



دانة غاز
DANA GAS

H1 2024 – FINANCIAL RESULTS

8 AUGUST 2024

CLEANER ENERGY FOR THE FUTURE





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CONTENTS

- I. Headlines
- II. Operational Performance
- III. Financial Update
- IV. Summary



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HEADLINES



OPERATIONS

- Q2 production down 4% at 53,700 boepd vs 56,750 in 2023;
 - KRI production up 7%; Egypt production down 24%
- H1 Group production at 55,250 boepd vs 59,800 boepd;
 - KRI production up 3% at 37,600 boepd; driven by increased demand from local power plants and despite temporary suspension in April.
 - Egypt production declined 25% due to natural field decline.
- KM250 currently suspended; ongoing efforts to establish a new timeline.

LIQUIDITY

- Current cash balance of \$140m with \$110m held at Pearl Petroleum joint venture.
- Group collected \$152m in H1 2024;
 - \$131m – KRI; and \$21m – Egypt.
- Received \$42m dividend from Pearl in H1 2024;
 - New payment mechanism agreed in the KRI in 2023, resulting in timely payments and past receivables being paid.
- Stronger balance sheet; reduced corporate debt by \$26m in H1 2024.
- Receivables stand at \$81m and \$60m in the KRI and Egypt, respectively.

FINANCIALS

- Q2 Net Profit of \$34m – 3% increase compared to Q2 2023, driven by improved gross profit margins;
 - Revenue of \$93m vs \$100m in 2023.
 - EBITDA of \$54m – 4% lower compared to Q2 2023.
- H1 Net Profit of \$72m – 13% lower compared to H1 2023;
 - Revenue at \$190 vs \$222m in H1 2023.
 - EBITDA of \$115m vs \$130m in H1 2023.
- 20% and 9% drop in Condensate and LPG realized prices in H1 2024.

CORPORATE

- Company remains committed to reinstate dividend payments as soon as feasible.
- Egypt *Consolidation Agreement* ratified by Egyptian parliament in Q2;
 - Committed to reinvesting Egypt receivables into country operations.
 - Set to bring new production streams online; expected to enhance the capacity and operational efficiency.
- Working with KRG Government to enable earliest resumption by Pearl of KM250 construction.



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OPERATIONAL PERFORMANCE

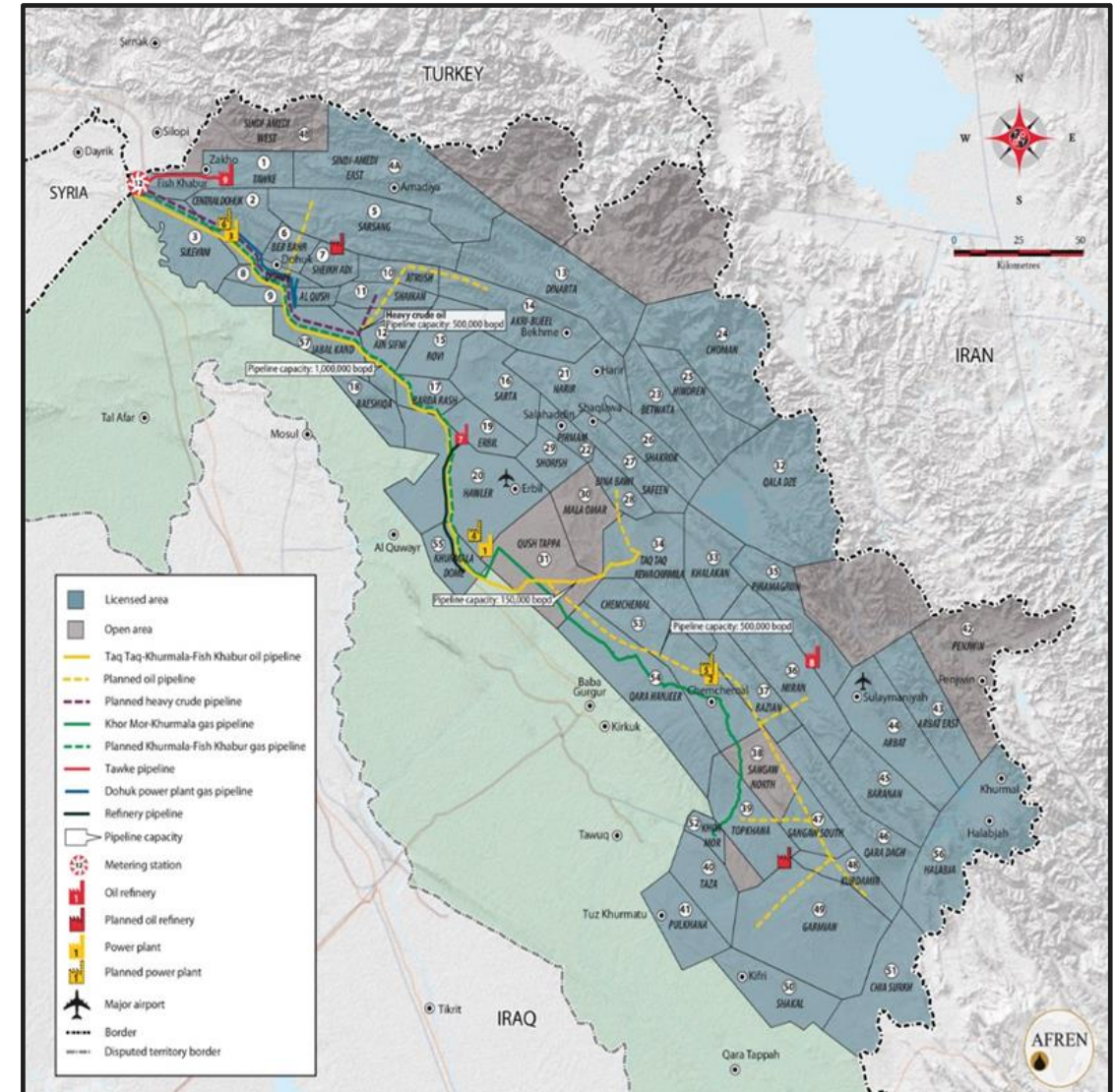


OPERATIONS

- Produced 37,600 boepd (Net) in H1 24 (168 MMscf of gas; 5,273 bbl/d of condensate and 369 MTPD of LPG) vs 36,400 boepd in H1 2023 – 3% increase, despite temporary suspension in April.
- Q2 2024 production up 7% from 34,150 boepd in 2023 to 36,500 boepd in Q2 2024.
- Unlike other operators in the KRI, Pearl’s operations and production have continued without interruption since all its products are consumed locally
- In addition to LPG local sales, Pearl has been selling its condensate locally since May 2023, due to export pipeline closure.
- New payment mechanism agreed late last year; since then, regular payments for gas invoices including past due receivables has been received.

EXPANSION PROJECT UPDATE

- KM250 project is currently suspended after main EPC contractor declared Force Majeure due to the attack on the Khor Mor facility on April 26.
- Concerted efforts are in-hand to establish a new timeline and completion date for the project including careful consideration of multiple external factors.
- Dana Gas and its partners are committed to the resumption of construction activities by Pearl as safely and swiftly as possible, and the Company will inform the market of the revised completion date and impact on costs upon finalization.

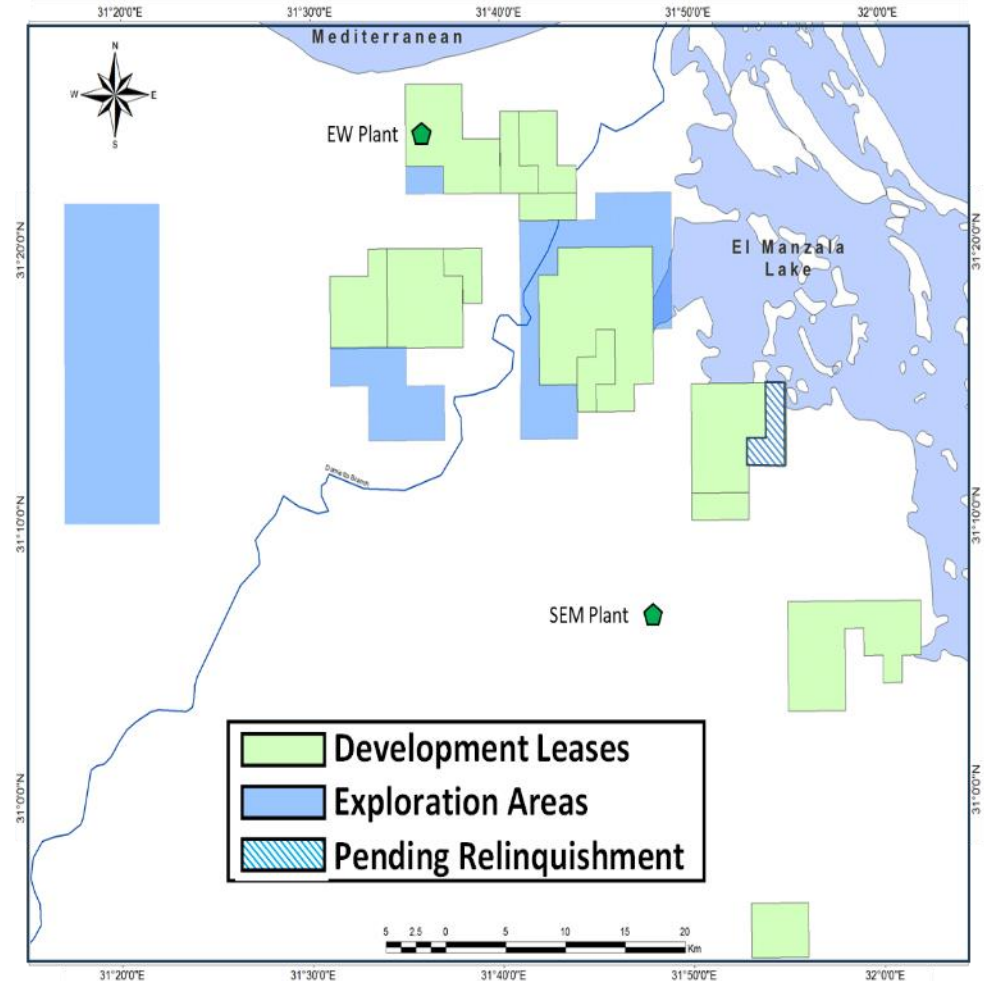


OPERATIONS

- Produced 17,650 boepd during H1 2024 (86 MMscf of gas; 1706 bbl/d of condensate and 141 MTPD of LPG); 25% drop compared to H1 2023 as a result of natural field declines and absence of meaningful investments.
- The decline is within the 20-30% production decrease that is expected from good quality Nile Delta reservoirs.

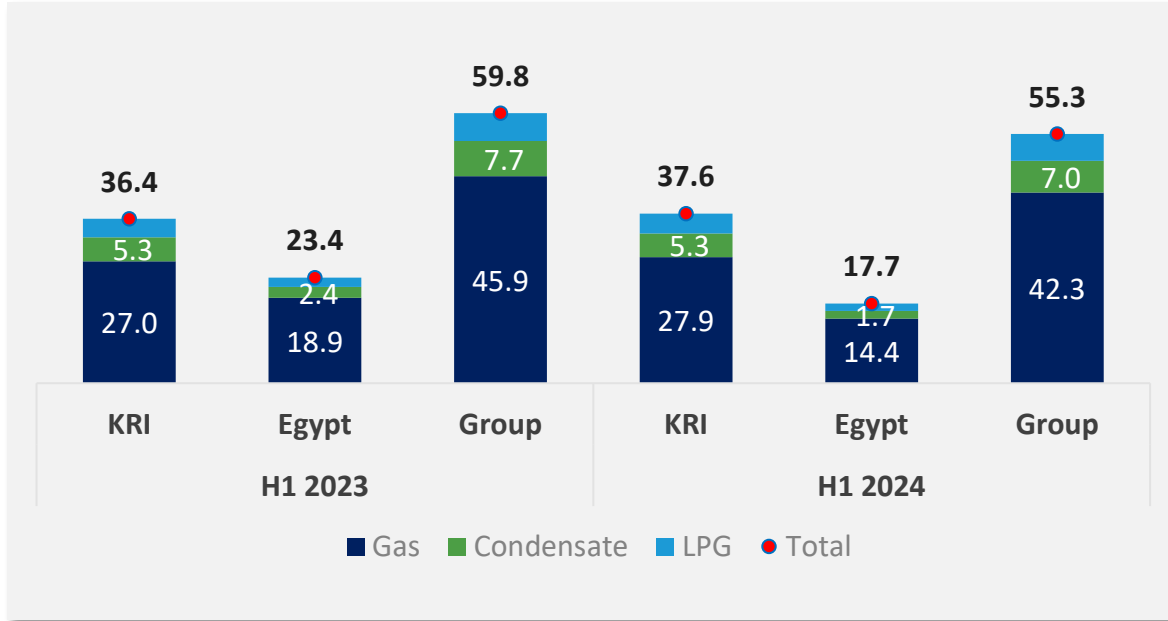
CONCESSION CONSOLIDATION

- Egyptian Cabinet approved draft law authorizing the Minister of Oil and the Egyptian Natural Gas Holding Co. (EGAS) to finalize a new Concession Agreement with Dana Gas.
- The new agreement has been ratified by the Egyptian parliament and is part of strategic consolidation plan designed to extend the life of assets in Egypt and maximize stakeholder value in the coming years.
- Revised terms will enable meaningful future investments and the resumption of drilling activities, positively impacting the Company's production levels in Egypt and helping the country meet its growing gas demand.
- The agreement includes improved economical terms and direct awarding of 296 km² exploration acreage. This will allow for 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.

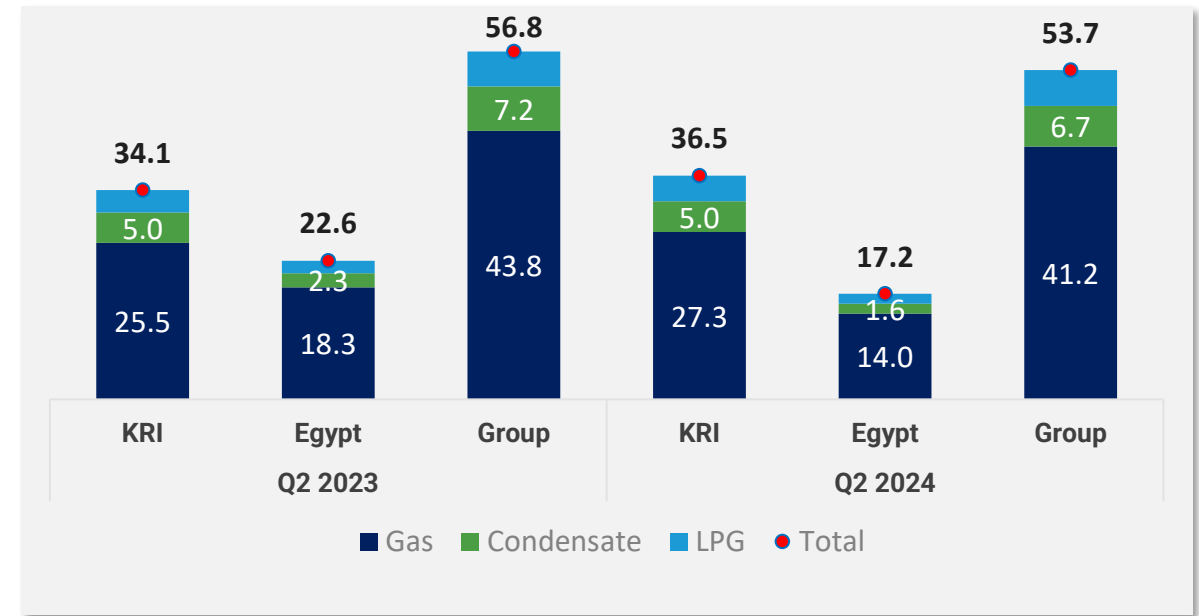


PRODUCTION (BOEPD)

AVERAGE PRODUCTION H1 2023 vs H1 2024 (KBOE/D)



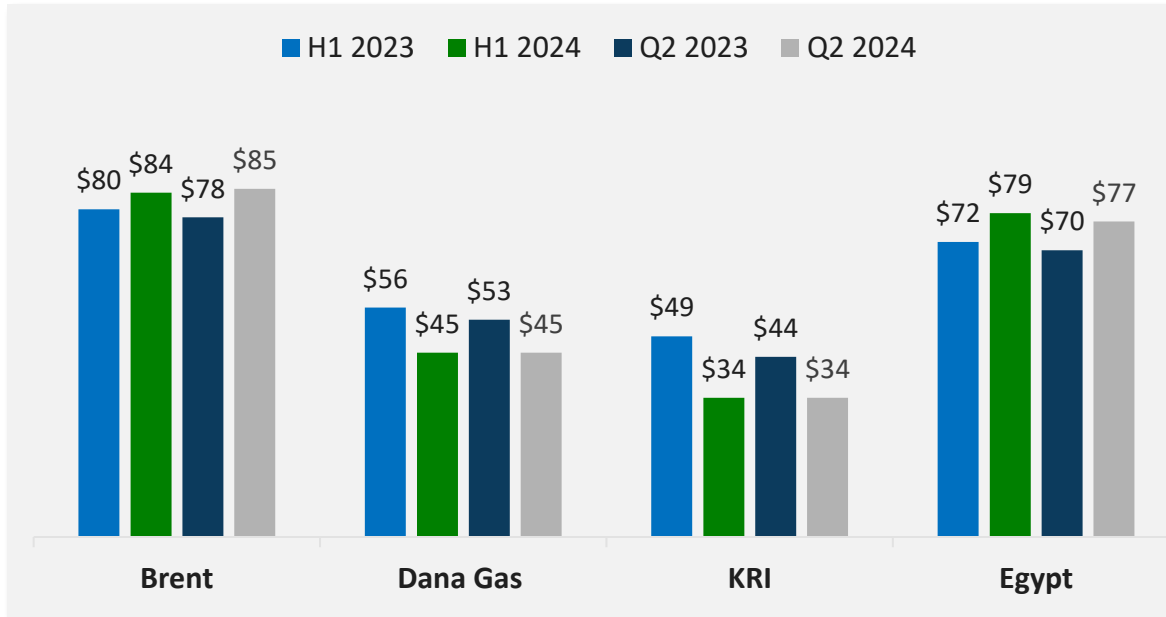
AVERAGE PRODUCTION Q2 2023 vs Q2 2024 (KBOE/D)



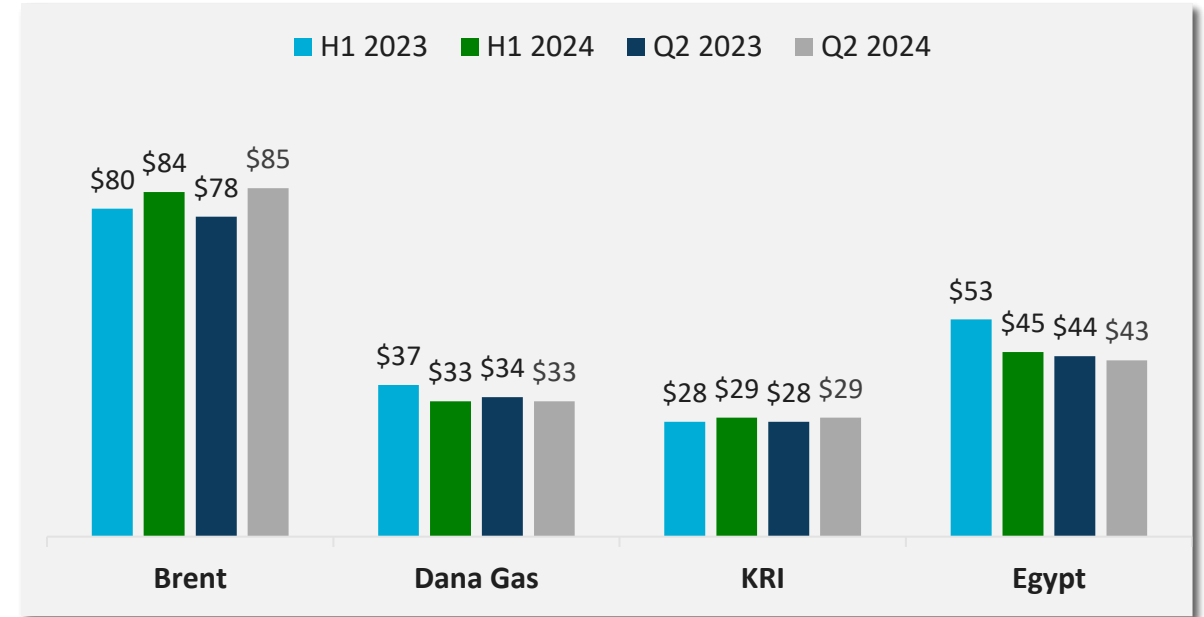
BOE Conversion Factors: Gas (6 MMscf = 1 BOE)

REALIZED PRICES (USD/BOE)

AVERAGE REALIZED PRICE - CONDENSATE (USD/BBL)



AVERAGE REALIZED PRICE - LPG (USD/BOE)

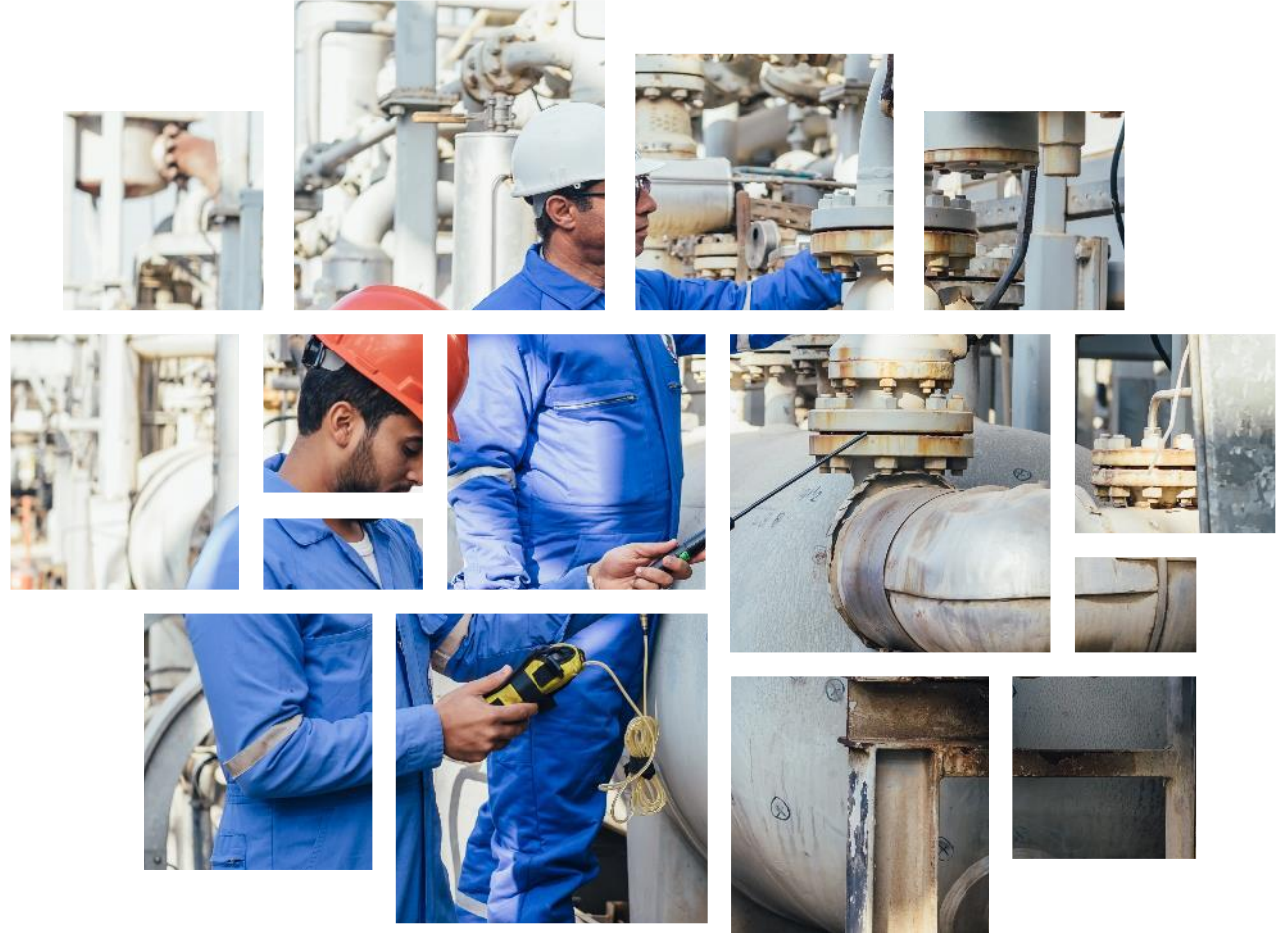


BOE Conversion Factors: Gas (6 MMscf = 1 BOE)

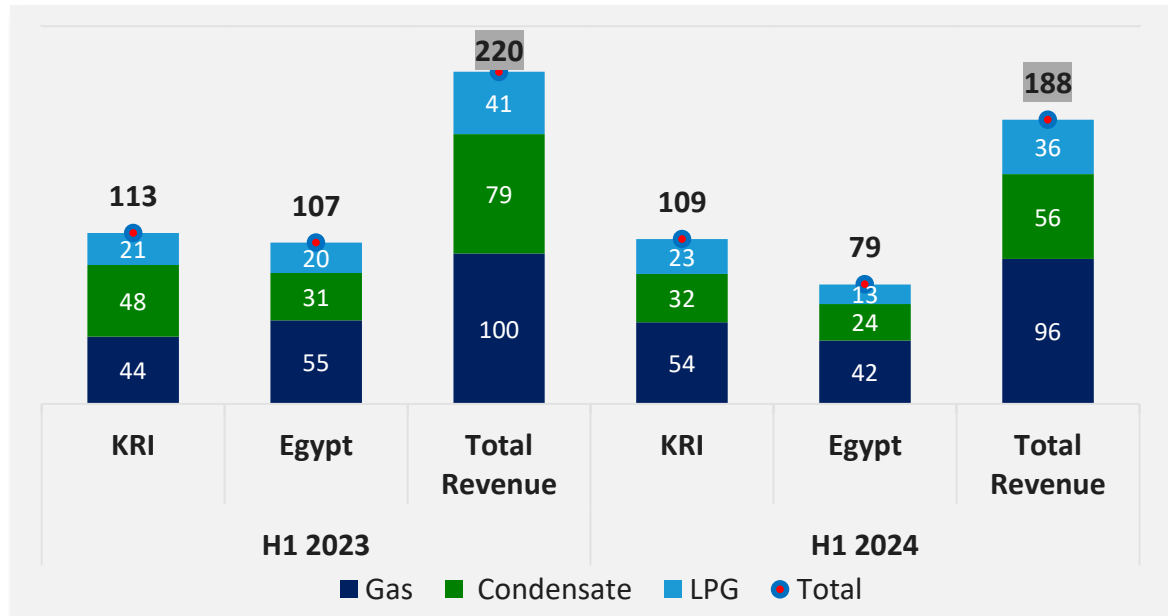


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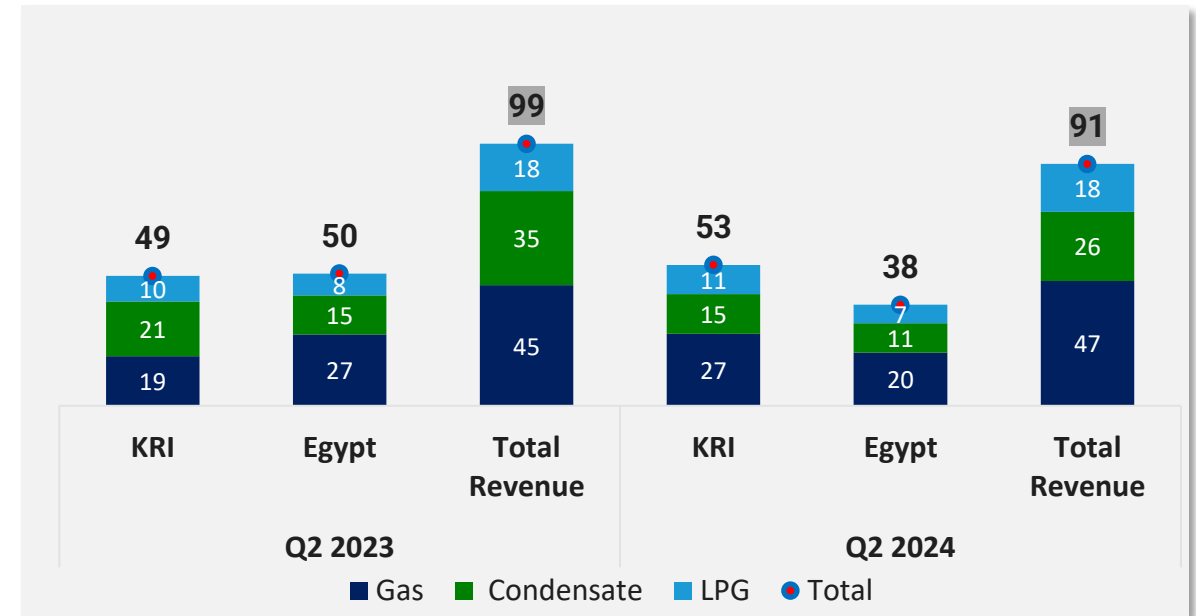
FINANCIAL UPDATE



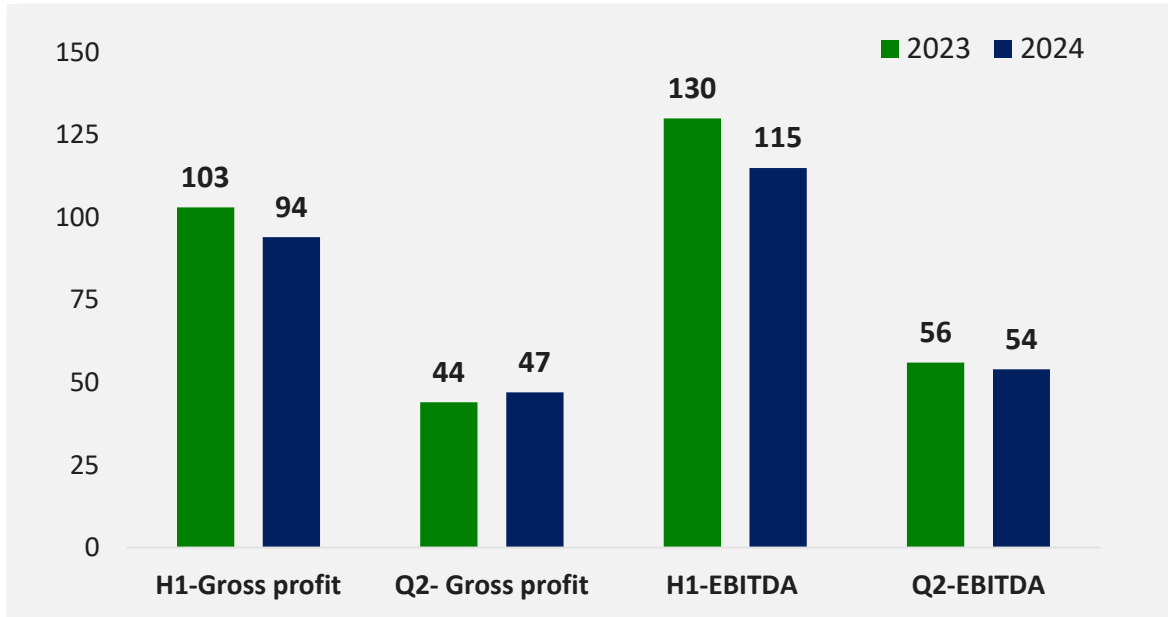
REVENUE BREAKDOWN (\$M) – H1 2023 Vs H1 2024



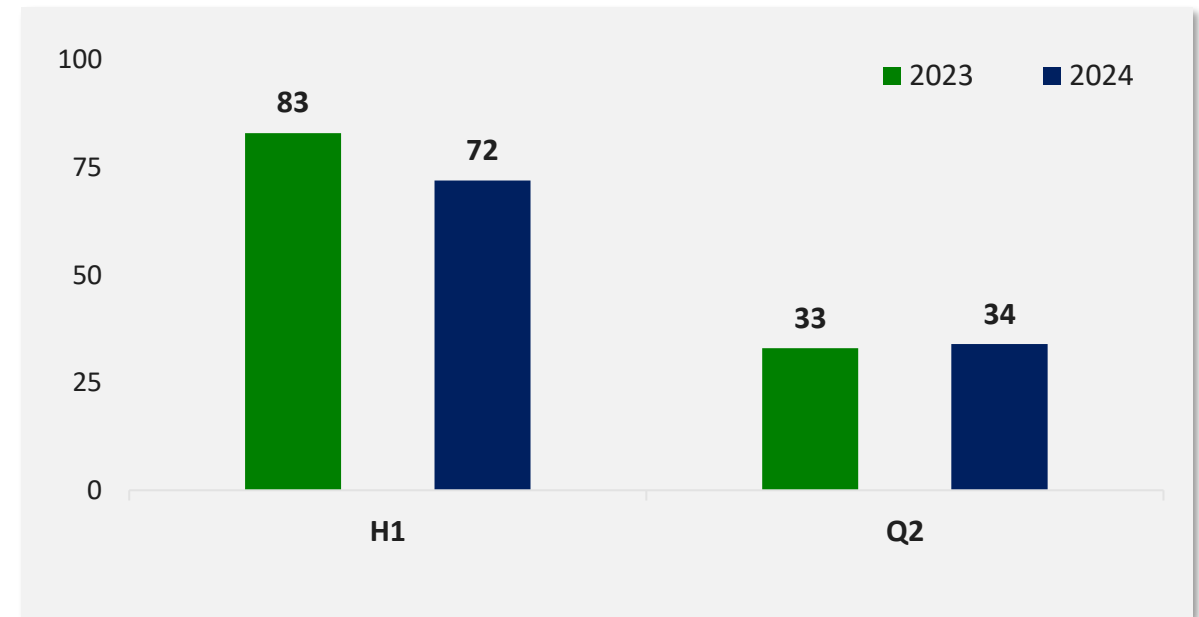
REVENUE BREAKDOWN (\$M) – Q2 2023 Vs Q2 2024



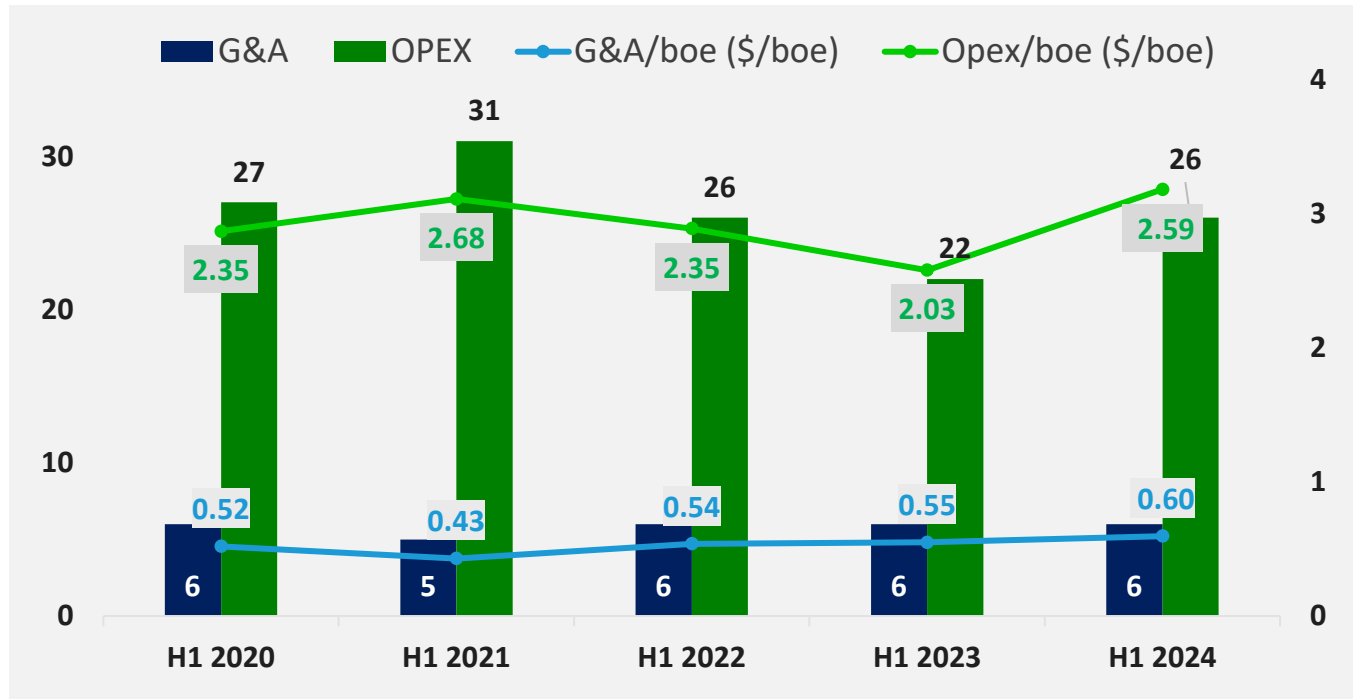
GROSS PROFIT & EBITDA (\$M)



NET PROFIT (\$M)

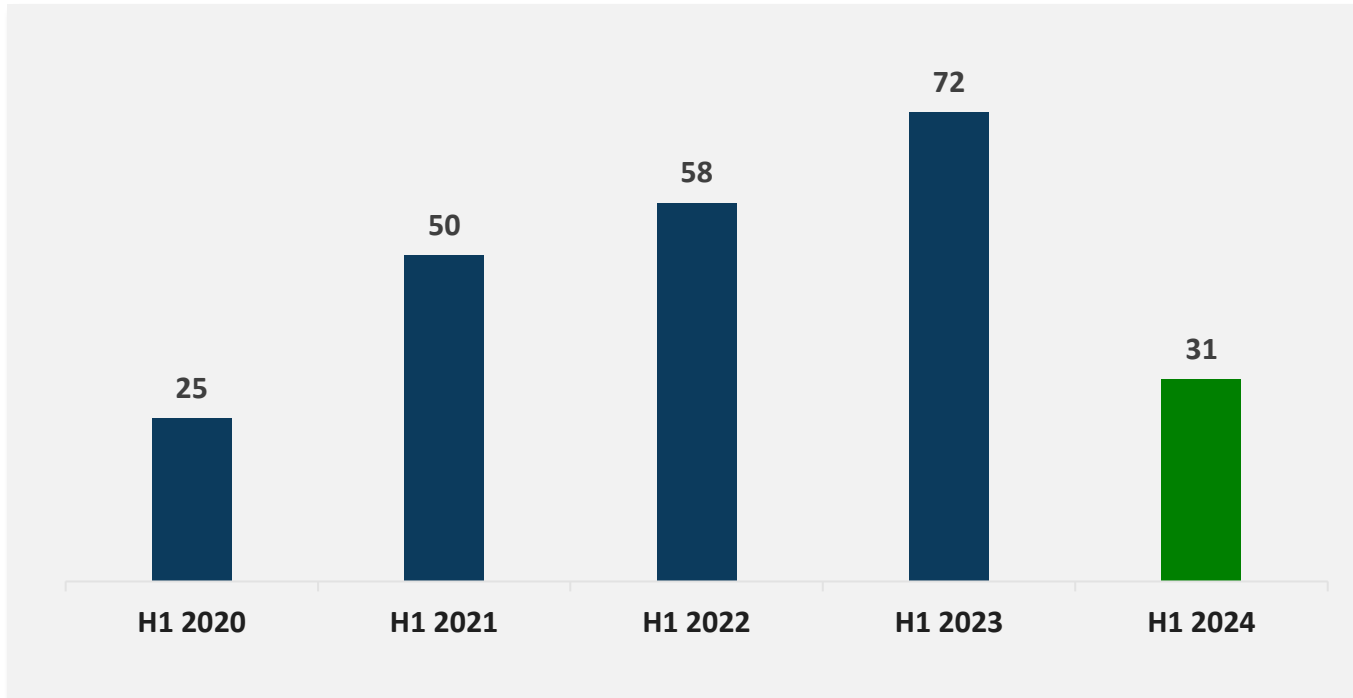


G&A / OPEX (\$M)



- OPEX increased by \$4m mainly due to costs related to maintenance, security, and staff.
- Company OPEX and G&A costs remain extremely competitive on an industry wide basis
- OPEX and G&A costs below \$3.5/boe and remains within industry's top quartile.

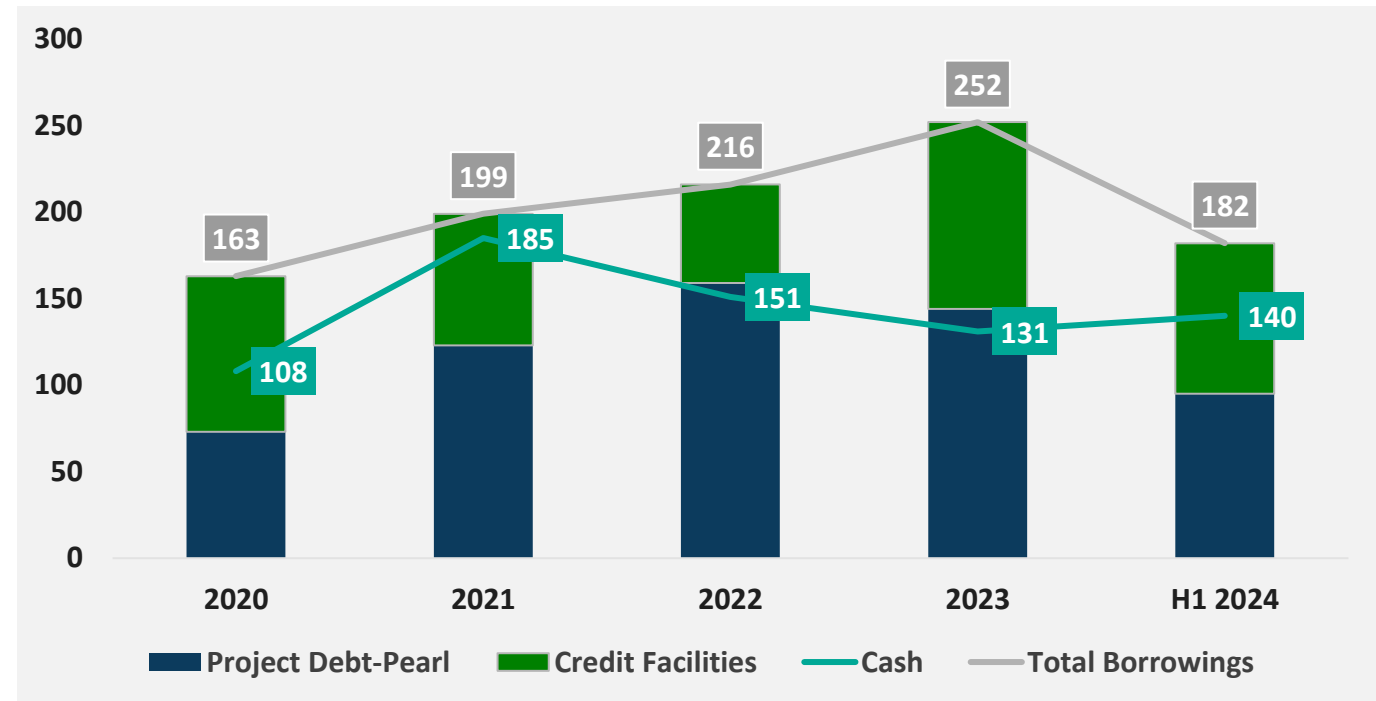
CAPEX (\$M)



- Total \$31m (H1 2024) vs \$72m (H1 2023).
- \$4m in Egypt and \$27m in the KRI.
- Limited CAPEX in Egypt amid finalization of concession consolidation.
- Reduced CAPEX in the KRI as a result of the suspension of KM250.

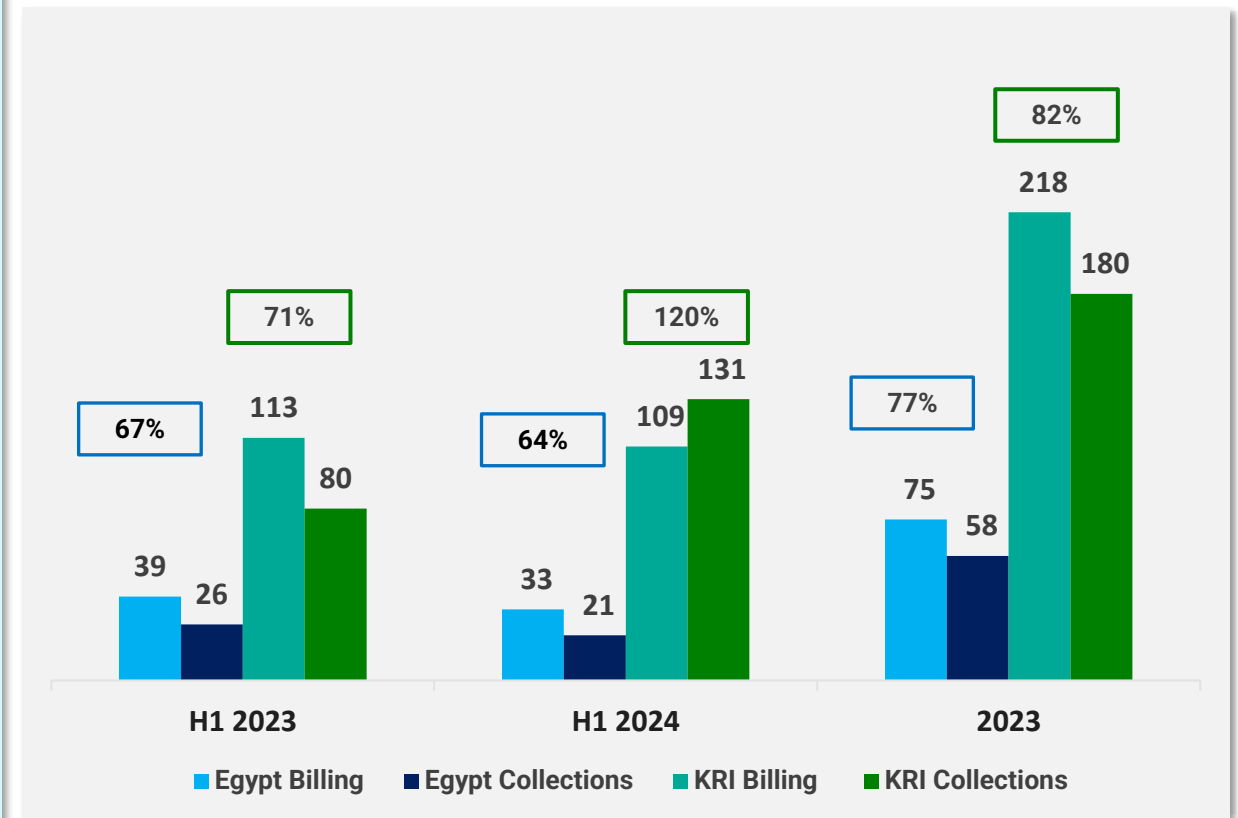
DEBT AND CASH BALANCE (\$M)

- Improvement in Company's balance sheet with lower debt and better cash position.
- \$140m cash balance vs. \$131m at FY2023;
 - \$110m cash balance held at Pearl Petroleum.
- As of 31 June 2024, Company's total borrowings stands at \$182m consisting of;
 - \$95m non-recourse project debt at Pearl.
 - \$87m drawn credit facilities consisting of \$38m Mashreq facility balance and \$49m Bank of Sharjah facility.
 - \$26m repayment of corporate facilities during H1.
 - Expect full Repayment of BOS facility in Q3.



BILLINGS AND COLLECTIONS (\$M)

- Collected \$152m in H1 2024;
 - \$131m, Company's share of Pearl's collections in the KRI
 - Company's share of KRI trade receivables down to **\$81m** (\$103m at YE 2023) with a collection realization of 120%
 - With Pearl resuming *dividend* payments to its shareholders including Dana Gas, Company received \$42m dividend from Pearl in H1 2024
 - Collected \$21m in Egypt (64% collection realization).
 - Egypt trade receivables stands at **\$60m**.
- 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 \$33m of Company's share of KRI's total collections (25%).
- New payment mechanism has been agreed in the KRI with direct payments from power stations;
 - Arrangement designed to meet KRG's obligations and ensure timely payments for gas invoices from producers, with a plan to pay down overdue receivables within 24 months.
 - 120% collection realization in H1 2024 as a result of successful implementation of the new payment mechanism. Company's share of unpaid receivables were reduced by \$22m in H1 2024.





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SUMMARY



- Dana Gas recorded a net profit of AED 124 million (\$34 million) in Q2 2024, reflecting strong operational performance in the KRI, despite challenges from lower realized prices and temporary suspension of production in April.
- The KM250 expansion project, currently suspended, aims to increase Dana Gas's daily production capacity to 750 MMscf/d upon completion, significantly boosting revenue and profitability.
- Collections in the KRI have improved following a new agreement with the government, achieving a 120% collection rate in H1 2024. Additionally, Pearl Petroleum has resumed dividend payments to Dana Gas and other partners, with \$42 million received by Dana Gas in 1H 2024.
- Dana Gas is actively working towards reinstating dividends to its shareholders, contingent upon sufficient cash liquidity.
- The new concession agreement with EGAS in Egypt, ratified earlier this year, will extend the economic life of Dana Gas's assets in Egypt, paving the way for increased investments and enhanced operational sustainability.
- Despite ongoing global economic uncertainty and heightened geopolitical tensions, the outlook for 2024 remains positive for Dana Gas, supported by high commodity prices.



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