

Dana Gas PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 SEPTEMBER 2024 (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 2024 (“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 MENASA (Middle East, North Africa & South Asia) 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 2024

During the nine months of 2024, the Group earned gross revenue of USD 286 million (AED 1,048 million) as compared to USD 326 million (AED 1,195 million) in the nine months of 2023, a decrease of 12%. This decrease was mainly due to lower production in Egypt and lower realized prices during the period partly offset by increased production in Kurdistan.

The Group share of production was 15.15 million barrels of oil equivalent or 55,300 barrels of oil equivalent per day (“boepd”), a decrease of 8% compared to corresponding period production of 16.3 million boe (59,750 boepd). Production in Kurdistan Region increased by 3% to 38,200 boepd, however, this was fully offset by a 24% decline in production in Egypt to 17,100 boepd. Realised price averaged USD 44/bbl for condensate and USD 34/boe for LPG compared to USD 53/bbl and USD 36/bbl, respectively in 9M 2023.

The Group achieved a net profit of USD 112 million (AED 410 million) as compared to USD 126 million (AED 462 million). The decrease in net profit was primarily due to lower revenues as explained above. Earnings before interest, tax, depreciation and amortisation (“EBITDA”) were lower at USD 175 million (AED 642 million) compared to USD 201 million (AED 736 million)) in the corresponding period.

Results for the quarter ended 30 September 2024

During the quarter ended 30 September 2024, the Group earned gross revenues of USD 96 million (AED 352 million) as compared to USD 104 million (AED 381 million), a decrease of 8% mainly due to lower production in Egypt. Realised prices averaged USD 44/bbl for condensate and USD 34/boe for LPG compared to USD 45/bbl and USD 34/boe respectively in Q3 2023.

The Group achieved a net profit of USD 40 million (AED 147 million) as compared to USD 43 million (AED 158 million) in Q3 2023. Earnings before interest, tax, depreciation and amortisation (“EBITDA”) were lower at USD 60 million (AED 221 million) compared to USD 71 million (AED 260 million) in Q3 2023.

The Group’s share of production for the 92 days was 5.09 million barrels of oil equivalent or 55,300 barrels of oil equivalent per day (“boepd”), a decrease of 7% compared to corresponding period production of 5.5 million boe (59,600 boepd). Production in Egypt declined by 24% to 15,900 boepd compared to 21,000 boepd in Q3 2023 due to natural field depletion. Production in Kurdistan on the other hand increased by 2% to 39,400 boepd as compared to 38,600 boepd in the corresponding period.

DANA GAS PJSC

Report of the Directors

Liquidity and Financial Resources

Cash and bank balance at period end stood at USD 151 million (AED 553 million), an increase of 15% compared to 2023 year-end balance of USD 131 million (AED 480 million). Cash and bank includes USD 118 million (AED 433 million) being 35% share of cash held at Pearl Petroleum.

The Group collected a total of USD 238 million (AED 872 million) during the period with Egypt and KRI contributing USD 36 million (AED 132 million) and USD 202 million (AED 740 million), respectively.

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 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 fields 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.

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(a) 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 2023. The Group's gross proved reserves (1P) as at 31 December 2023 were assessed at 17 MMboe (31 December 2022: 23 MMboe). The gross proved and probable reserves (2P) as at 31 December 2023 were estimated at 34 MMboe (31 December 2022: 42 MMboe) and the gross proved, probable and possible reserves (3P) as at 31 December 2023 were estimated to be 48 MMboe (31 December 2022: 62 MMboe).

GCA reserves estimation is based on the enhanced fiscal terms of the concession consolidation agreement with the Egyptian Natural Gas Holding Company (EGAS).

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 2024 was 3.6 MMboe, i.e. averaging 39,400 boe per day (Q3 2023 – DG Share 35%: 3.5 MMboe, averaging 38,600 boe per day).

Dana Gas' share of collections for the period stood at USD 202 million (AED 740 million) and hence realised 120% of the period's revenue. At period end, Dana Gas' 35% share of trade receivable balance stood at USD 69 million (AED 253 million) as compared to USD 103 million (AED 378 million) at year end 2023.

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 barrels 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.

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 2023, 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. Three further security incidents occurred at the Khor Mor site in 2023 and early 2024, which did not result in any harm to personnel and only a minimal impact on production operations.

On 26 April 2024, a condensate storage tank at Khor Mor was struck by a drone terror attack, tragically resulting in four fatalities and minor injuries to eight employees of Pearl's contractors while they were working to repair the tank. Although there was very minor damage to the facilities, for the safety of all staff and the facilities, Pearl temporarily suspended production and instituted specific procedural changes.

On 1 May 2024, based upon concrete actions which have been taken by the Government of Iraq and the Kurdistan Regional Government to significantly strengthen defences at the Khor Mor site as well as firm commitments from the highest levels of those authorities, Pearl took steps to recommence production from the Khor Mor field which was fully restored to normal levels on 3 May 2024.

Enerflex declared force majeure under the EPC contract on 3 May 2024.

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Report of the Directors

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

However, following numerous performance issues which arose during the execution of the EPC works, Pearl issued a notice of termination under the EPC contract to Enerflex on 19 August 2024. That termination took effect on 9 September 2024. This action has enabled Pearl to assume direct control over the remaining phases of the KM250 project, ensuring that it is brought back on track and completed in the timeliest manner. Pearl has also initiated arbitration against Enerflex to recover costs and damages arising from Enerflex's defective performance. The KM250 project is currently expected to be completed in Q2 2026.

(b) Egypt E&P operations

The Group's production in Egypt for the 92 days of operations in Q3 2024 was 1.46 MMboe i.e. averaging 15,900 boepd (Q3 2023: 1.93 MMboe i.e. averaging 21,000), a decrease of 24% over the corresponding period.

In Egypt, the Group collected a total USD 36 million (AED 132 million) during the period and hence realized 75% of the period's revenue. At period end, the trade receivable balance stood at USD 59 million (AED 216 million) as compared to USD 48 million (AED 176 million) at the end of 2023.

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 economic life of Dana Gas Egypt's assets. This agreement has now been ratified by the Egyptian Parliament.

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

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. The award accrues interest for delayed payment and at the end of September 2024 Dana Gas share of interest amounted to USD 99 million.

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 is now anticipated in 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
4. Mr. Ajit Vijay Joshi (resigned on 29 February 2024)
5. Mr. Hani Abdulaziz Hussein (to 17 April 2024)
6. Mr. Majid Hamid Jafar
7. Mr. Mohamed Al Sayed Mohamed Ebraheem Alhashmi (from 17 April 2024)
8. Mr. Mohamed Khalil Mohamed Sharif Foulathi Alkhooori (from 17 April 2024)
9. Ms. Najla Ahmed Al-Midfa
10. Mr. Omar Ibrahim Al-Mullah (from 17 April 2024)
11. Mr. Shaheen Al-Muhairi
12. Mr. Varoujan Nerguizian (to 17 April 2024)
13. H.E. Younis Al Khooori
14. Mr. Ziad Abdulla Ibrahim Galadari

Auditors

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

On behalf of Board of Directors



Directors
7 November 2024

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS 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 2024, which comprise the interim condensed consolidated statement of financial position as at 30 September 2024 and the related interim condensed consolidated income statement and interim condensed consolidated statement of other comprehensive income for the three month and nine month periods then ended, and the related interim condensed consolidated statements of change in equity and interim condensed consolidated statement of cash flows for the nine month period then ended and 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 matter described in notes 6, 7, 9 and 11 to the interim condensed consolidated financial statements which describes the current position with respect to arbitration proceedings initiated by a key supplier of the Group against the ultimate supplier relating to delays in commencement of gas supplies, and the uncertainty surrounding the timing and final outcome of these arbitration proceedings. Our conclusion is not modified in respect of this matter.

For Ernst & Young



Thodla Hari Gopal
Registration No: 689

7 November 2024

Sharjah, United Arab Emirates

Dana Gas PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Period ended 30 September 2024 (Unaudited)

	Note	Nine months ended		Three months ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
		USD mm	AED mm	USD mm	AED mm
Gross revenue		286	1,048	96	352
Royalties		(57)	(209)	(19)	(70)
Net revenue		229	839	77	282
Operating costs		(40)	(146)	(14)	(51)
Depreciation & depletion		(48)	(176)	(16)	(59)
Gross profit		141	517	47	172
General and administration expenses		(9)	(33)	(3)	(11)
Other expenses		(5)	(18)	(1)	(3)
Investment and finance income		8	29	3	11
Other income		1	4	1	4
Impairment of financial assets		(3)	(11)	(1)	(4)
Share of loss of a joint venture		(1)	(4)	-	-
Finance cost		(10)	(37)	(3)	(11)
PROFIT BEFORE INCOME TAX		122	447	43	158
Income tax expense		(10)	(37)	(3)	(11)
PROFIT FOR THE PERIOD		112	410	40	147
PROFIT ATTRIBUTABLE TO:					
- Equity holders of the company		112	410	40	147
EARNINGS PER SHARE:					
Basic & Diluted earnings per share					
(USD/AED per share)	5	0.016	0.058	0.006	0.021
			0.018		0.006
			0.066		0.022

The attached notes 1 to 19 form part of these interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Nine months ended			Three months ended		
	30 September 2024	30 September 2023	30 September 2024	30 September 2024	30 September 2023	30 September 2023
	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm
Profit for the period	112	410	126	462	43	158
Other comprehensive income	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	112	410	126	462	43	158

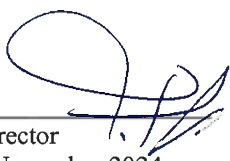
-	Equity holders of the company	112	410	126	462	40	147	43	158
		<u>112</u>	<u>410</u>	<u>126</u>	<u>462</u>	<u>40</u>	<u>147</u>	<u>43</u>	<u>158</u>
		<u>112</u>	<u>410</u>	<u>126</u>	<u>462</u>	<u>40</u>	<u>147</u>	<u>43</u>	<u>158</u>

Dana Gas PJSC and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		30 September 2024 (Unaudited)		31 December 2023 (Audited)	
	Notes	USD mm	AED mm	USD mm	AED mm
ASSETS					
Non-current assets					
Property, plant and equipment	6	1,123	4,116	1,128	4,135
Intangible assets	7	222	814	217	795
Investment property	8	21	77	21	77
Interest in joint ventures	9	359	1,316	360	1,320
Financial assets at fair value through profit or loss	10	72	264	81	297
Total non-current assets		1,797	6,587	1,807	6,624
Current assets					
Inventories		34	125	26	95
Financial assets at fair value through profit or loss	10	12	44	13	47
Sum due following arbitration award	11	608	2,229	608	2,229
Trade and other receivables	12	190	696	211	773
Cash and cash equivalents	13	151	553	131	480
Total current assets		995	3,647	989	3,624
TOTAL ASSETS		2,792	10,234	2,796	10,248
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	14	1,908	6,995	1,908	6,995
Legal reserve		198	725	198	725
Voluntary reserve		66	242	66	242
Retained earnings		311	1,138	199	728
Total equity		2,483	9,100	2,371	8,690
LIABILITIES					
Non-current liabilities					
Borrowings	15	70	257	110	403
Trade payables and accruals	16	76	279	57	209
Provisions		19	70	19	70
Total non-current liabilities		165	606	186	682
Current liabilities					
Borrowings	15	74	271	142	521
Trade payables and accruals	16	70	257	97	355
Total current liabilities		144	528	239	876
Total liabilities		309	1,134	425	1,558
TOTAL EQUITY AND LIABILITIES		2,792	10,234	2,796	10,248


Director
7 November 2024


CEO
7 November 2024


CFO
7 November 2024

The attached notes 1 to 19 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 2024 (Unaudited)

	Notes	Nine months ended			
		30 September 2024		30 September 2023	
		USD mm	AED mm	USD mm	AED mm
OPERATING ACTIVITIES					
Profit before income tax		122	447	140	513
Adjustments for:					
Depreciation and depletion	6	48	176	53	194
Investment and finance income		(8)	(29)	(7)	(26)
Impairment of financial assets		3	11	2	7
Share of loss of a joint venture		1	4	1	4
Finance costs		10	37	13	48
		<u>176</u>	<u>646</u>	<u>202</u>	<u>740</u>
Changes in working capital:					
Inventories		(8)	(30)	(4)	(15)
Trade and other receivables		28	103	(64)	(234)
Trade payables and accruals		6	22	2	7
Net cash generated from operating activities		<u>202</u>	<u>741</u>	<u>136</u>	<u>498</u>
Income tax		(10)	(37)	(14)	(51)
Net cash flows generated from operating activities		<u>192</u>	<u>704</u>	<u>122</u>	<u>447</u>
INVESTING ACTIVITIES					
Payment for property, plant and equipment		(50)	(183)	(93)	(341)
Investment and finance income received		3	11	3	11
Net cash flows used in investing activities		<u>(47)</u>	<u>(172)</u>	<u>(90)</u>	<u>(330)</u>
FINANCING ACTIVITIES					
Dividend paid		-	-	(86)	(315)
Proceeds from borrowings		42	154	76	279
Repayment of borrowings		(149)	(547)	(41)	(150)
Finance costs paid		(18)	(66)	(17)	(62)
Net cash flows used in financing activities		<u>(125)</u>	<u>(459)</u>	<u>(68)</u>	<u>(248)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>20</u>	<u>73</u>	<u>(36)</u>	<u>(131)</u>
Cash and cash equivalents at the beginning of the period		<u>131</u>	<u>480</u>	<u>151</u>	<u>553</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13	<u><u>151</u></u>	<u><u>553</u></u>	<u><u>115</u></u>	<u><u>422</u></u>

The attached notes 1 to 19 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 2024 (Unaudited)

	Attributable to equity holders of the Company									
	Share capital		Legal reserve		Voluntary reserve		Retained earnings		Total	
	USD Mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm	USD mm	AED mm
As at 1 January 2024	1,908	6,995	198	725	66	242	199	728	2,371	8,690
Profit for the period	-	-	-	-	-	-	112	410	112	410
Total comprehensive income for the period	-	-	-	-	-	-	112	410	112	410
As at 30 September 2024	1,908	6,995	198	725	66	242	311	1,138	2,483	9,100
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

The attached notes 1 to 19 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 2024 (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 2024, the Group is in compliance with the provisions of the UAE Federal Decree Law No. (32) of 2021 concerning Commercial Companies as amended.

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 become effective for accounting period beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The Company is subject to corporate tax from 1 January 2024. The Group assessed and concluded that there is no deferred tax implication as of 30 September 2024.

Principal subsidiaries and joint arrangements of the Group at 30 September 2024 and 31 December 2023 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 Gas Upstream Holdings Limited	100	UAE	Intermediate holding company of Dana Gas Egypt, Pearl Petroleum and Dana Gas Exploration
Dana Gas Midstream Holdings Limited	100	UAE	Intermediate holding company of Sajgas, UGTC and Dana Gas Midstream operations
Dana Gas Midstream Operations Limited	100	British Virgin Islands	Holding company of CNGCL
Dana LNG Ventures Limited	100	British Virgin Islands	Intermediate holding company of Dana Gas Egypt
Dana Gas Rod Soa 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

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

1 CORPORATE INFORMATION (continued)

<i>Joint Operations</i>	<i>%</i>	<i>Country of incorporation</i>	<i>Principal activities</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 MATERIAL 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 2024 ("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 2023. The results for the nine months period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the annual financial year ending 31 December 2024.

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 2023, except for the adoption of new standards and interpretations as of 1 January 2024. These new standards and interpretations did not have any major 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.

Several other amendments and interpretations apply for the first time in 2024, but did not have an impact on the interim condensed consolidated financial statements of the Group.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

3 MATERIAL 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 2023 year end.

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 2024 (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	115	168	286
Royalties	-	(57)	-	(57)
Net revenue	3	58	168	229
Operating cost & depletion	(2)	(33)	(53)	(88)
Gross profit	1	25	115	141
General and administration expenses	-	-	-	(9)
Other expenses	-	-	-	(5)
Investment and finance income	-	-	-	8
Other income	-	-	-	1
Impairment of financial assets	(3)	-	-	(3)
Share of loss of a joint venture	-	-	-	(1)
Finance cost	-	-	-	(10)
Profit before income tax				122
Income tax expense	-	(10)	-	(10)
Net profit for the period				112
Segment assets as at 30 September 2024	1,461	189	1,142	2,792
Segment liabilities as at 30 September 2024	51	41	217	309

Other segment information

Capital expenditure:				
Property, plant and equipment	-	4	39	43
Intangible assets	-	5	-	5
Depreciation & depletion	2	21	25	48

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

4 SEGMENT INFORMATION (continued)

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 2024 (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 company by the weighted average number of ordinary shares outstanding during the period.

	<i>Nine months ended 30 September</i>		<i>Three months ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>USD mm</i>		<i>USD mm</i>	
Earnings:				
Net profit for the period - USD mm	<u>112</u>	<u>126</u>	<u>40</u>	<u>43</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 & Diluted) – USD:	<u>0.016</u>	<u>0.018</u>	<u>0.006</u>	<u>0.006</u>

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (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 2024	14	12	1,688	390	47	119	608	2,878
Additions	-	-	4	-	-	-	39	43
Transfer	-	-	4	8	2	-	(14)	-
At 30 September 2024	14	12	1,696	398	49	119	633	2,921
Depreciation/ depletion:								
At 1 January 2024	-	7	1,275	289	38	75	66	1,750
Depreciation/depletion charge for the period	-	1	36	8	1	2	-	48
At 30 September 2024	-	8	1,311	297	39	77	66	1,798
Net carrying amount:								
At 30 September 2024	14	4	385	101	10	42	567	1,123

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 46 million as at 30 September 2024 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 2024 (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 2023	14	12	1,673	387	44	119	490	2,739
Additions (net)	-	-	15	-	-	-	124	139
Transfer	-	-	-	3	3	-	(6)	-
At 31 December 2023	14	12	1,688	390	47	119	608	2,878
Depreciation/ depletion:								
At 1 January 2023	-	7	1,219	280	36	71	66	1,679
Depreciation/depletion charge for the year	-	-	56	9	2	4	-	71
At 31 December 2023	-	7	1,275	289	38	75	66	1,750
Net carrying amount:								
At 31 December 2023 (audited)	14	5	413	101	9	44	542	1,128

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 37 million as at 31 December 2023 (2022: USD 25 million) on borrowings for ongoing development and capitalised using effective interest rate of the specific borrowing.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION

For the nine months period ended 30 September 2024 (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 were to be used for processing and sweetening of the gas received from CNGCL and UGTC assets were 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 breach of its 25 year gas supply contract.

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 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 had 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.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

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 2024	227	289	516
Less: accumulated impairment	(201)	(98)	(299)
Net book amount at 1 January 2024	26	191	217
Addition	5	-	5
At 30 September 2024	31	191	222
At 31 December 2023 (audited)	26	191	217

(a) *Transmission and sweetening rights*

Intangible assets include USD 191 million (2023: 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 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 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 had 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 is now anticipated in 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.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

8 INVESTMENT PROPERTY

	30 September 2024 USD mm	31 December 2023 USD mm (Audited)
Balance at 1 January	21	20
Change in fair value	-	1
Balance at 30 September / 31 December	21	21

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 2023 and resulted in a valuation of USD 21 million.

9 INTEREST IN JOINT VENTURES

Investment in joint venture at the period end relates to Dana Gas Group's 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 Group (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 was 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 had 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 is now anticipated in 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 a 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.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2024 USD mm	31 December 2023 USD mm (Audited)
Balance at 1 January	94	94
Received during the period/year	(10)	-
	84	94

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

	30 September 2024 USD mm	31 December 2023 USD mm (Audited)
Current assets	12	13
Non-current assets	72	81
	84	94

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). During the period, the Company has received an amount of USD 10 million towards such confined payments.

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

11 SUM DUE FOLLOWING ARBITRATION AWARD

	30 September 2024 USD mm	31 December 2023 USD mm (Audited)
Sum due following arbitration award	608	608

The Company 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. 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 being 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 2024 amounted to USD 99 million.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

12 TRADE AND OTHER RECEIVABLES

	30 September 2024 USD mm	31 December 2023 USD mm (Audited)
Trade receivables (net)	128	151
Prepaid expenses	1	2
Due from joint ventures	18	19
Accrued revenue (note c)	8	8
Other receivables (note d)	35	31
	190	211

- 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:

	Total USD mm	Not past due USD mm	Past due				
			<30 days USD mm	30-60 days USD mm	61-90 days USD mm	91-120 days USD mm	>120 days USD mm
30 Sept 2024	128	44	6	7	12	2	57
31 Dec. 2023	151	24	13	4	16	18	76

- 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. The implementation of the fiscal metering package was completed by end of Q1 2024 and the new system has become operational from April 2024. The resolution of the provisional adjustment of USD 23 million (DG Share: USD 8 million) is expected only once the final adjustment and reconciliation is completed. 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 10.5 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.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

13 CASH AND CASH EQUIVALENTS

	<i>30 September 2024 USD mm</i>	<i>31 December 2023 USD mm (Audited)</i>
Cash at bank		
- Local Banks within UAE	17	21
- Foreign Banks outside UAE	27	23
Short-term deposits		
- Local Banks within UAE	94	75
- Foreign Banks outside UAE	13	12
Cash and cash equivalents	<u>151</u>	<u>131</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 151 million (31 December 2023: USD 131million). The effective profit rate earned on short term deposits ranged 4.45% to 5.3% (2023: 2.4% to 5.4%) per annum. As at 30 September 2024, 74% (31 December 2023: 73%) of cash and bank balance were held with UAE banks and the balance held outside UAE. Out of the total cash and bank balance of USD 151 million, 2% of the amount was held in Egyptian pounds (2023: 4%).

Cash & cash equivalent includes USD 118 million (DG Share 35%) held by Pearl joint venture.

14 SHARE CAPITAL

	<i>30 September 2024 USD mm</i>	<i>31 December 2023 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>

15 BORROWINGS

	<i>30 September 2024 USD mm</i>	<i>31 December 2023 USD mm (Audited)</i>
Non-current		
Term loan facility (a)	14	29
Loan facility (c)	56	81
	<u>70</u>	<u>110</u>
Current		
Term loan facility (a)	19	14
Short term facility (b)	-	65
Loan facility (c)	55	63
	<u>74</u>	<u>142</u>
Total Borrowings	<u>144</u>	<u>252</u>

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

15 BORROWINGS (continued)

	<i>30 September 2024 USD mm</i>	<i>31 December 2023 USD mm (Audited)</i>
Total Borrowings (including Pearl joint operations)	144	252
Less: Pearl's Loan facility– Non recourse to Dana Gas	(111)	(144)
Dana Gas borrowings	33	108

(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 2024, the amount outstanding towards principal is USD 33 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 2024 except for debt service coverage ratio for Dana Gas PJSC and Dana Gas Egypt. In September 2024 the bank had waived the requirement to comply with the financial covenant related to debt service coverage ratio of Dana Gas and Dana Gas Egypt for a period of 3 months till 31 December 2024.

(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. The facility was fully drawn down on 25 April 2023.

On 6 February 2024, the Company signed an Addendum No.1 to the original loan agreement, to increase the loan facility by USD 5 million from USD 65 million to USD 70 million, maturing on 30 September 2024. During the period, Company fully paid USD 70 million against the facility.

(c) Loan facility – Pearl Petroleum (100%)

Pearl since 18 September 2018 had signed several non-recourse (to its shareholders including Dana Gas) financing facilities with a local UAE bank with combined total nominal value of USD 335 million. As at 30 September 2024, all outstanding amount under these facilities have been repaid.

Pearl signed on 17 July 2024 a USD 125 million non-recourse (to its shareholders including Dana Gas) facility with a local UAE bank with a final repayment date of 30 September 2025 for financing of specific working capital needs and capital expenditure required to finalize the construction of the new 250 MMscfd gas processing facility located in the Khor Mor gas field. As at 30 September 2024, the outstanding amount under the facility was USD 105 million which is classified as current liability.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

15 BORROWINGS (continued)

(c) Loan facility – Pearl Petroleum (100%)

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. As at 30 September 2024 the outstanding amount under the facility was USD 222.2 million. The repayment instalments under the facility of USD 55.56 million which are due by 30 September 2025 have been classified as current liabilities while the balance amount of USD 166.67 million is classified as non-current liabilities.

Subsequent to period end, a new USD 350 million Senior Secured Callable Bond (“Bond”) for Pearl was subscribed for by investors on 30 October 2024 and will be issued by Pearl on 14 November 2024. Bond will have a final bullet repayment date of 14 May 2028. The net proceeds from the Bond would be mainly applied towards financing of Pearl’s development costs. The interest applicable to the Bond is payable semi-annually

Pearl has provided pari-passu security to the Lenders by way of assignment of revenue, insurance, major construction contracts, pledge over revenue/debt service/debt service reserve account, registered pledge over Pearl’s certain existing production assets in Kurdistan and registered pledge over the new 250 mmscfd gas processing facility once the facility is fully operational. These financing are non-recourse to the Company.

The borrowings under the non-current liabilities are stated net of transaction costs and are carried at amortised cost as at 30 September 2024.

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 2024.

16 TRADE PAYABLES AND ACCRUALS

	30 September 2024 USD mm	31 December 2023 USD mm
Trade payables	24	22
Accruals and other payables	105	111
Accrued interest on EPC contract (a)	9	8
Other liabilities	8	13
	<u>146</u>	<u>154</u>

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

	30 September 2024 USD mm	31 December 2023 USD mm
Current liabilities	70	97
Non-current liabilities (b)	76	57
	<u>146</u>	<u>154</u>

- (a) Represents interest accrued by Pearl on the Engineering, Procurement and Construction (EPC) contract with Enerflex amounting to USD 9 million (DG Share 35%), being the implied finance cost.
- (b) Includes the non-current portion of the EPC contract (net of USD 1 million recoverable from Enerflex) in respect of value of work done amounting to USD 67 million (DG Share 35%) and non-current portion of implied finance cost of USD 9 million (DG Share 35%).

Dana Gas PJSC and Subsidiaries

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17 COMMITMENTS

Pearl Petroleum

As at 30 September 2024, Pearl had capital commitments of circa USD 27.2 million (DG Share: USD 10 million) – (2023: USD 98 million – DG share: USD 34 million) which mainly includes commitments relating to the development of 250 MMscfd gas processing train in Khor Mor and the Khor Mor Interim Compressor Solution project.

18 RELATED PARTY DISCLOSURES

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

	<i>30 September 2024</i> <i>Nine months ended</i>		<i>30 September 2023</i> <i>Nine months ended</i>	
	Revenues USD mm	Fees for management services USD mm	Revenues USD mm	Fees for management services USD mm
Joint arrangement/Major shareholder	1	1	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.

19 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 Sept 2024 USD mm</i>	<i>Fair value Sept 2024 USD mm</i>	<i>Carrying amount 2023 USD mm</i>	<i>Fair value 2023 USD mm</i>
Financial assets				
Trade and other receivables (excluding prepaid)	189	189	209	209
Financial assets at fair value through profit or loss	84	84	94	94
Cash and short term deposits	151	151	131	131
Financial liabilities				
Borrowings	144	144	252	252
Trade payables and accruals	146	146	154	154

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.

Dana Gas PJSC and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine months period ended 30 September 2024 (Unaudited)

19 FAIR VALUE ESTIMATION (continued)

The following table presents the Group' assets that are measured at fair value on 30 September 2024:

	Level 1 USD mm	Level 2 USD mm	Level 3 USD mm	Total USD mm
Assets				
Financial assets at fair value				
through profit or loss	-	-	84	84
Investment property	-	21	-	21
Total	-	21	84	105

The following table presents the Group' assets that are measured at fair value on 31 December 2023:

	Level 1 USD mm	Level 2 USD mm	Level 3 USD mm	Total USD mm
Assets				
Financial assets at fair value				
through profit or loss	-	-	94	94
Investment property	-	21	-	21
Total	-	21	94	115

There have been no transfers between Level 1 and Level 2 during the period ended 30 September 2024 and year ended 31 December 2023.

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.