



دانة غاز
DANA GAS

FY 2023 – FINANCIAL RESULTS

8 February 2024

CLEAN ENERGY FOR THE FUTURE





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HEADLINES



OPERATIONS

- Group's existing operations continued uninterrupted. Gas production increased to record levels in November (520 MMSCF)
- FY Group production at 58,700 boepd Vs 60,200 boepd
 - 2.5% down vs FY 2022
 - KRI production 8% up at 36,900 boepd
 - Egypt production 16% lower due to natural field decline
- KM 250 EPC activities ongoing- expected completion in H2 2024

LIQUIDITY

- Current cash balance of \$131mm, compared to \$151mm at year end 2022 with \$114mm held at Pearl
- Group collected \$238 mm in total vs \$318 mm in FY 2022
 - \$180mm in the KRI and \$58mm in Egypt
- Outstanding receivables exceeds \$150mm from the KRG and Egypt
- New payment mechanism has been agreed in the KRI
 - Ensure timely payments of gas invoices from electricity producers
 - Schedule to collect past receivables
 - Pearl collected \$68mm post period

FINANCIALS

- FY 2023 Net Profit of \$160mm – 12% decline due to lower realized prices and additional discount on local condensate sales in the KRI
- Revenue of \$423mm - 20% lower
- EBITDA of \$257mm - 23% lower
- Operational expenses 7% lower as Company continues to successfully optimise costs
- 35% and 17% drop in Company's Condensate and LPG realized prices

CORPORATE

- Company is not in a position to make a dividend payment for 2023
 - Pearl's shareholders, including Dana Gas, not receiving a dividend payout in 2023. Pearl is prioritizing its liquidity for capital requirements given the rise in receivables in 2023.
 - Company remains committed to reinstate dividend payments as soon as its liquidity improves
- Final hearing for second NIOC arbitration will be rescheduled and expected to take place in 2024
- Crescent Petroleum is currently pursuing enforcement procedures to monetize the first award



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OPERATIONAL PERFORMANCE

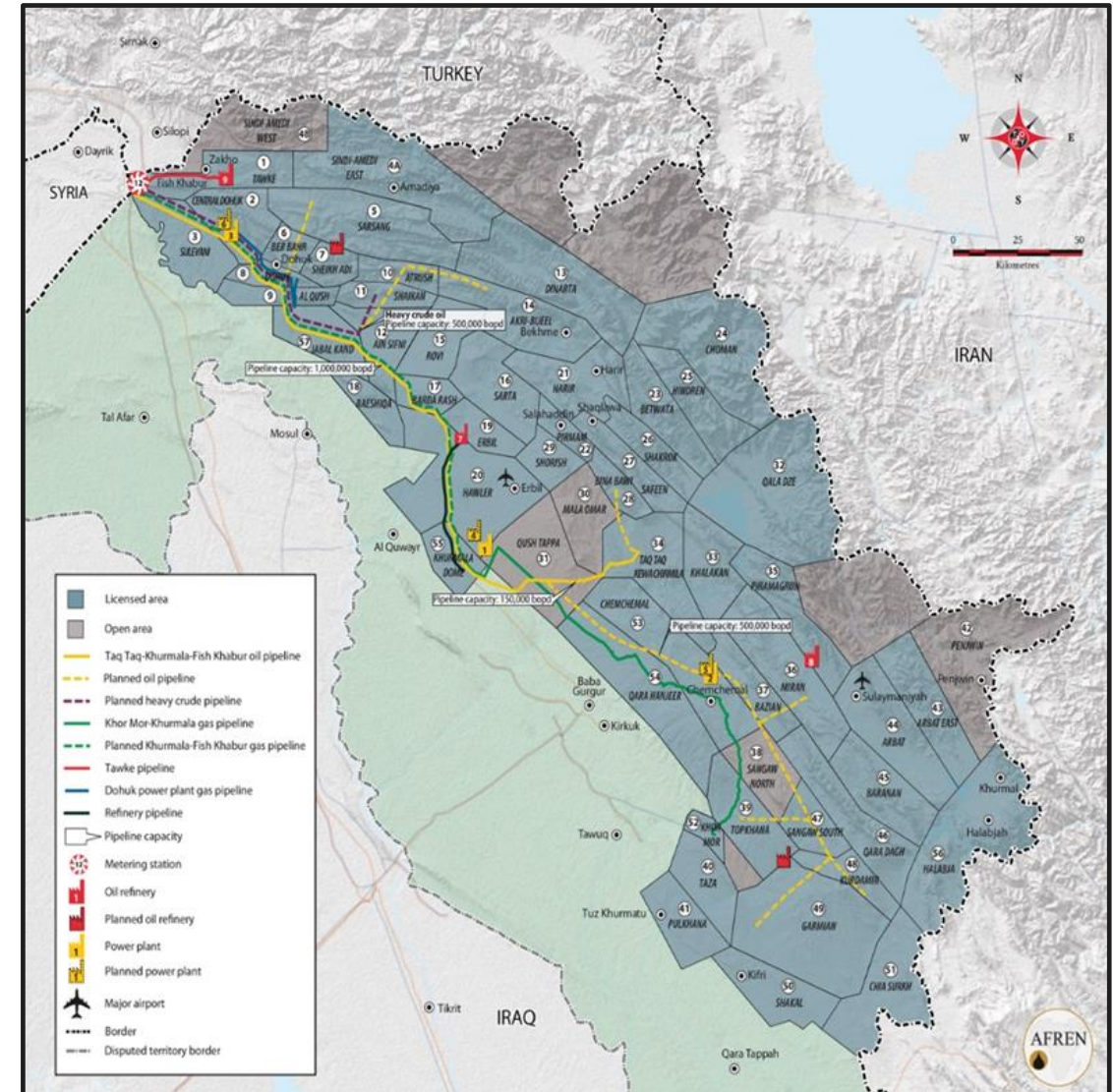


OPERATIONS

- Production operations continued as normal, and the Company continues to play an important role in enabling regional power generation despite challenging conditions
- Produced 36,900 boepd (Net) in 2023 (164 MMscf of gas; 5,345 bbl/d of condensate and 360 MTPD of LPG) vs 34,300 boepd in 2023
- Unlike other operators in the KRI, Pearl's operations and production have continued without interruption since all its products are consumed locally
- In November 2023, to help meet the growing power demand and further support local power generation, Pearl achieved record production output of 520 MMscf/d
- Third party local condensate sales which initiated in May continued through the year despite competitive market.
- New payment mechanism has been agreed with payments directly from the power stations to meet the obligations of the KRG as well as a schedule to collect past receivables. This has insured the uninterrupted supply of gas to regional power plants and the investment needs to complete the KM250 expansion project

EXPANSION PROJECT UPDATE

- KM250 project is scheduled to be completed in H2 2024
- Once completed, the expansion will take KRI's gross gas production capacity to 750 MMscf/d adding at least \$150 million to the Company's annual revenue
- Completed and successfully tested all KM-250 development and infill gas wells

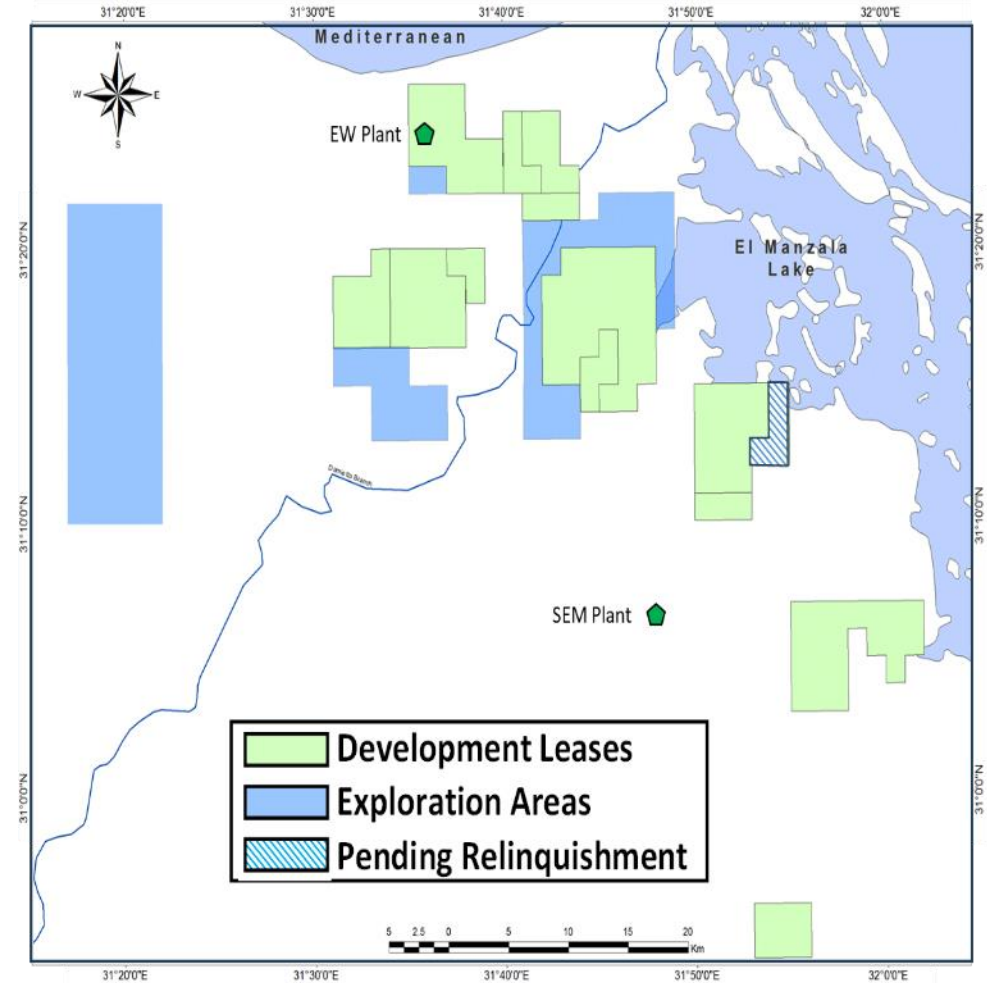


OPERATIONS

- Produced 21,800 boepd during full year 2023 (106 MMscf of gas; 2,182 bbl/d of condensate and 173 MTPD of LPG); 16% drop compared to full year 2022 as a result of natural field declines
- The decline is lower than the 20-30% production decrease that is expected from good quality Nile Delta reservoirs and was the result of active field management and optimization of production from the existing wells

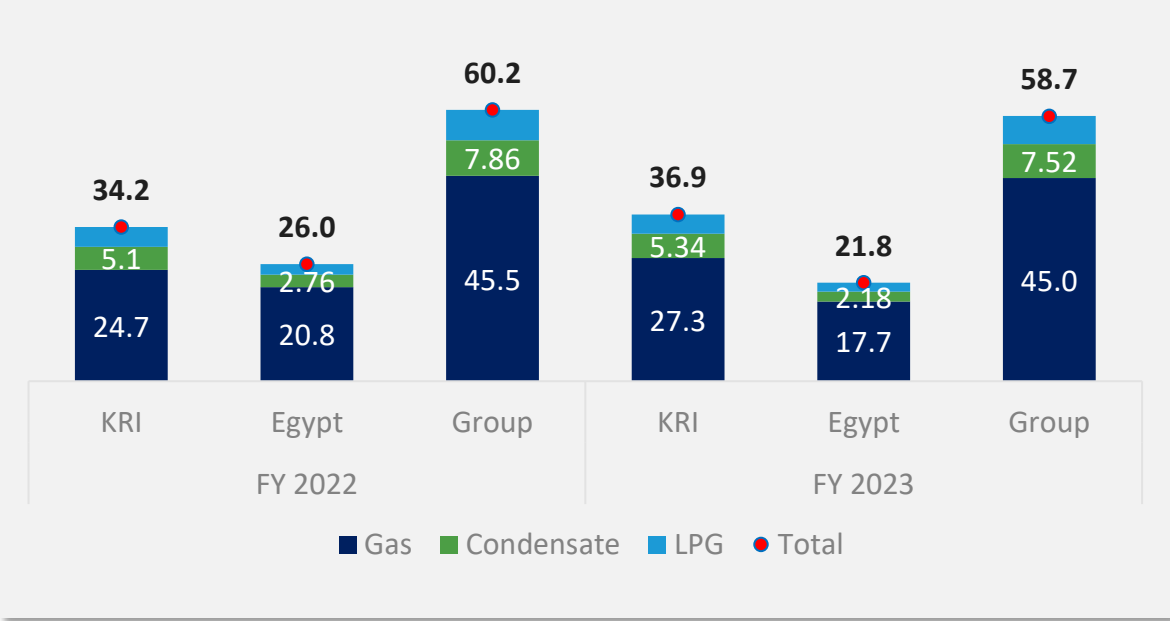
CONCESSION CONSOLIDATION

- To boost production/reserves, Dana Gas has identified several exploration/development opportunities on its existing onshore acreage and within neighboring open acreage
- Since these opportunities are marginal under current concession terms; Company has negotiated new terms with EGAS in order to unlock the remaining potential and extend the life of the assets
- The new agreement was approved by EGAS Board and is pending ratification by the Egyptian parliament. The agreement includes improved economical terms and direct awarding of 296 km² exploration acreage, enabling Dana Gas to execute a late life development program that includes drilling a total of 3 exploration wells within the newly awarded acreage and 8 infield exploration/development wells during 2024/2025.



PRODUCTION (BOEPD)

AVERAGE PRODUCTION FY 2022 vs FY 2023 (KBOE/D)



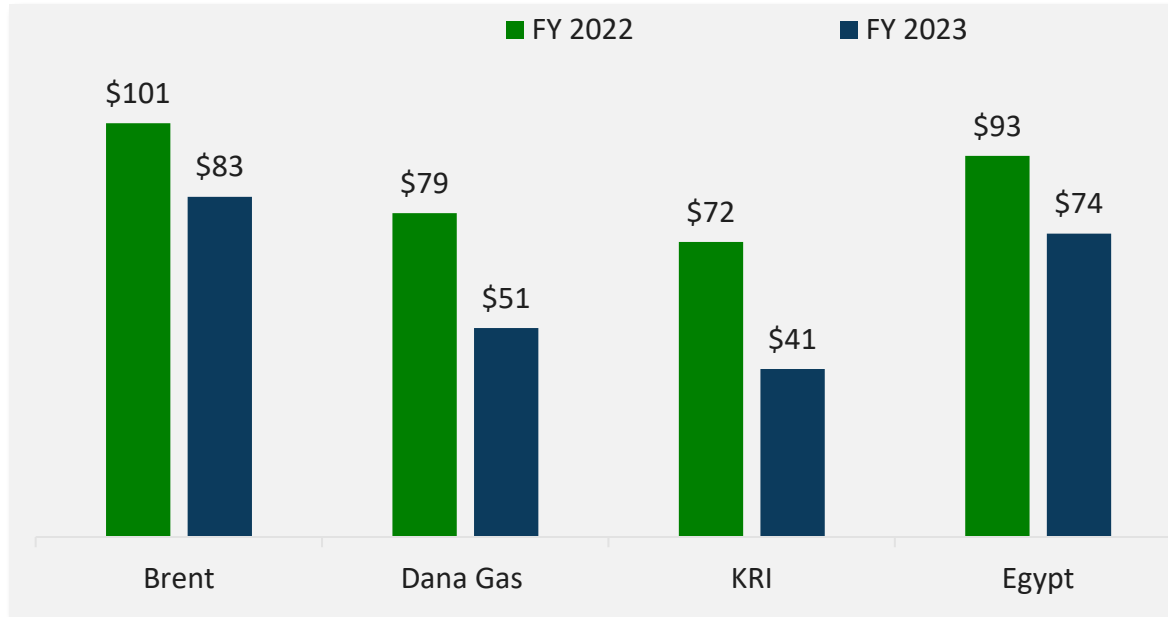
AVERAGE PRODUCTION Q4 2022 vs Q4 2023 (KBOE/D)



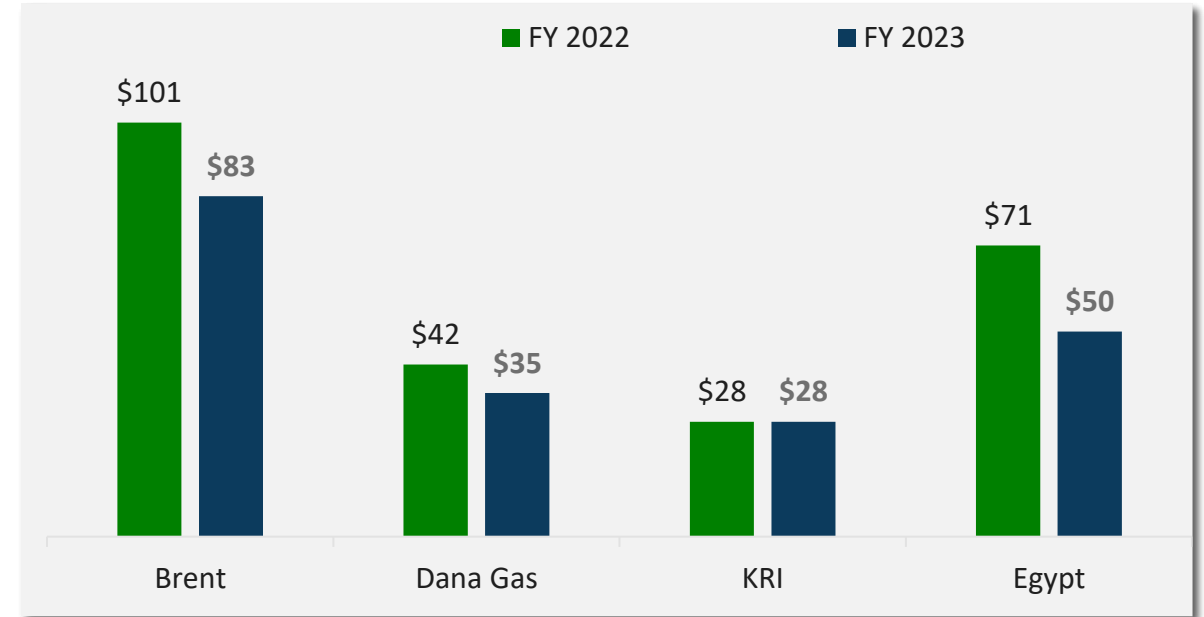
BOE Conversion Factors: Gas (6 MMscf = 1BOE)

REALIZED PRICES (USD/BOE)

AVERAGE REALIZED PRICE - CONDENSATE (USD/BBL)



AVERAGE REALIZED PRICE - LPG (USD/BOE)



BOE Conversion Factors: Gas (6 MMscf = 1BOE)



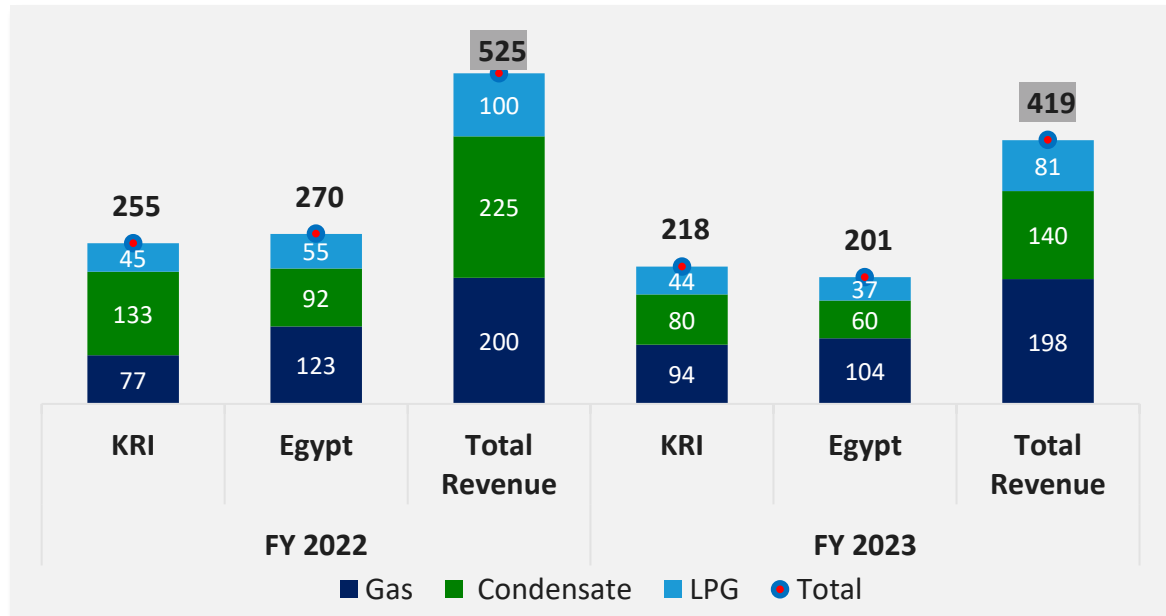
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FINANCIAL UPDATE

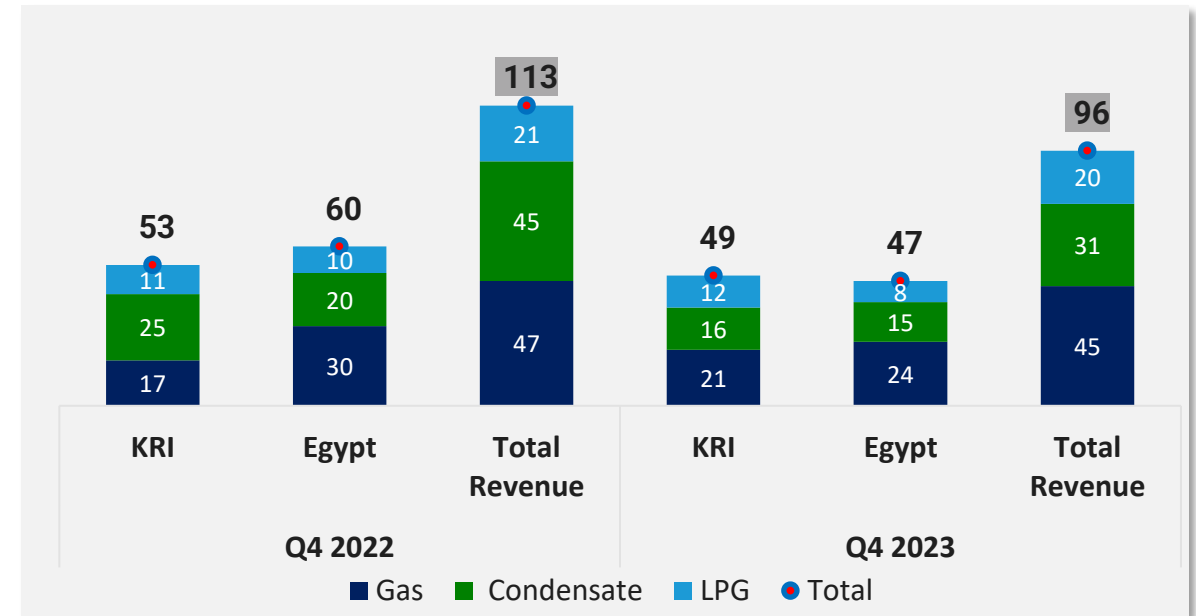


REVENUE HIGHLIGHTS

YEARLY REVENUE BREAKDOWN (\$MM)

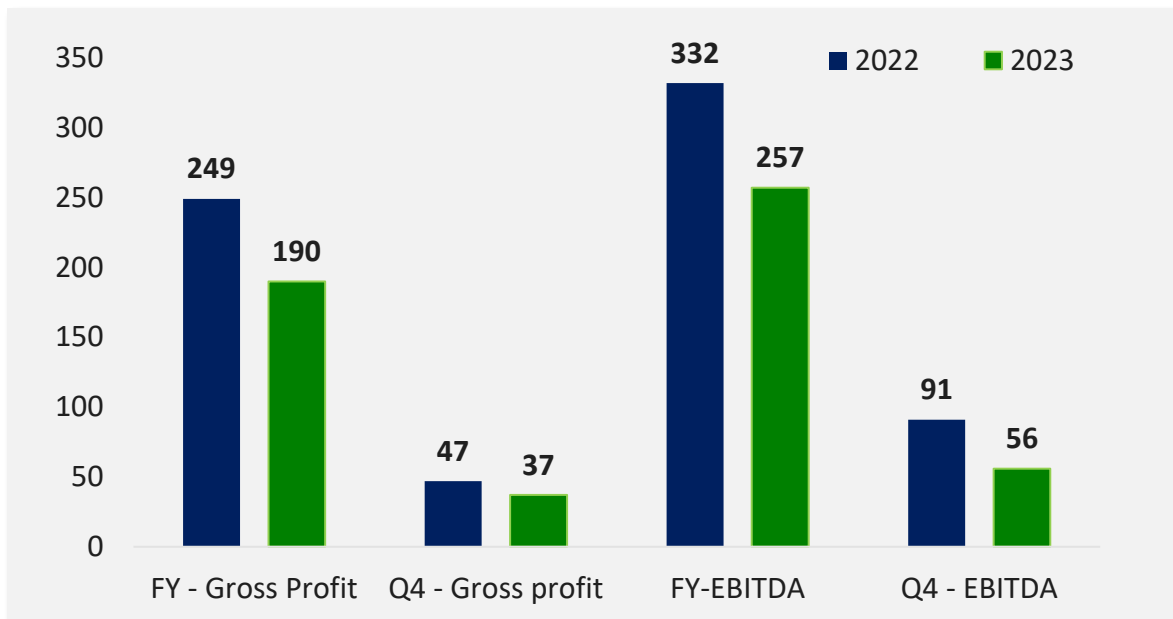


QUARTERLY REVENUE BREAKDOWN (\$MM)

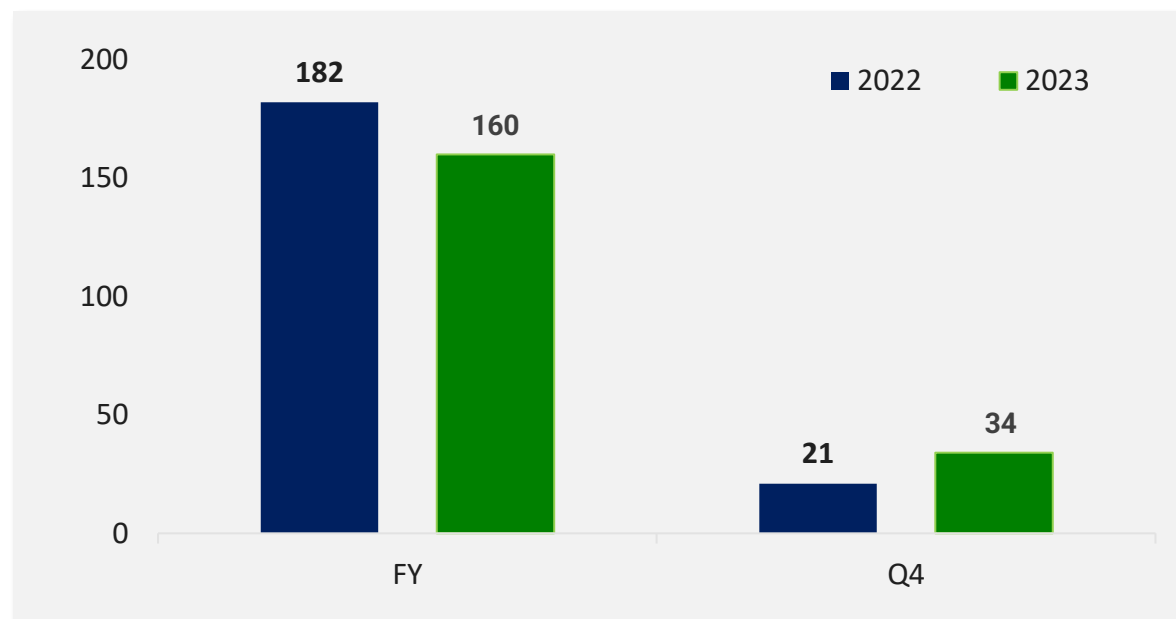


PROFIT HIGHLIGHTS

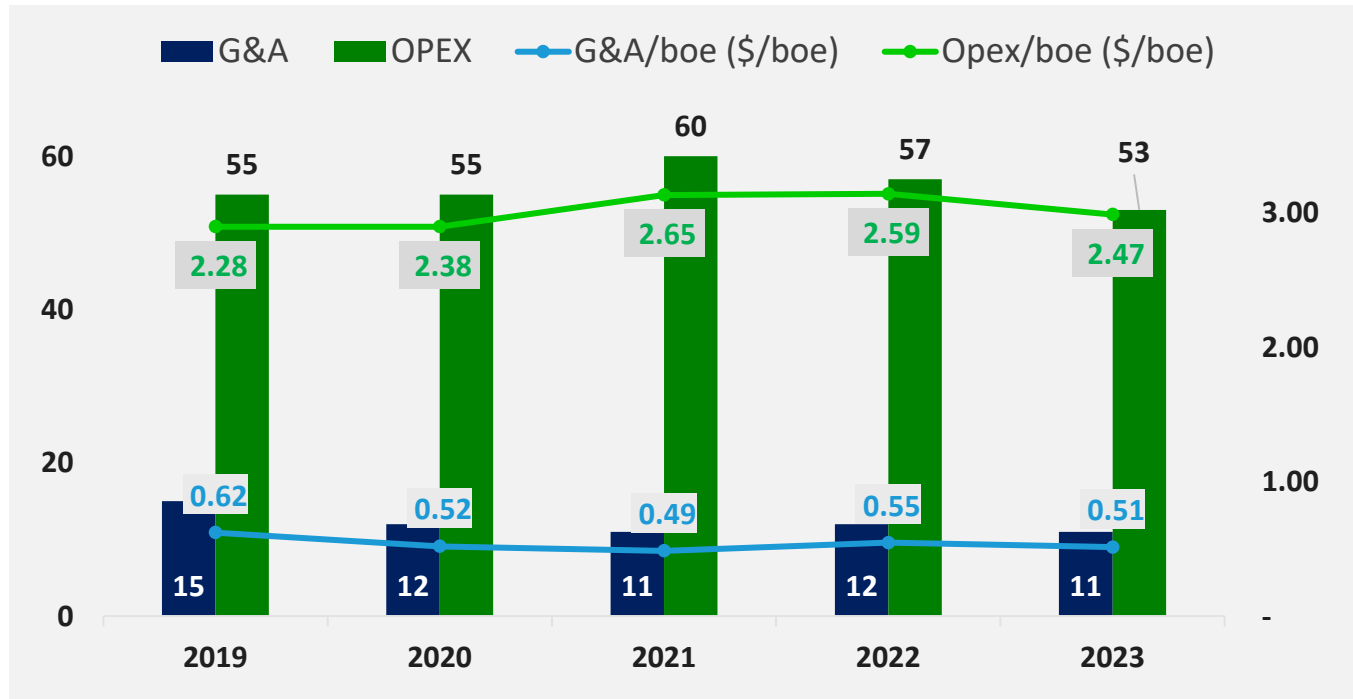
GROSS PROFIT (\$MM)



NET PROFIT (\$MM)

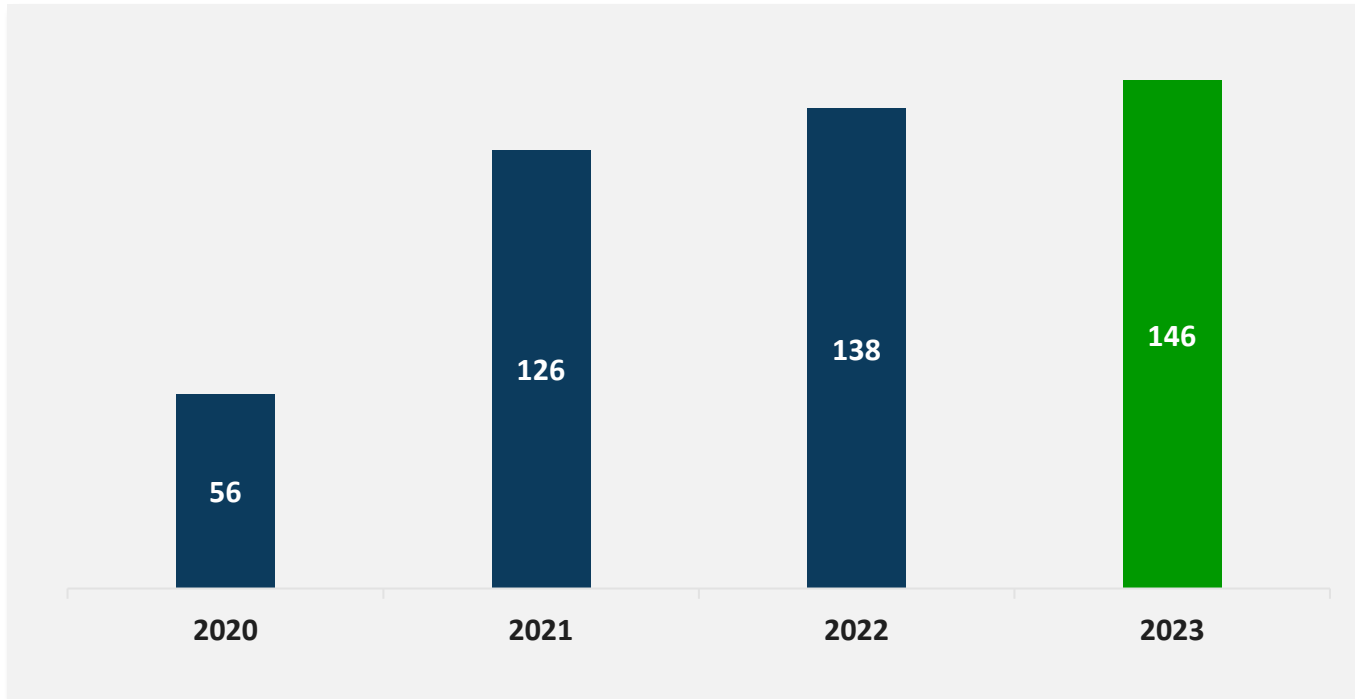


G&A / OPEX (\$MM)



- Company OPEX and G&A costs remain extremely competitive on an industry wide basis
- OPEX and G&A down 7% and 8% respectively; reflecting the Company's success in optimizing costs and the devaluation of the Egyptian pound
- OPEX and G&A costs reduced below \$3/boe and remains within industry's top quartile

CAPEX (\$MM)

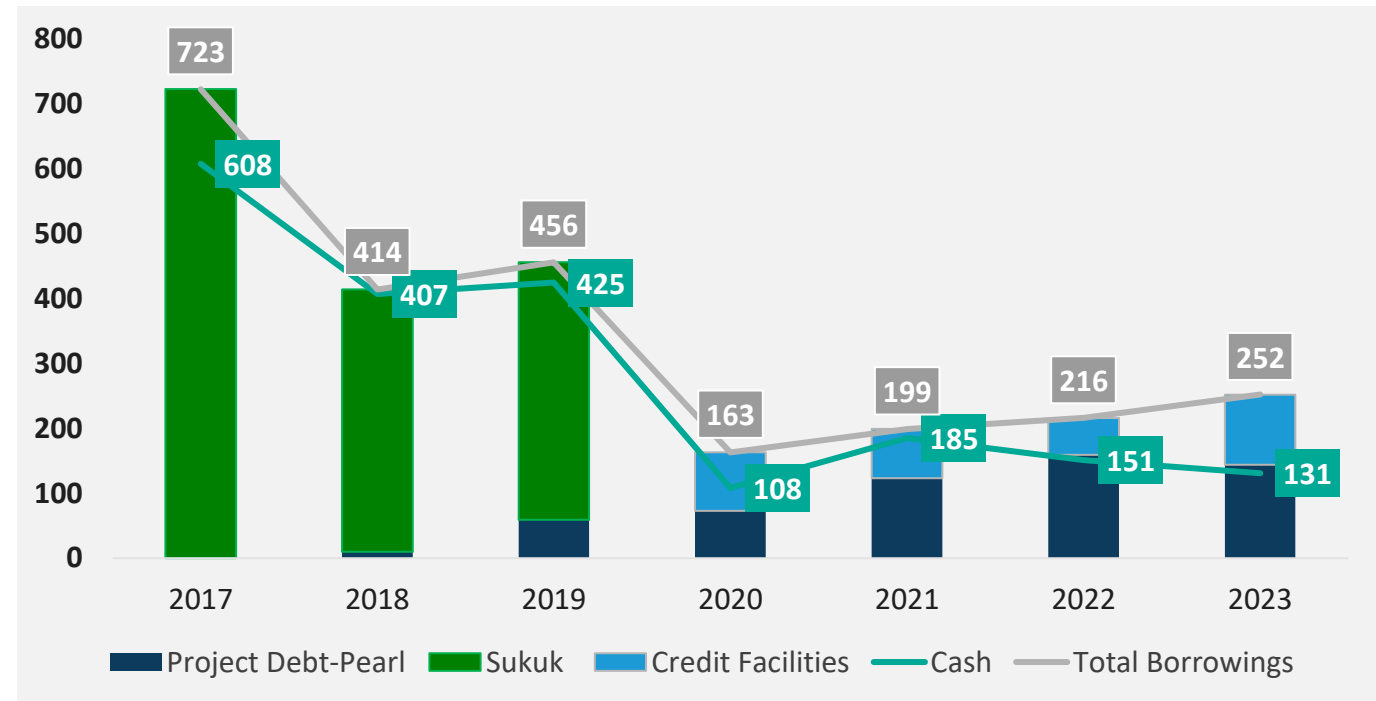


- Total \$146mm vs \$138mm
- \$22mm in Egypt and \$124mm in the KRI
- Limited CAPEX in Egypt amid finalisation of concession consolidation
- Plans to invest \$80-\$100 mm in Egypt in the coming two years

DEBT AND CASH BALANCE (\$MM)

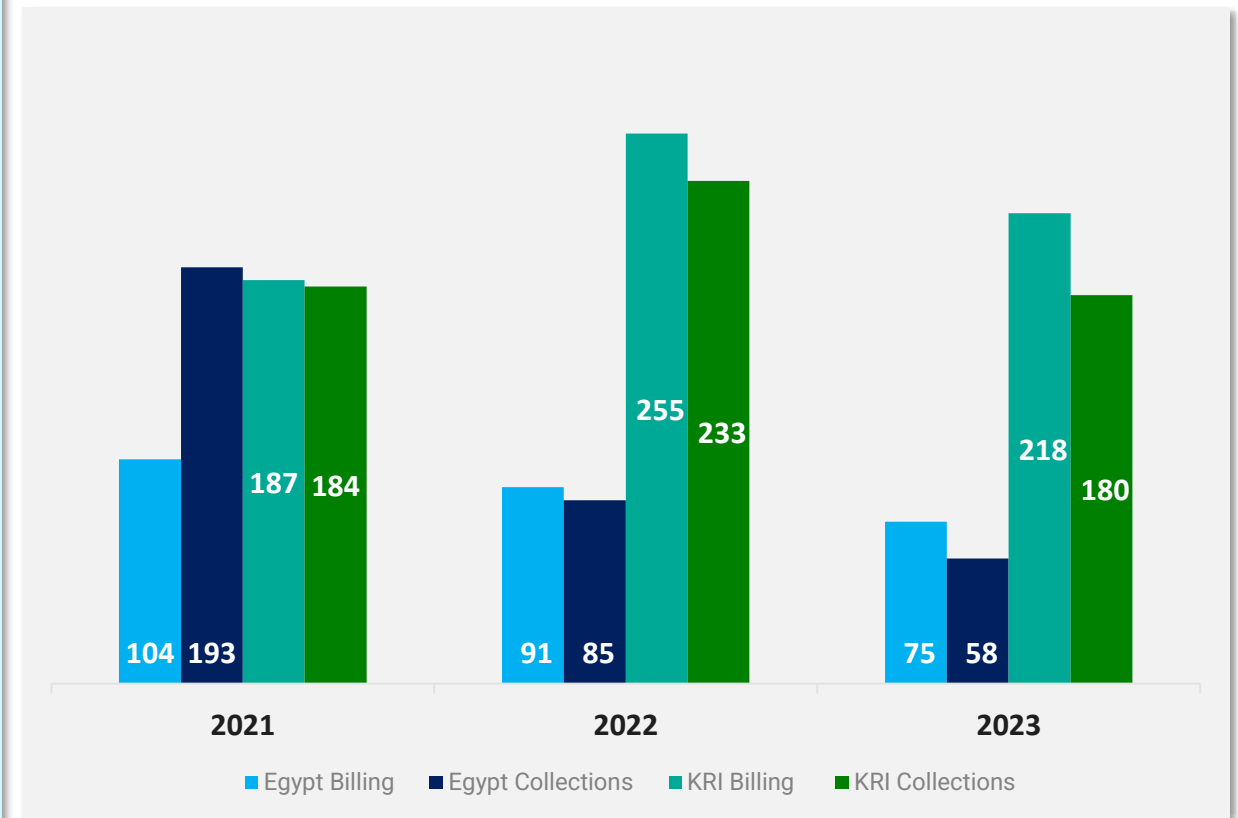
- \$131mm cash balance vs. \$151mm FY2022;
 - \$114mm of cash balance held at Pearl Petroleum
 - Cash Dividend of \$86mm (4.5 fils per share) paid in May 2023 as final dividend for 2022

- As of Year-end 2023, Company's total borrowings stands at \$252mm consisting of:
 - \$144mm non-recourse project debt at Pearl
 - \$108mm drawn credit facilities consisting of \$43mm Mashreq facility balance and \$65mm BOS facility



BILLINGS AND COLLECTIONS (\$MM)

- Collected \$238mm in FY 2023
 - \$180mm, Company's share of Pearl's collections in the KRI (82% collection realization)
 - Company's share of KRI trade receivables stands at \$103mm
 - Company didn't receive any dividends from Pearl in 2023 (\$149mm in 2022) due to lower-than-expected collection and Pearl's intensive capital requirements
 - Collected \$58mm in Egypt (77% collection realization)
 - Egypt trade receivables stands at \$48mm
- Pearl continued third party condensate sales to local buyers
 - This is in addition to the existing LPG local sales
 - Provides alternative sources of revenue from the KRG
 - Amounted to \$37mm of Company's share of KRI's total collections (21%)
- New payment mechanism has been agreed with direct payments from power stations
 - Meet KRG obligations and ensure timely payment of gas invoices from power producers
 - Schedule to collect past receivables
 - Pearl collected \$68mm post period





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SUMMARY



■ RESILIENT OPERATIONAL AND FINANCIAL RESULTS DESPITE DIFFICULT MACRO ENVIRONMENT

- \$160mm net profit highlights success in increasing production to record levels in KRI; supported by a 7% reduction in operating costs as bottom-line declined amid drop in energy prices
- New payment mechanism with KRG will support timely direct payments while third-party condensate sales to provide alternative sources of revenue

■ PROGRESSING KM250 IN KRI

- KM250 expansion project is on track to be completed in the second half of 2024 and the project's six development wells have been drilled
- Completion of project will add 250 MMscf daily production, resulting in a production capacity increase to 750 MMscf, adding at least \$150mm to the Company's annual revenue, which is equal to 35% of 2023 annual revenue

■ EGYPT CONSOLIDATION EXPECTED TO CREATE SIGNIFICANT VALUE FOR SHAREHOLDERS

- The Company expects to increase its investments in Egypt once the new concession terms with EGAS are ratified by the Egyptian parliament in Q1

■ DANA GAS FOCUSED ON FUTURE GROWTH OPPORTUNITIES IN THE KRI AND EGYPT

- Efforts are being concentrated on developing the Company's world class assets in the KRI and increasing production and reserves in Egypt through exploration and development opportunities on existing concessions

■ DIVIDEND

- Despite strong profitability, the Company is not currently in a position to pay an interim and final 2023 dividend due to collection difficulties and focus on KM250 spending. Dana Gas remains committed to reinstating dividend payments as soon as the Company's liquidity improves



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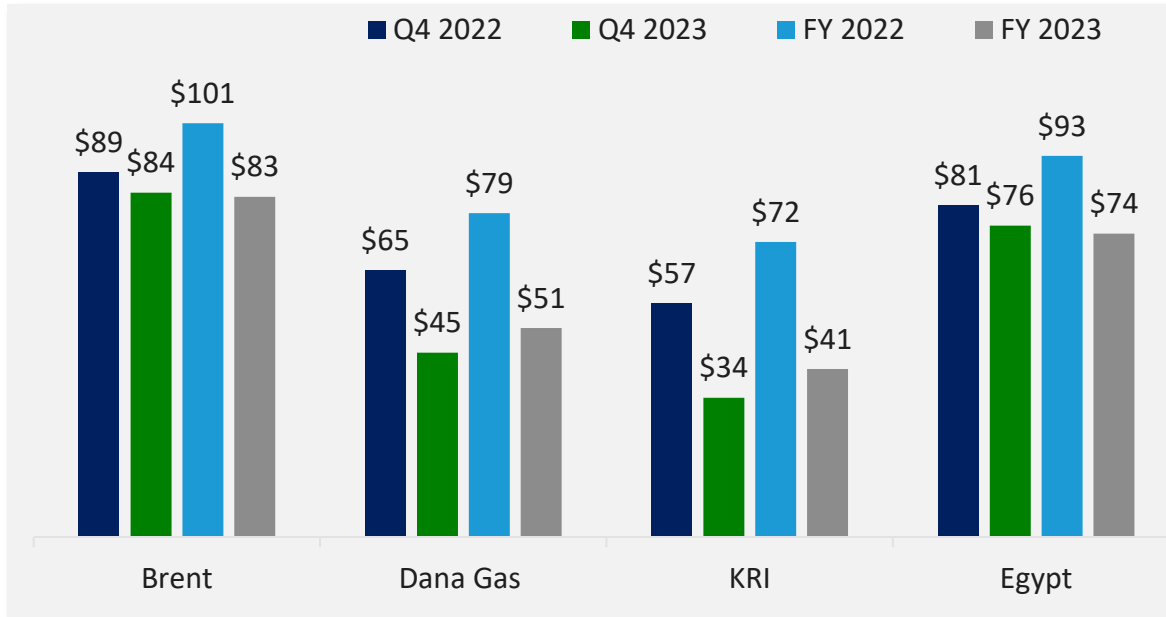
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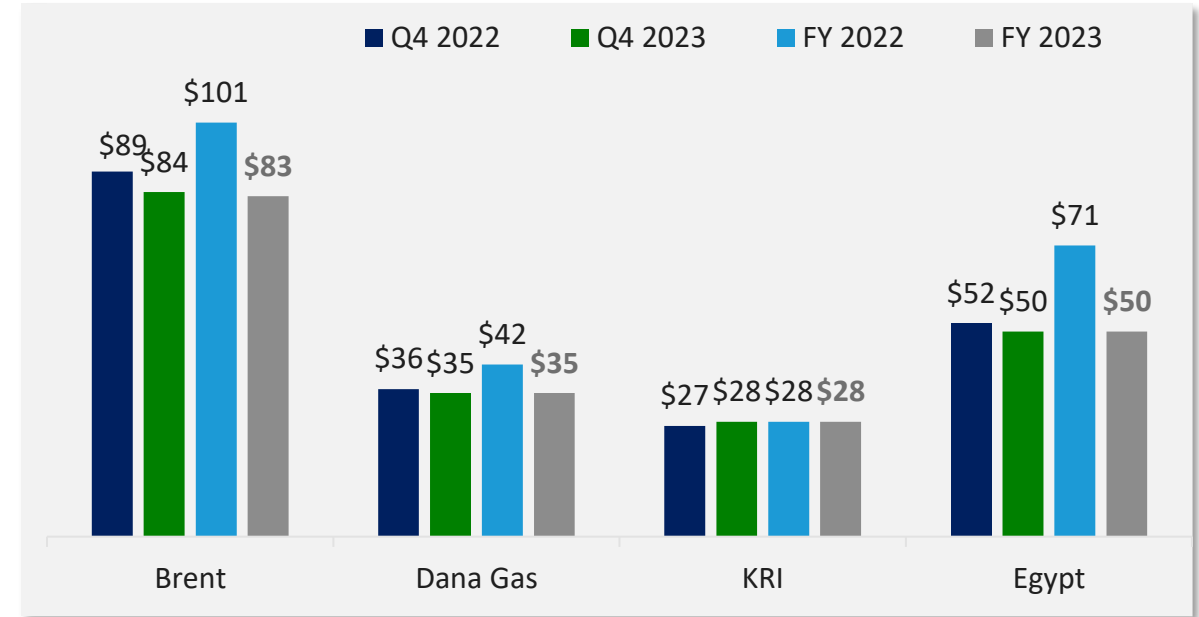


REALIZED PRICES (USD/BOE)

AVERAGE REALIZED PRICE - CONDENSATE (USD/BBL)



AVERAGE REALIZED PRICE - LPG (USD/BOE)



BOE Conversion Factors: Gas (6 MMscf = 1BOE)