

Clean Energy for the Future

H1 2021 – Financial Results

11 August 2021



Disclaimer

This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company, its subsidiaries and its affiliates (the “Companies”) referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements of the Companies, could thus differ materially from those projected in any such forward-looking statements. The Companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.



Contents

- 1 Headlines
- 2 Production & Country Performance
- 3 Financial Update
- 4 Summary





1. Headlines

Operations

- Group operations continued un-interrupted
- H1 avg. production 64,000 boepd, similar to H120
 - H1 KRI production up 8% to 34,300 boepd
- Pearl Petroleum expansion project fully resumed after agreement to lift *force majeure*; civil engineering works underway
- Evaluation of Egypt's Block 6 Concession Area ongoing – well planning ongoing
- Completed maintenance and workover on 6 onshore wells

Liquidity

- Current cash balance of \$125m after dividend payment in May 2021, an increase of 16% compared to \$108m at the end of 2020
- Collected \$185m in total, more than double H1 2020 and 5-year record – KRI \$87m and Egypt \$98m
- Received a \$48.3m dividend from Pearl in H1 2021

Financials

- Net Profit \$139m versus \$19m loss H120
- Revenue of \$216m – 19% higher (H120: \$181m)
 - Due to higher oil prices & improved operational performance incl. higher production in KRI
- Gross profit increased by 133% to \$91m up from \$39m in H120
- Operational cash flow increases by 97% to \$146 million in the first half of 2021
- Lowest G&A in 10 years at \$5m

Corporate

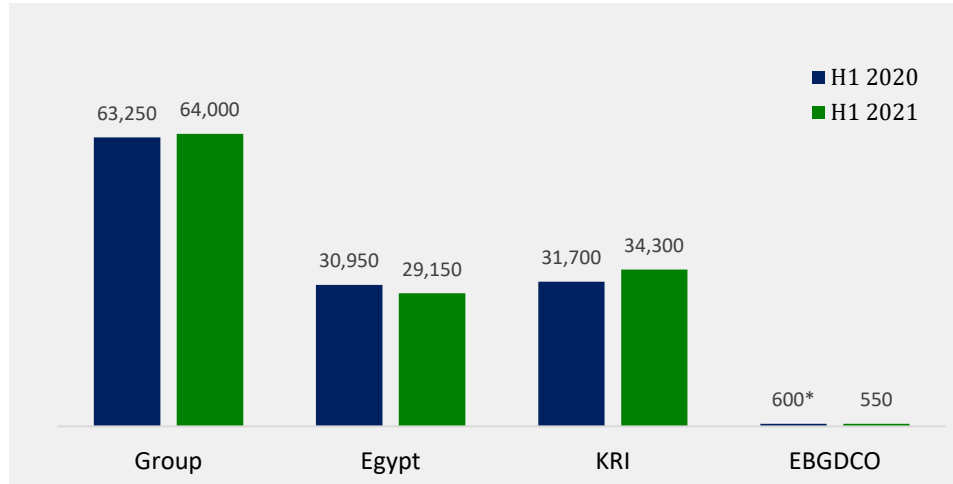
- Sold stake in EBGDCO in Q2 – in line with corporate strategy, realizing \$11.4 million
- Board decided to retain and operate Egypt onshore assets after termination of SPA with IPR Wastani
- Demerger feasibility study is ongoing
- NIOC arbitration: continue to await the award on damages

The background of the slide is a photograph of an industrial facility, likely a refinery or chemical plant. It features several large, circular pressure gauges with white faces and black markings, mounted on a network of pipes and valves. The scene is dimly lit, with a blue and green color cast. In the foreground, two gauges are in sharp focus, while others are blurred in the background. The overall atmosphere is technical and industrial.

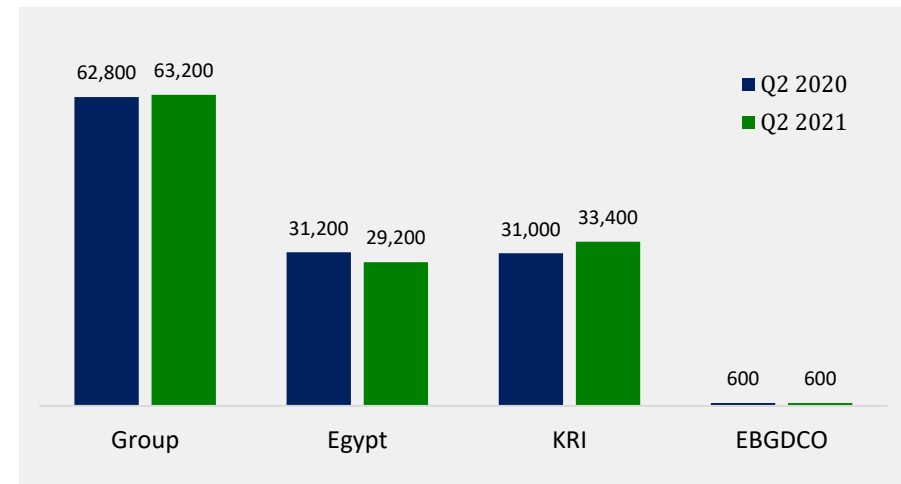
3. Production & Country Performance

Production (boepd) & Realized Prices (USD/boe)

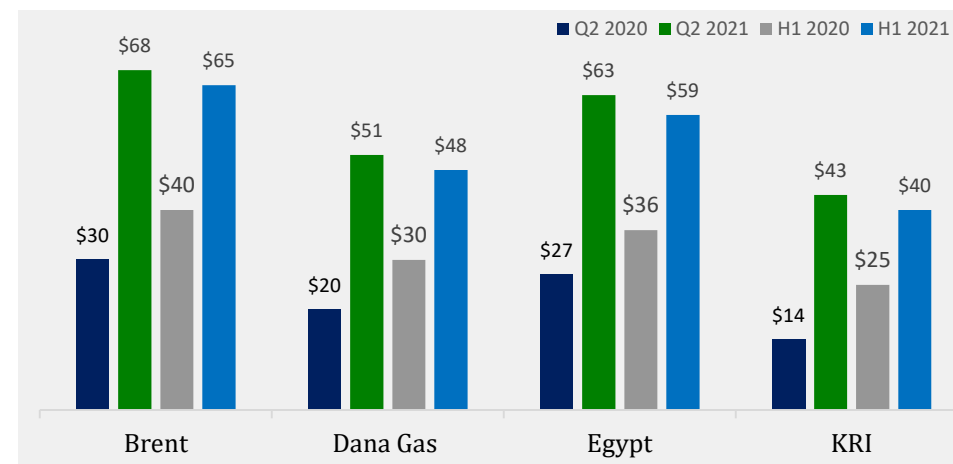
Average production H1 2020 vs H1 2021



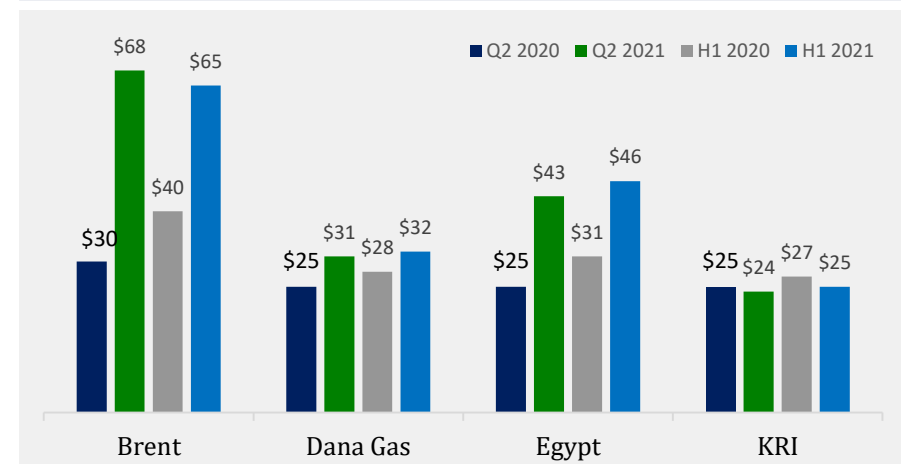
Average production Q2 2020 vs Q2 2021



Average Realized Price-Condensate (USD/bbl)



Average Realized Price-LPG (USD/boe)



Egypt: Programme Overview

SPA with IPR Wastani - termination

- Agreed to sell onshore assets to IPR Wastani in Oct 2020
- Board decision to terminate agreement in April 2021 in the best interest of the Dana Gas shareholders
- IPR initiated arbitration at LCIA, – Tribunal decision overwhelmingly in favour of Dana Gas

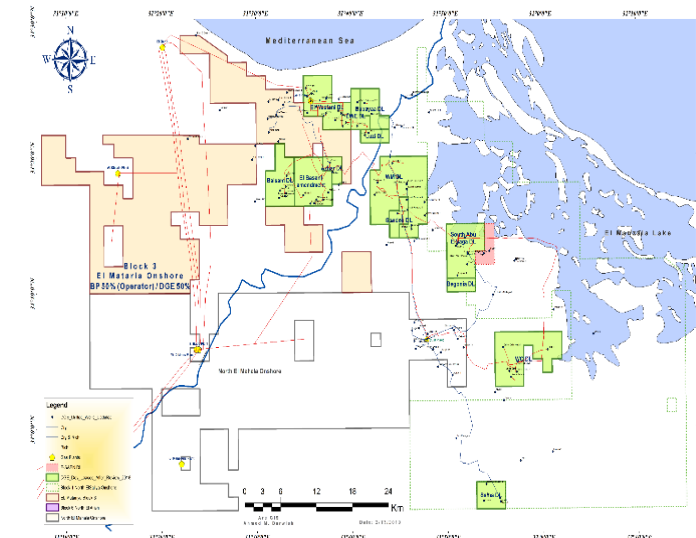
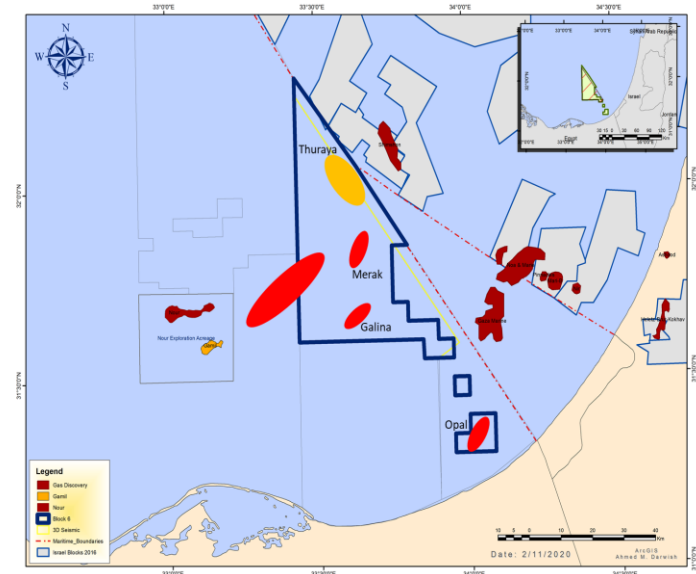
Operations

- Operations continue as normal
- Produced 29,150 boepd in H1 2021 (139 MMscf of gas; 3,500 bbl/d of condensate and 213 MTPD of LPG)
- Completed maintenance and workover on 6 wells
- Drilling operations continue on South Abu El Naga-1 field

GPEA condensate sales

- Condensate sales continue to be delivered as part of the GPEA program.

In Q2 Dana Gas sold its 26.4% interest in EGBDCO for total consideration of \$11.4m.



KRI: Energising the country

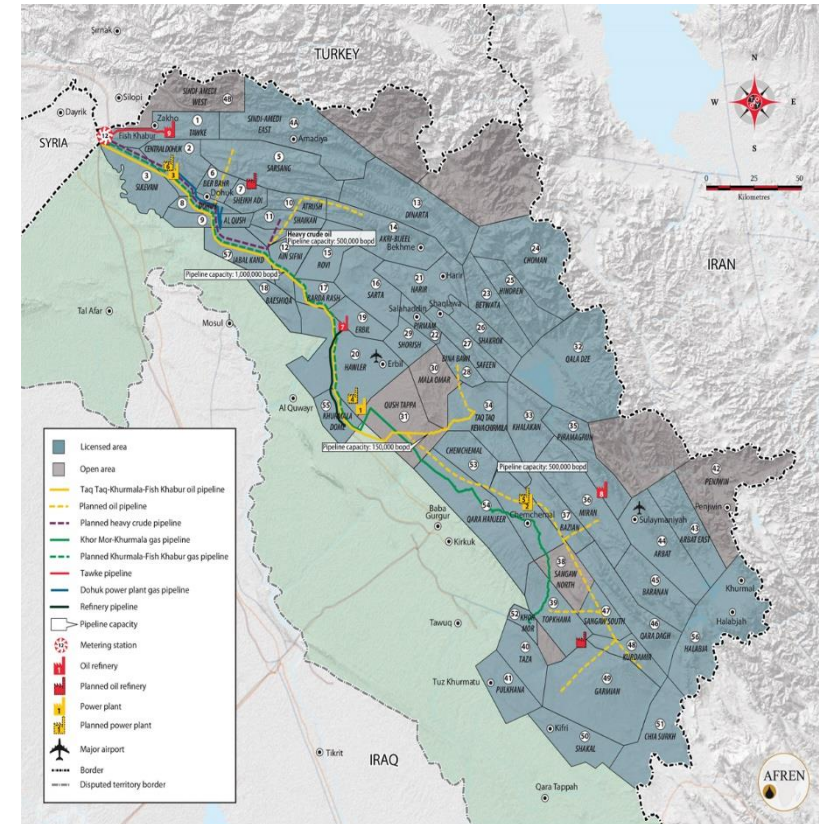
Ambitious programme to increase daily production to 900 MMscf and 35,000 bbl

Operations

- Operations continued as normal
- Health and safety measures in place; no COVID-19 cases reported
- Produced 34,300 boepd in H1 2021 (150 MMscf of gas; 5,325 bbl/d of condensate and 349 MTPD of LPG)

Expansion project update

- Expansion plans to add an additional 500 MMscf/d through 2x 250 MMscf/d gas processing trains, KM250 (first train) approved and involves total investment of \$600m
- Pearl Petroleum agreed to lift its force majeure alongside the contractor and government regulators in the Q2 2021
- Civil engineering work has been ongoing since December 2020
- Drilling program planned to take place in 2022
- Basic engineering work has been completed
- KM250 is scheduled to deliver first gas in April 2023



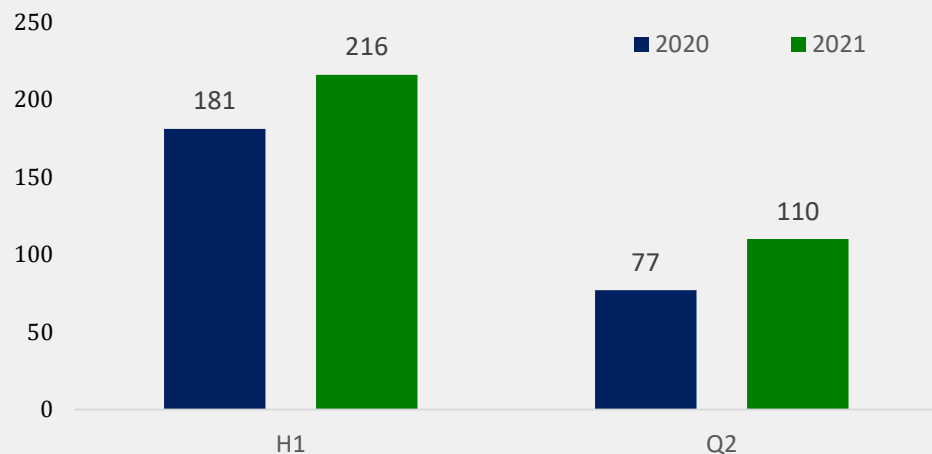
© 2013 Wilcat International FZ-LLC, The Oil & Gas, Kurdistan Region of Iraq 2013. All rights reserved.



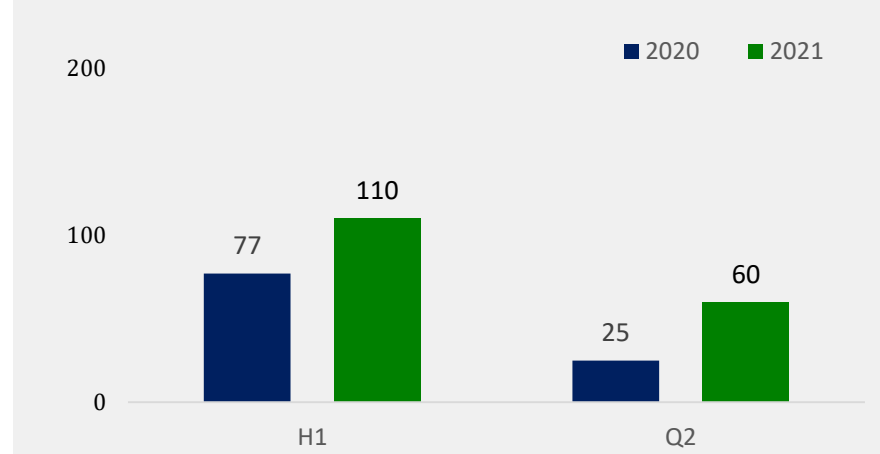
2. Financial Update

Financial Highlights

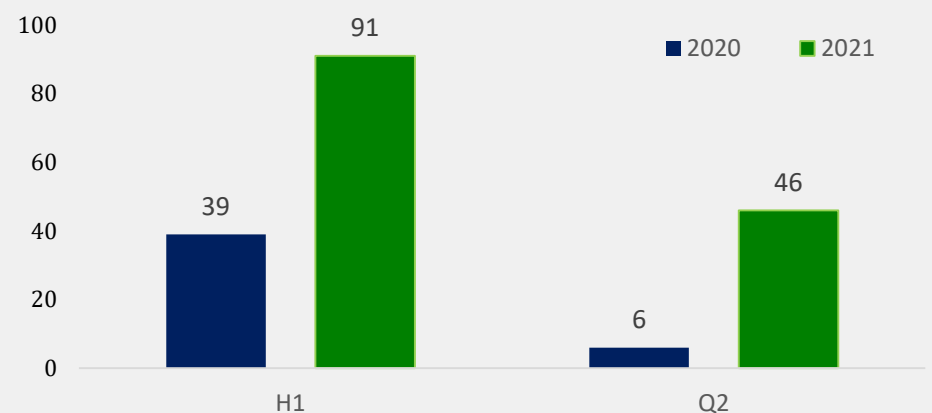
Gross Revenue (\$mm)



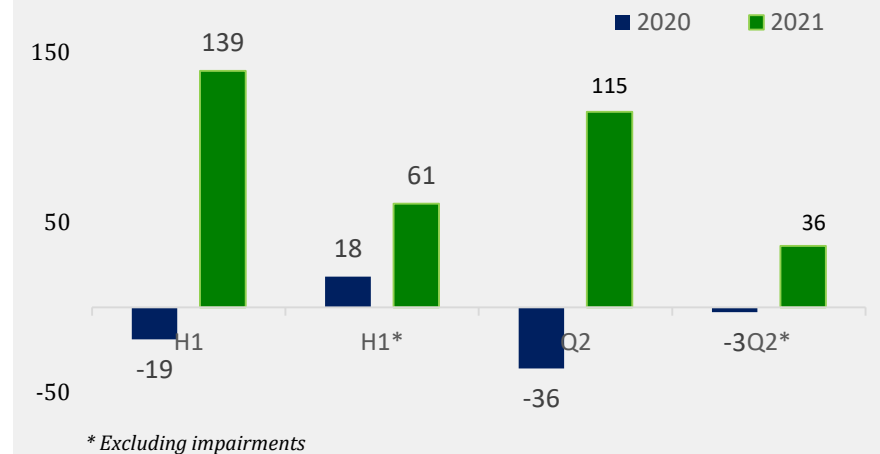
EBITDA (\$mm)



Gross Profit (\$mm)

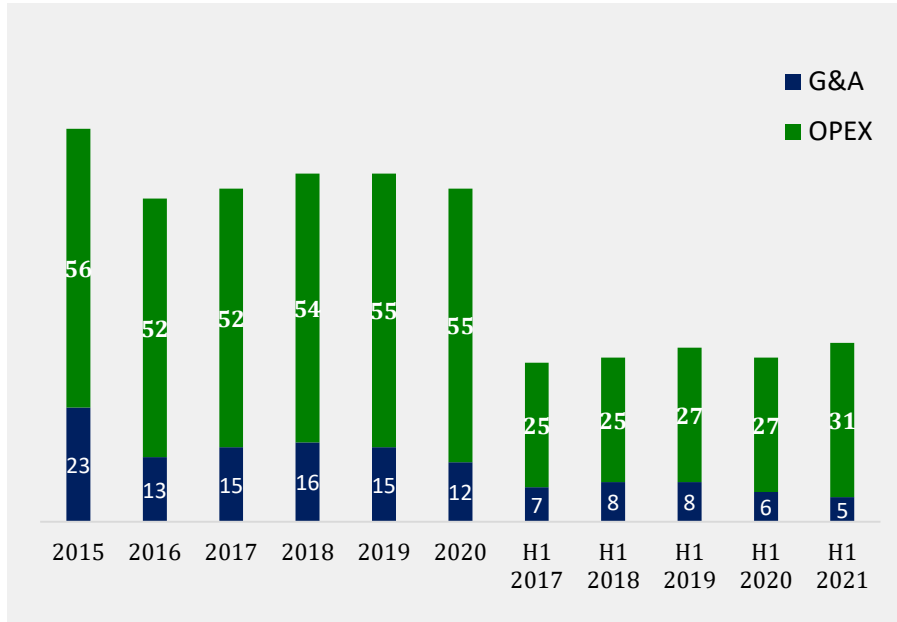


Net Profit (\$mm)



CAPEX & OPEX

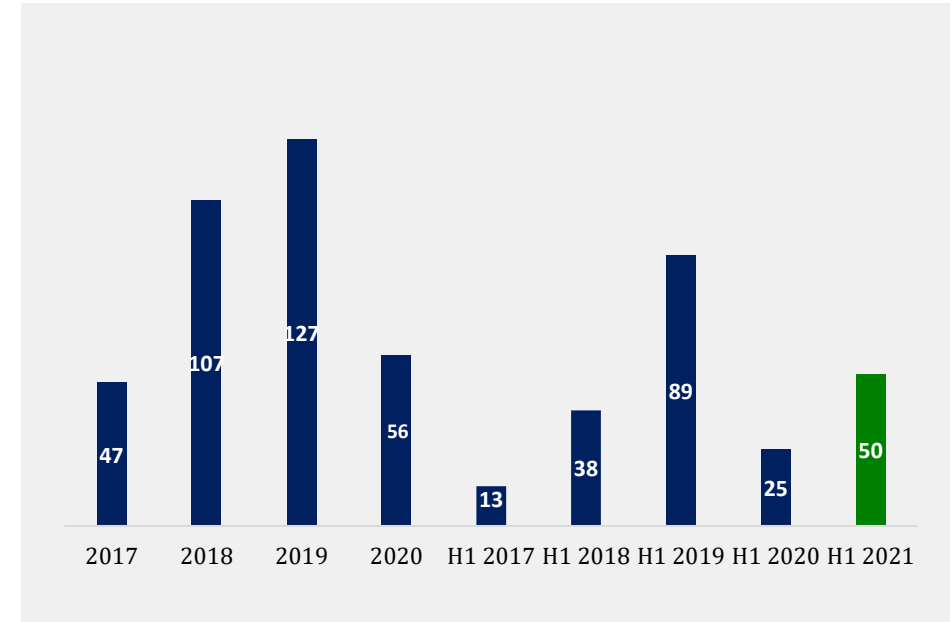
G&A / OPEX (\$mm)



G&A / OPEX

- Company continues to optimise costs
- Opex increase due to higher allocation of Egypt G&A to opex due to reduced capex activity
- \$2mm in G&A saved in H1 2021; Company's lowest G&A levels in 10 years

CAPEX (\$mm)

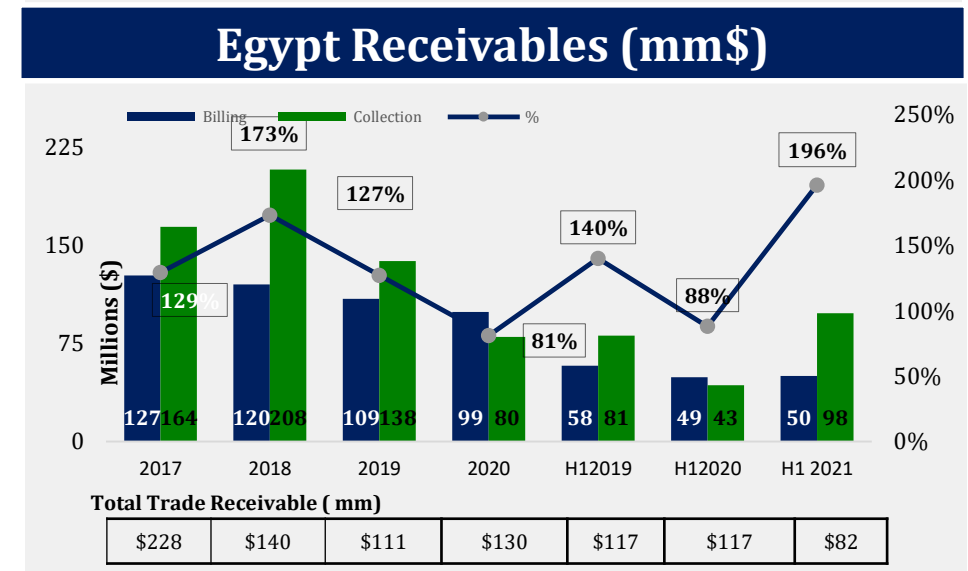
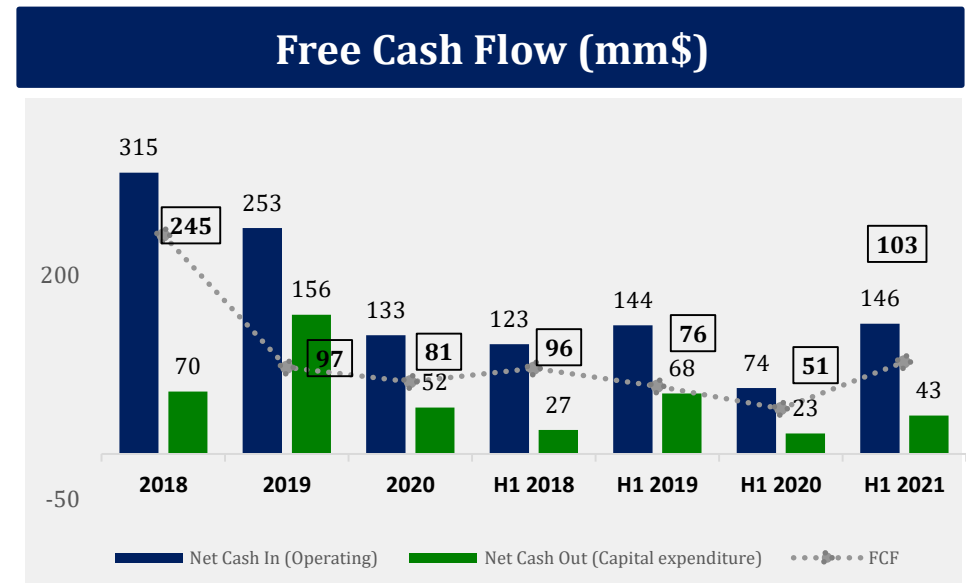


CAPEX

- Total \$50mm vs \$25mm (H1 2020)
 - \$16mm in Egypt and \$34mm in KRI
- Capex increase due to the resumption of KM250 expansion and higher spending on drilling, workovers and other similar activities

Cash Flow, Liquidity & Receivables

- \$125mm cash balance vs. \$108mm FY'20; reflecting excellent cash management
 - \$61 mm of cash held at Pearl Petroleum
 - Cash Dividend of \$105mm paid in May
- Positive FCF - \$103mm Vs \$51mm in H1 2020
- As of 30 June, Company's total borrowings stands at \$178mm consisting of:
 - \$85m credit facility and
 - \$93m non-recourse project debt at Pearl
- Collected \$185mm in H1 2021
 - \$98mm in Egypt (196% collection rate); Egypt trade receivables stands at \$82mm
 - KRI realized 100% of billed revenue with \$87mm of collections. KRI trade receivables stand at \$39mm
- Collected additional \$22mm subsequent to period end in the KRI
- Received \$48.3 m in dividends from Pearl in H1 2021



Note: % calculated as collection divided by net revenue



4. Summary

- **One of the strongest sets of financial results**
 - Revenue, growth profit and net profit significantly higher, driven by rising oil prices.
 - Management successfully reduced expected decline in Egypt production, maintaining group production at 64,000 boepd, boosted by record production in KRI

- **Best collections record in 5 years**
 - Company collected \$185mm in H1, with receivables dropping to multi-year low
 - Company remains confident that collections will continue to be made on time giving renewed confidence in ongoing investment projects

- **Board believes keeping Dana Gas Egypt onshore assets is in best interest of shareholders**
 - Terminated SPA with IPR Wastani in April 2021 and subsequently won arbitration initiated against it
 - Management focus on maximizing asset value, lengthening its economic life and returning dividends to Dana Gas

- **Focused on future growth opportunities in the KRI and Egypt**
 - Block 6 exploration well drilling plans commenced
 - KM250 expansion project is on track to come onstream in Q2 2023
 - Also, sold shares in EBGDCO – part of disposal of non-core assets



Reach Us:
Dana Gas PJSC
P. O. Box 2011, Sharjah, UAE

www.danagas.com
E-mail : mohammed.mubaideen@danagas.com
Direct : +971 6 519 4401

