWINGS (continued)

(b) Short-term loan facility

Dana Gas PJSC entered into a short-term loan facility with a local UAE bank on 20 March 2023. The short-term facility amounts to USD 65 million for a period of 10 months (“the term”), maturing on 31 December 2023 with an option to extend further. The facility was fully drawn down on 25 April 2023.

The facility is unsecured and repayment is to be made from the dividend proceeds distributed by Pearl Petroleum Company Limited in the form of partial or total mandatory repayment.

(c) Loan facility – Pearl Petroleum

Pearl Petroleum on 18 September 2018 signed a USD 150 million non-recourse (to its shareholders including Dana Gas) loan facility “Facility Agreement” with a local UAE bank with original final repayment date of 30 September 2023 for financing its development activities. The Facility Agreement provides for a 2-year grace period followed by repayment in twelve equal quarterly instalments with the first repayment taking place in 31 December 2020. Pearl has since drawn down the full facility amount of USD 150 million. The repayment schedule for the facility has been amended by way of an Agreement executed on 30 June 2020. Repayments deferred from 2020 (USD 12.5 million) have been prepaid during 2021. The remaining balance of the facility (i.e. USD 137.5 million of which USD 50 million was due in 2021) has been deferred by one year with the first repayment made on 31 March 2022 and final repayment date is 30 September 2024. In 2021, Pearl opted to capitalize the interest payable during 2021 (USD 10 million) over the remaining balance of the facility (i.e. USD 137.5 million), with repayment due on this capitalized interest on 30 September 2024, in accordance with the amended facility agreement. During the nine month period ended 30 September 2023, Pearl has paid USD 37.5 million for repayment of principal under the facility (cumulative principal repayment until Q3 2023 is at USD 100 million). As at 30 September 2023 the outstanding amount under the facility was USD 60 million, which is due by 30 September 2024 and have been classified as current liabilities.

Pearl Petroleum signed a new term loan facility of USD 120 million non-recourse (to its shareholders including Dana Gas) on 12 December 2019 with a local UAE bank with final repayment date of 30 September 2023 for principally financing its development activities. The facility had a 2.5 year grace period and was repayable in eight equal quarterly instalments, with the first repayment taking place on 30 June 2022. The repayment schedule for this facility has been amended by way of an agreement executed on 30 June 2020, with the first quarterly repayment revised to be from 30 June 2023 and final repayment date of 30 September 2024. Pearl has since drawn down the full facility amount of USD 120 million (DG Share: USD 42 million). During the nine month period ended 30 September 2023, Pearl has paid USD 40 million for repayment of principal under the facility. As at 30 September 2023 the outstanding amount under the facility was USD 80 million which is due by 30 September 2024 and have been classified as current liabilities.

Pearl signed on 7 September 2021 a USD 250 million term loan facility with the U.S. International Development Finance Corporation (“DFC”) with a final repayment date of 17 July 2028 for financing the construction, development and operation of a new 250 MMscfd gas processing facility and associated infrastructure located in the Khor Mor gas field. The facility has a 2.5 year grace period and is repayable in eighteen equal quarterly instalments, with the first repayment taking place on 17 April 2024. Pearl has drawn down the full amount from the facility as at 31 December 2022. The total outstanding amount under the facility was USD 250 million as at 30 September 2023. The repayment instalments under the facility of USD 27.78 million which are due by 30 September 2024 have been classified as current liabilities.

Pearl executed a further USD 65 million loan facility with a local UAE bank with an effective date of 30 September 2023 and a final repayment date of 31 March 2025. The Facility is to be repaid in two equal instalments due on 31 December 2024 and 31 March 2025. As at 30 September, Pearl has drawdown USD 32.5 million under the facility.

Pearl has provided pari-passu security to the Lender by way of assignment of revenue, insurance, major construction contracts, registered pledge over Pearl’s certain existing production assets in Kurdistan for all the facilities and registered pledge over the new 250 mmscfd gas processing facility once the facility is fully operational. This financing is non-recourse to the Company.

Under the terms of the loan facility, Pearl is required to comply with certain financial covenants and Pearl has complied with these covenants as of 30 September 2023.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

16 TRADE PAYABLES AND ACCRUALS

	<i>30 September 2023 USD mm</i>	<i>31 December 2022 USD mm (Audited)</i>
Trade payable	20	23
Accruals and other payables	118	99
Asset decommissioning obligation	1	2
Other liabilities	12	9
	<u>151</u>	<u>133</u>

Trade payables and accruals classification between non-current and current liability is as follows:

	<i>30 September 2023 USD mm</i>	<i>31 December 2022 USD mm (Audited)</i>
Current liabilities	95	75
Non-current liabilities (a)	56	58
	<u>151</u>	<u>133</u>

- a) Represents the non-current portion of the EPC contract in Pearl with Enerflex accrued and disclosed under non-current liabilities of USD 56 million (DG 35% Share).

17 COMMITMENTS

Pearl Petroleum

As at 30 September 2023, Pearl had capital commitments of circa USD 122 million (DG Share: USD 43 million) – (2022: USD 192 million – DG share: USD 67 million) which mainly includes commitments relating to engineering, procurement and construction contract for development of 250 MMscfd gas processing train in Khor Mor.

18 RELATED PARTY DISCLOSURES

Note 1 provides information about the Group's structure, including details of the subsidiaries and joint arrangement.

	<i>30 September 2023 Nine months ended</i>		<i>30 September 2022 Nine months ended</i>	
	<i>Revenues USD mm</i>	<i>Fees for management services USD mm</i>	<i>Revenues USD mm</i>	<i>Fees for management services USD mm</i>
Joint arrangement/Major shareholder	1	2	1	2
Major shareholder	-	(1)	-	(1)

Fees for management services relates to actual cost charged in respect of time spent by Dana Gas personnel on Joint venture activities and time spent by major shareholder personnel on activities related to Dana Gas.

Revenue relates to pipeline capacity charges billed by UGTC to CNGCL (Joint Venture) in which the Group holds 35% interest.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

19 DIVIDEND

At the Annual General Meeting of the Company held on 26 April 2023, the shareholders approved a final cash dividend of 4.5 fils per share for 2022 bringing the total cash dividend for the financial year ended 31 December 2022 to 9 fils (2021: 8 fils).

20 FAIR VALUE ESTIMATION

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements:

	<i>Carrying amount September 2023 USD mm</i>	<i>Fair value September 2023 USD mm</i>	<i>Carrying amount 2022 USD mm</i>	<i>Fair value 2022 USD mm</i>
<i>Financial assets</i>				
Trade and other receivables (excluding prepaid)	202	202	142	142
Financial assets at fair value through profit or loss	94	94	94	94
Cash and short term deposits	115	115	151	151
<i>Financial liabilities</i>				
Borrowings	252	252	216	216
Trade payables and accruals	151	151	133	133

The fair value of borrowings is determined as the present value of discounted future cash flows using market based discount rate. The fair value is not materially different from its carrying value.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3)

Valuation of investment property is determined with reference to comparable market transactions.

The following table presents the Group' assets that are measured at fair value on 30 September 2023:

	<i>Level 1 USD mm</i>	<i>Level 2 USD mm</i>	<i>Level 3 USD mm</i>	<i>Total USD mm</i>
Assets				
Financial assets at fair value through profit or loss	-	-	94	94
Investment property	-	20	-	20
Total	-	20	94	114

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2023 (Unaudited)

20 FAIR VALUE ESTIMATION (continued)

The following table presents the Group' assets that are measured at fair value on 31 December 2022:

	<i>Level 1 USD mm</i>	<i>Level 2 USD mm</i>	<i>Level 3 USD mm</i>	<i>Total USD mm</i>
Assets				
Financial assets at fair value through profit or loss	-	-	94	94
Investment property	-	20	-	20
Total	<u>-</u>	<u>20</u>	<u>94</u>	<u>114</u>

There have been no transfers between Level 1 and Level 2 during the nine months ended 30 September 2023 and year ended 31 December 2022.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.