

Capital Markets Day 2023 – Part I

22. November 2023

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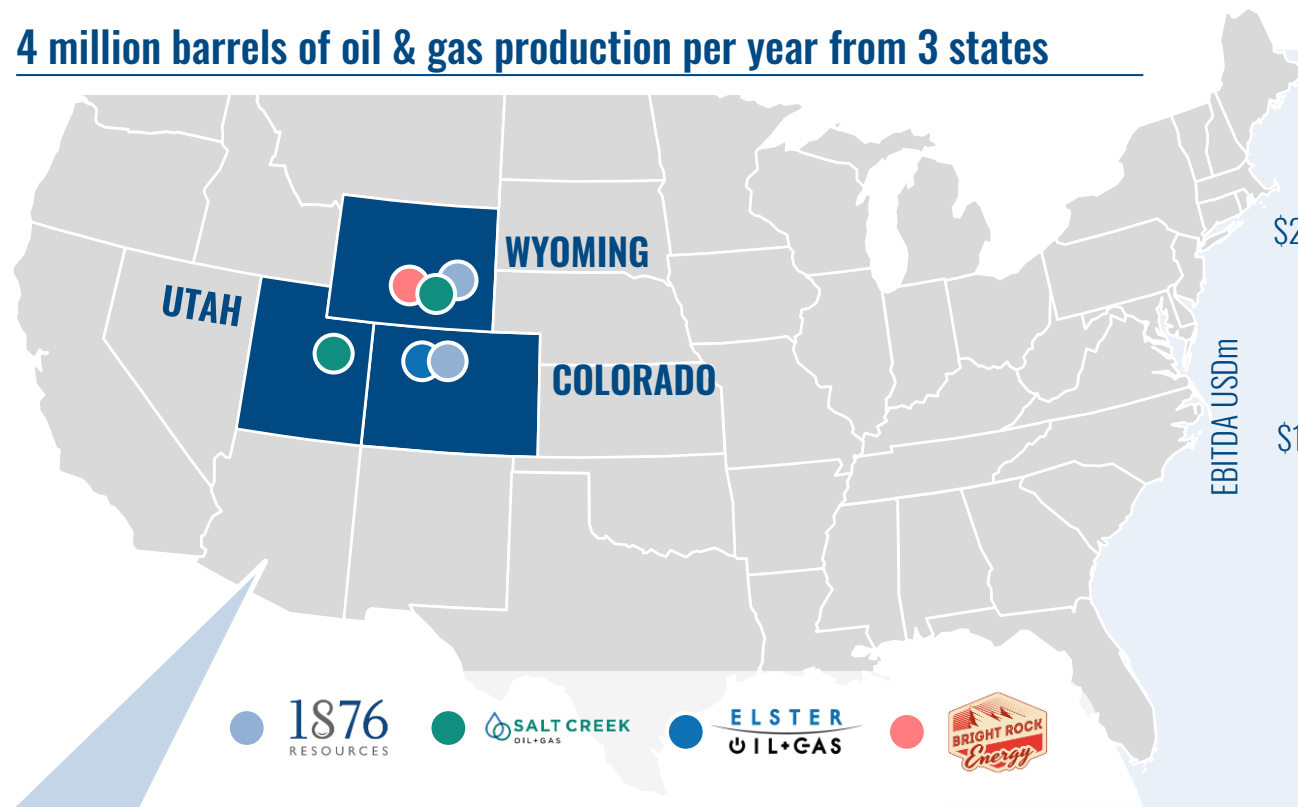
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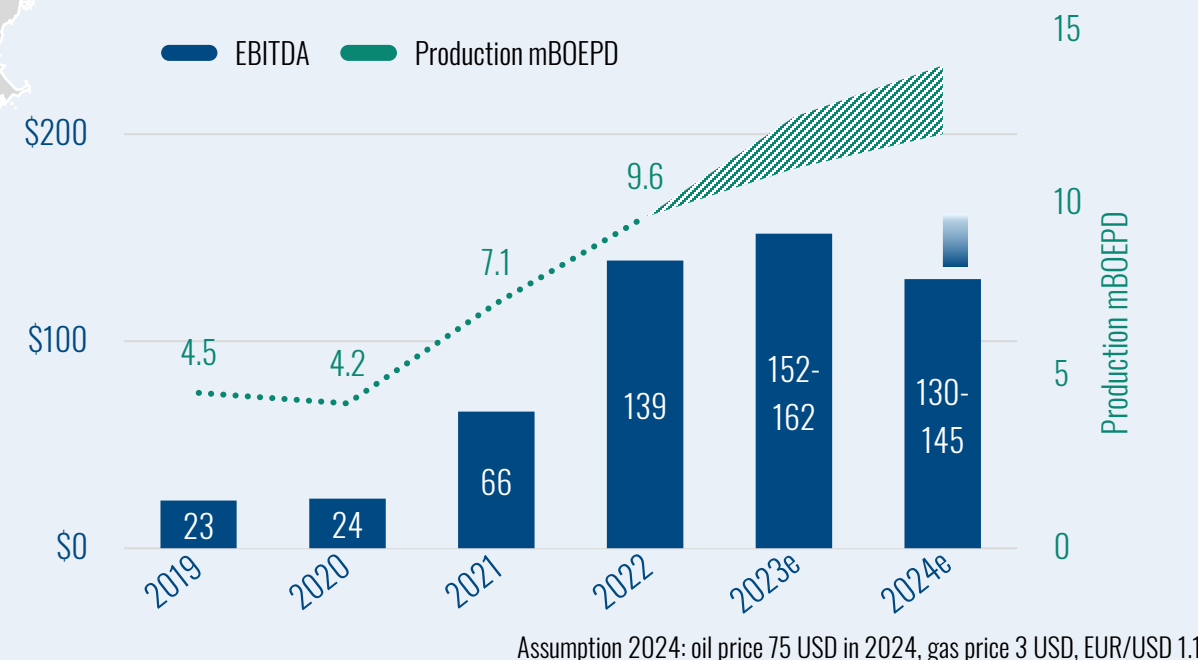
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Deutsche Rohstoff AG – Oil and Gas Producer in the US

4 million barrels of oil & gas production per year from 3 states



EBITDA above EUR 130m per year since 2022



Diversified production base

- ✓ Oil, gas and NGL sales from three US states
- ✓ Production from over 300 wells – as operator & in JVs
- ✓ 4 US subsidiaries allow for efficient capital allocation

The US provides high security for planning & development

- ✓ US the #1 regulatory and operating environment for oil & gas
- ✓ 80 wells with a volume of 400m have been developed since 2016
- ✓ Combined EBITDA 2022-2024 about EUR 400m

Milestones of the last 12 months



US OIL & GAS

- Production increased by 25% in 2023
- Extensive investment in Wyoming, owned and non-operated wells
- Wyoming wells above base case expectations to date
- Sale of Utah assets at the end of 2023

9,600 → 12,250* BOE
per day 2022 vs. 2023



SUCCESSFUL START IN WYOMING



STRONG NUMBERS

- 2022 with earnings of EUR 66m
- 2023 9M with EUR 43m income
- No Opex inflation in 2023
- Dividend yield 4.5% (06/2023)
- Salt Creek sale: EUR 44m cash inflow



HIGH PROFITABILITY



FINANCING SECURED

- EUR 100m 7.5% bond issued
- Net debt 70% of EBITDA
- EUR 172m Equity at the end of 3Q
- Equity ratio over 40% at the end of the year

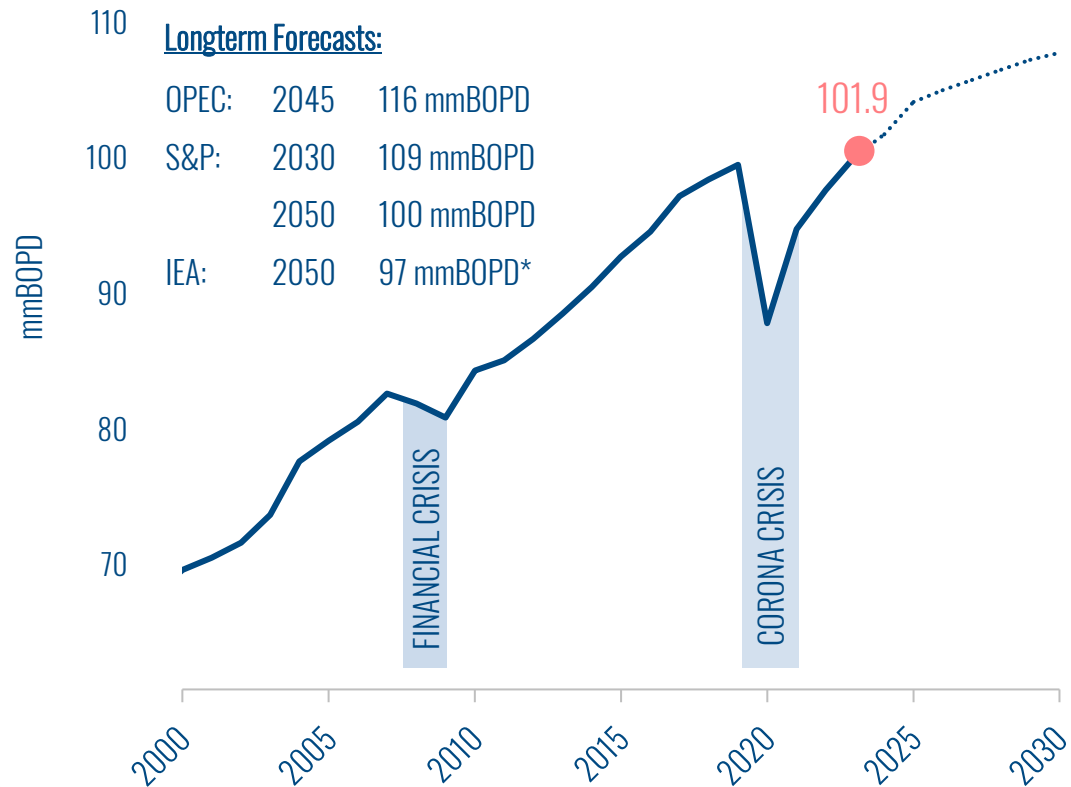


SOLIDLY FINANCED

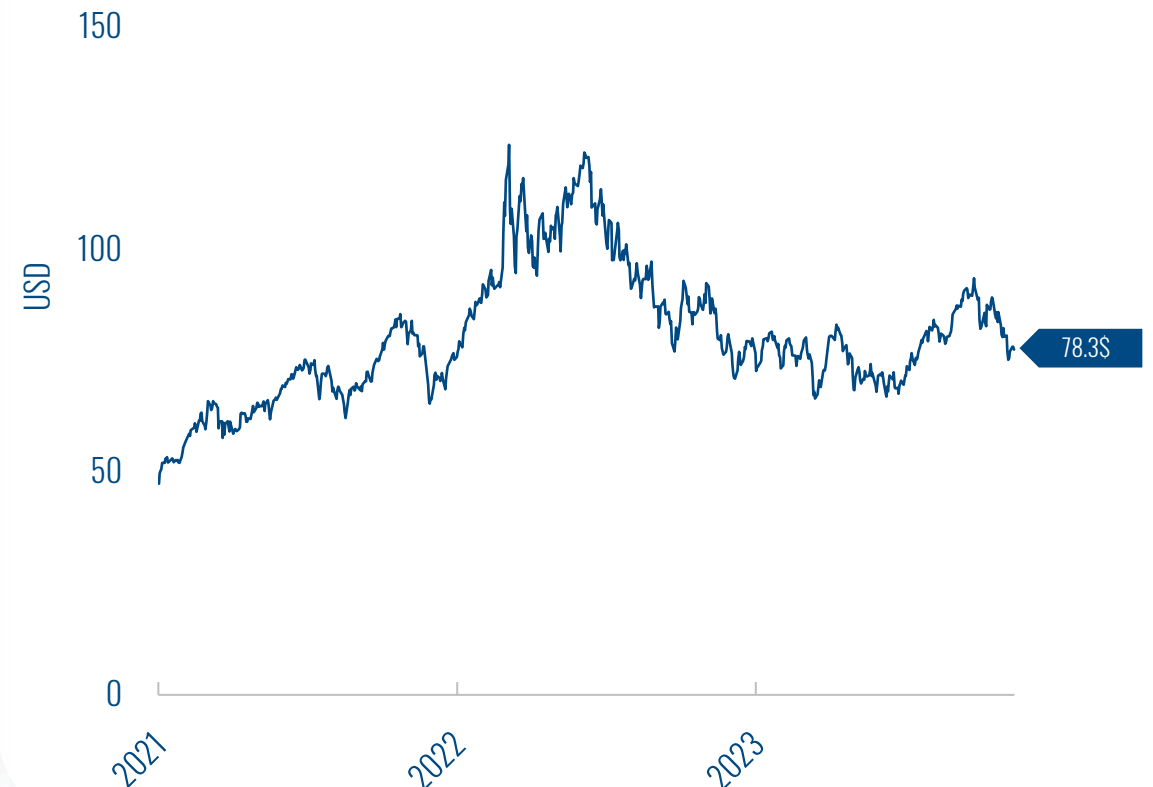
The world continuously needs more oil

Over the past 25 years, demand for oil has increased and is expected to increase further to 107.5 mmBOPD by 2030

Oil demand increases worldwide



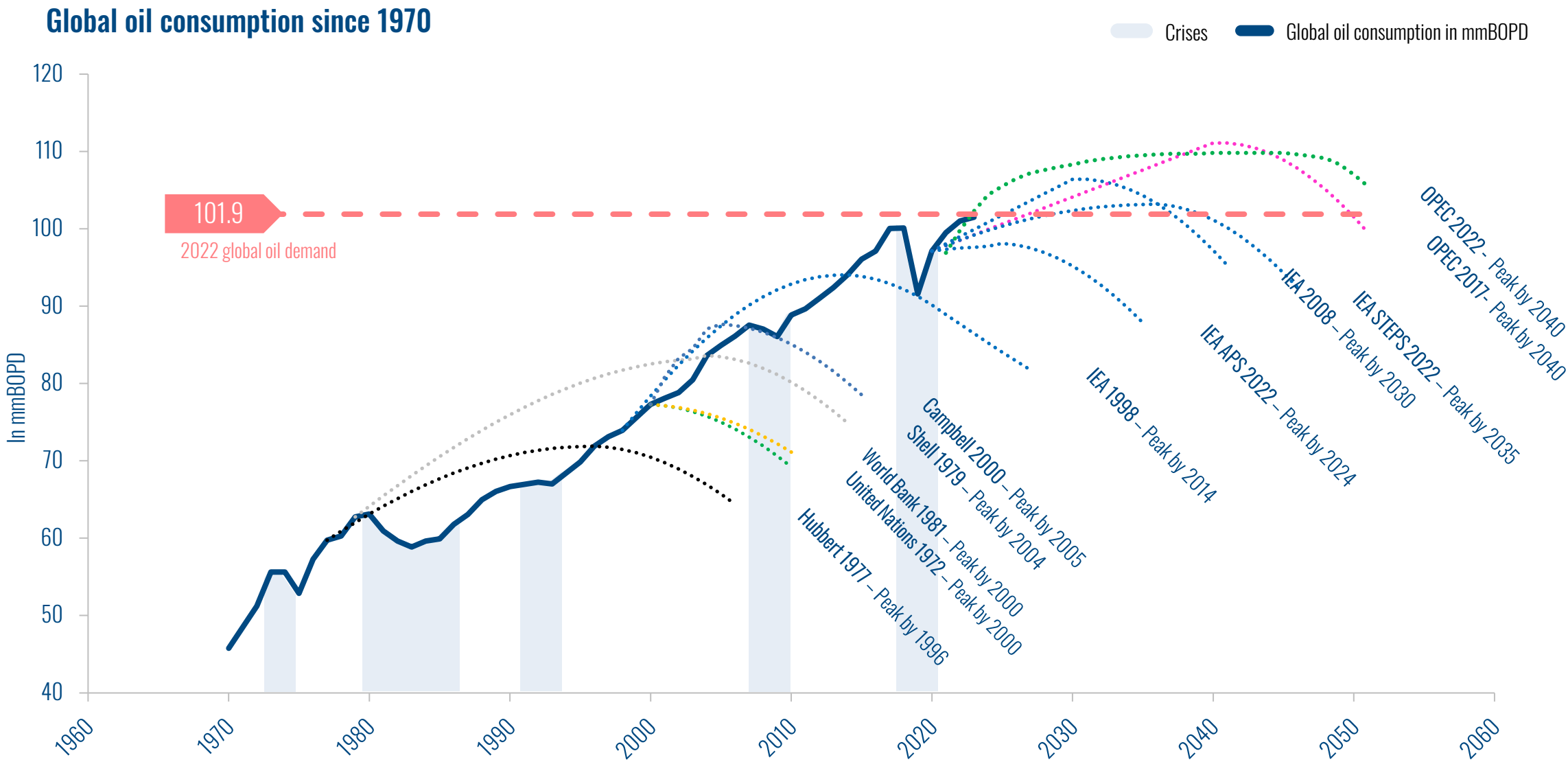
WTI oil price development since 2021



Quelle: J.P. Morgan Commodities Research, US Energy Information Administration, Yahoo Finance

* IEA scenario "STEPS - Declared Policy", IEA scenario "Announced Policy -APS" estimates 55 million barrels in 2050

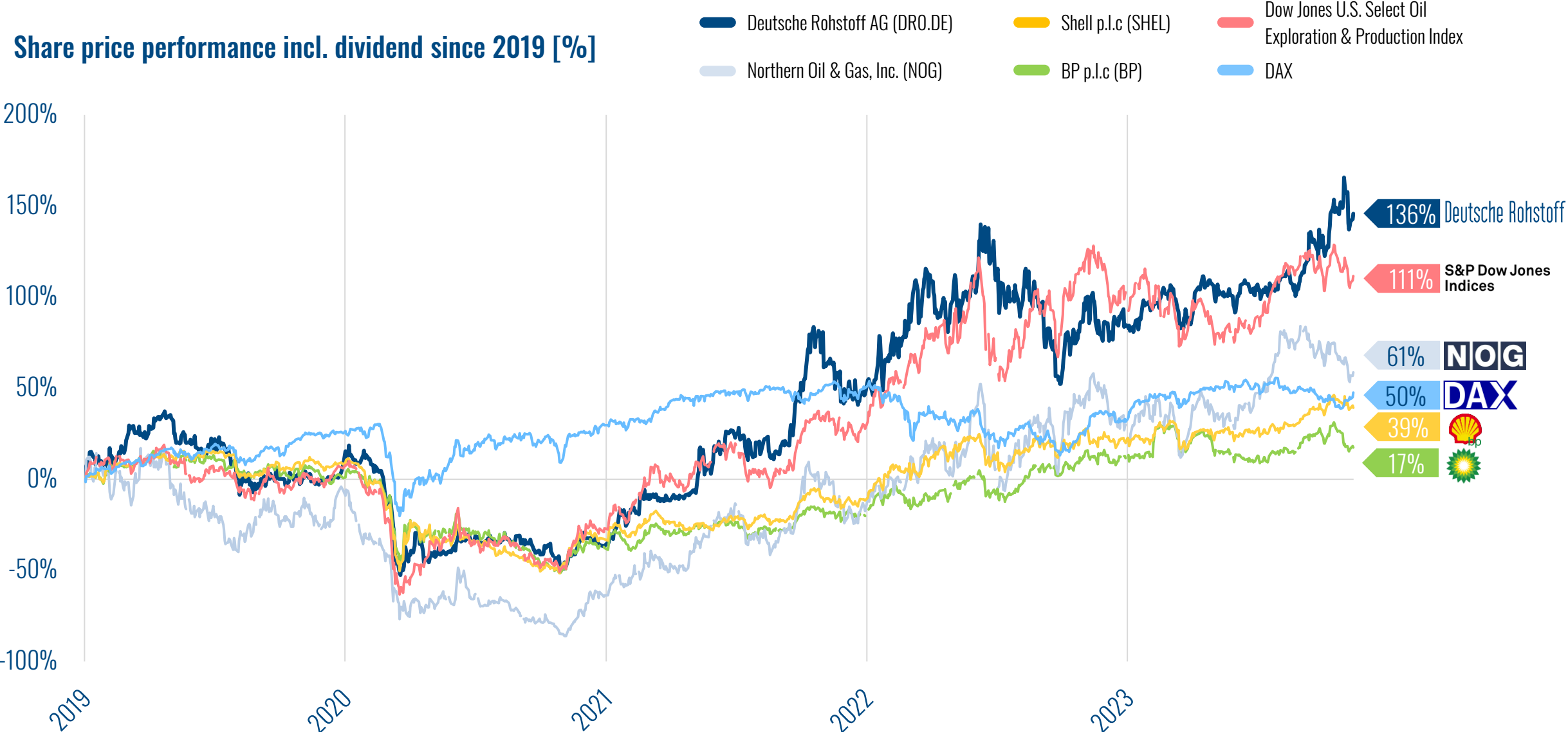
In 23 of the last 25 years, demand for oil has increased



Source: Internal DRAG analysis (e.g. IEA World Energy Outlook, OPEC, World Bank, United Nations)

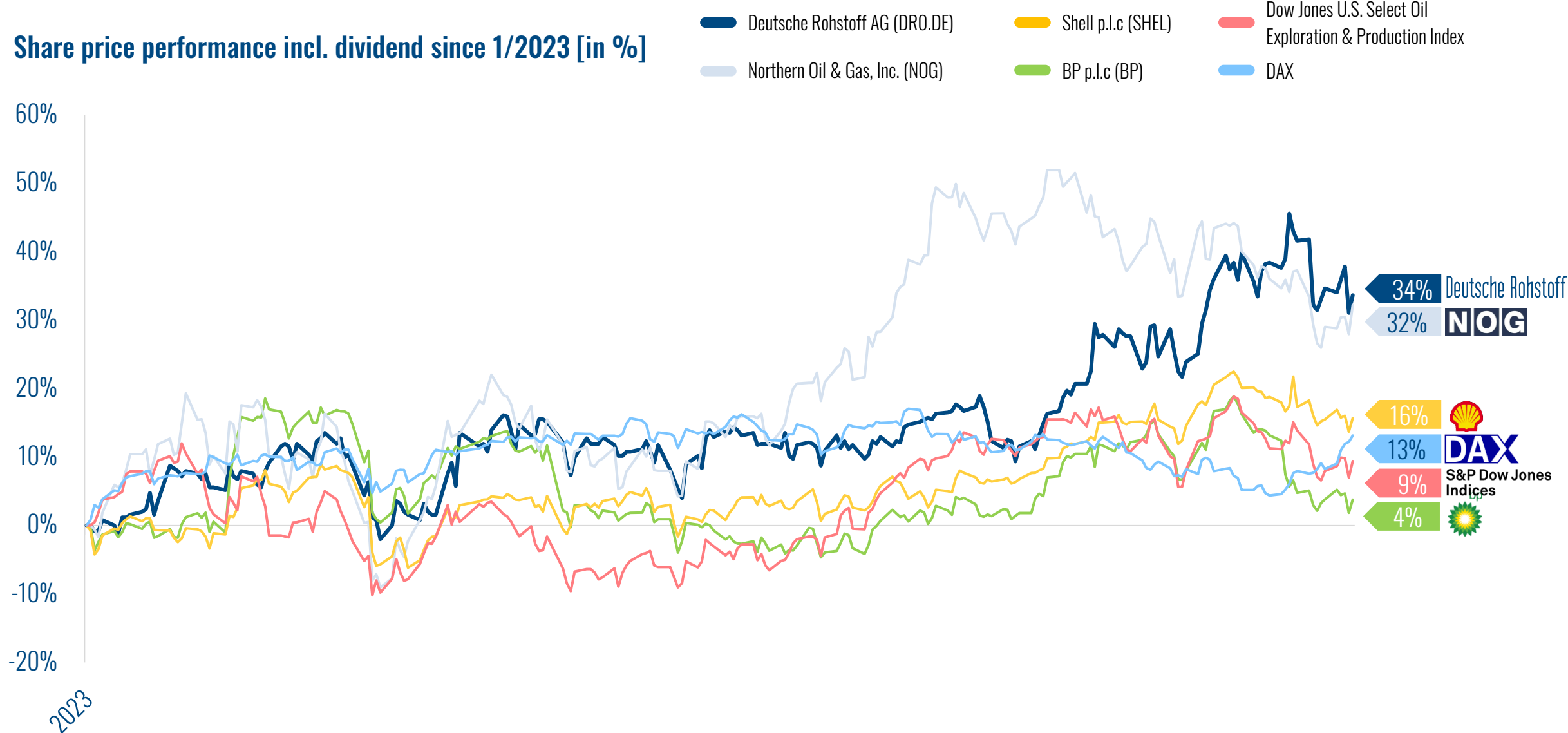
Share price performance since 2019 – Total Return

Share price performance incl. dividend since 2019 [%]



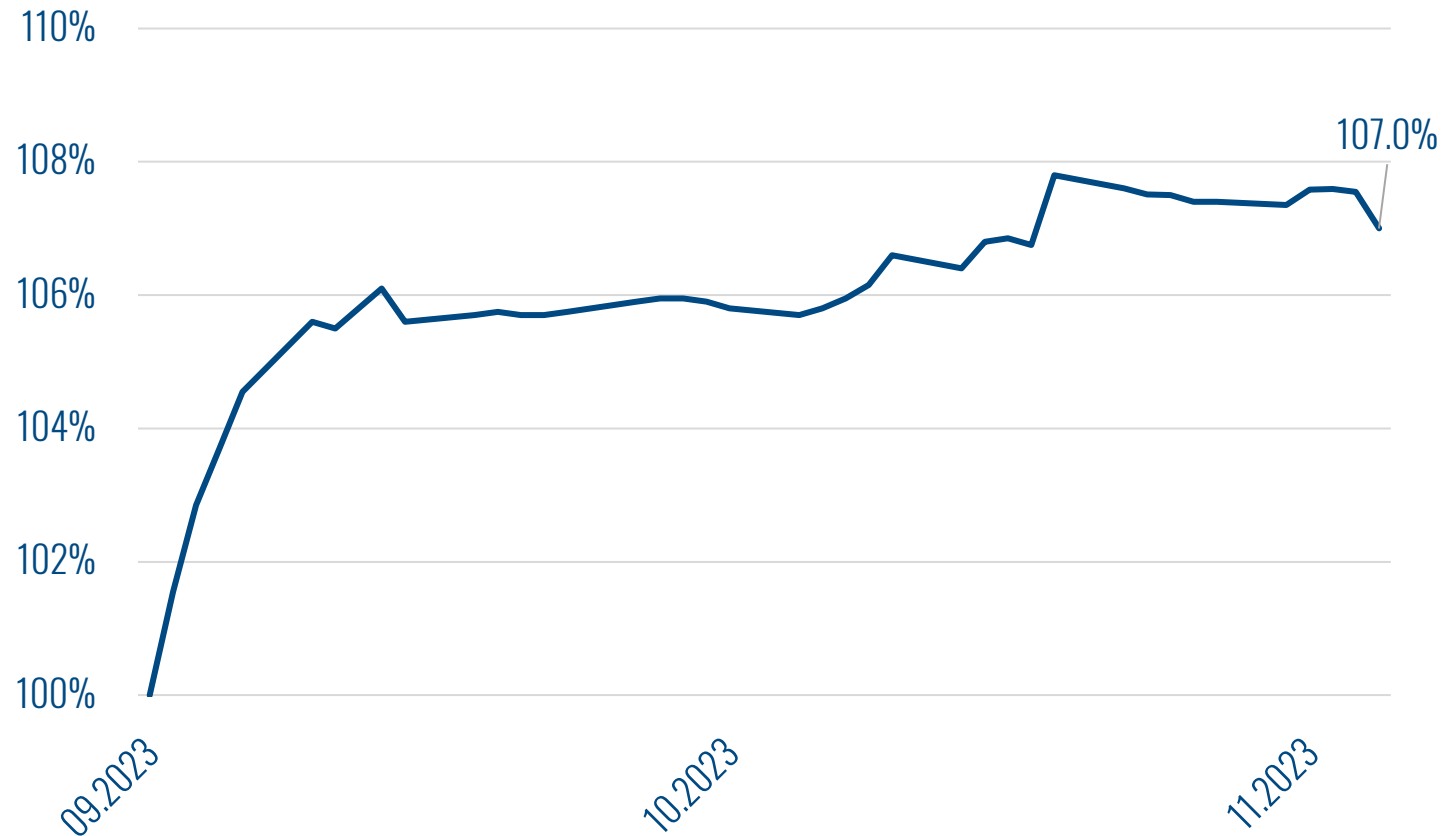
Outperformed the peer group since the beginning of the year

Share price performance incl. dividend since 1/2023 [in %]



Corporate bond 23/28 with strong price performance

Price performance since 25.09.2023 [in %] - EUR 100m bond 7.5%

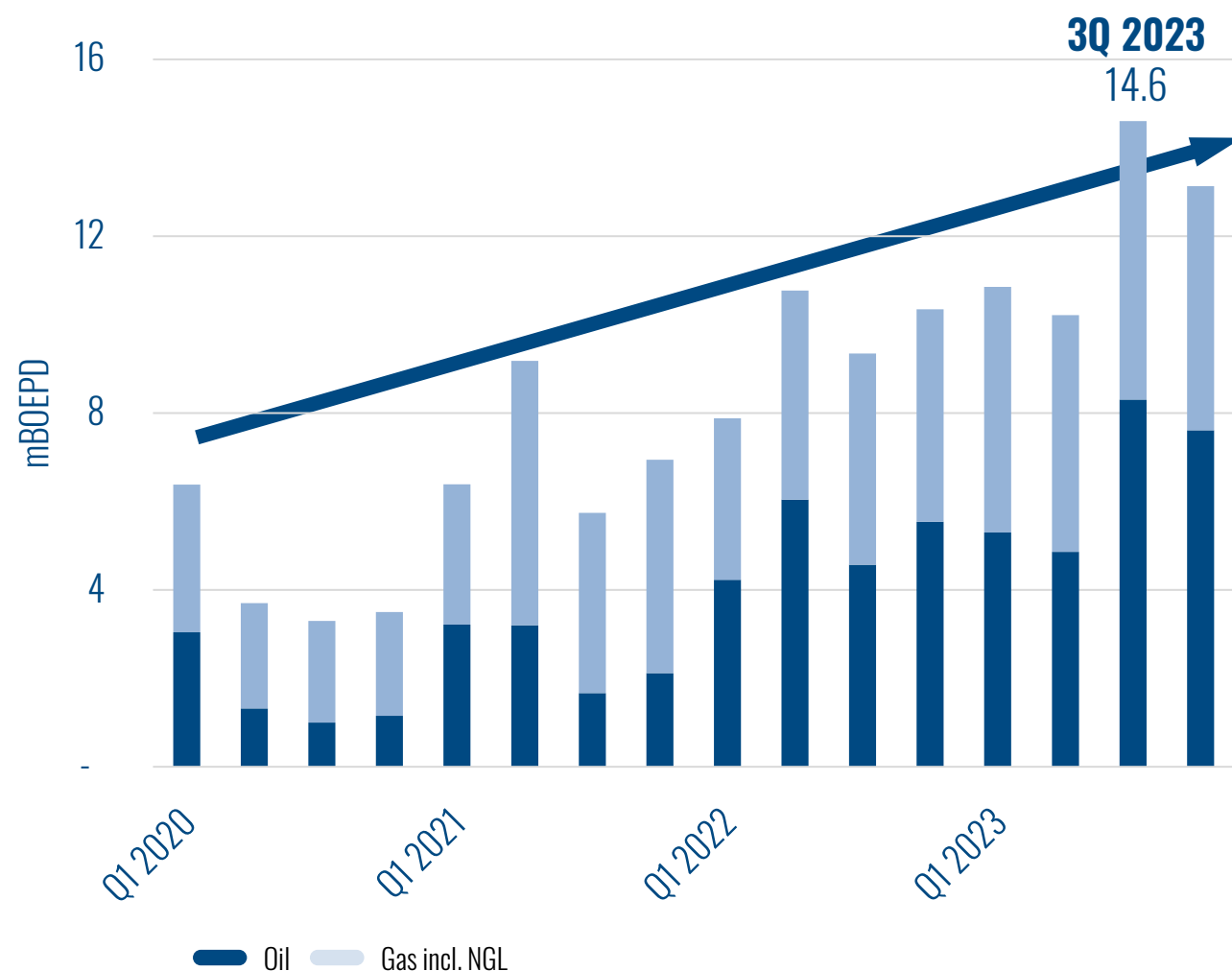


Solid balance sheet

- Successful maturity transformation
- No major maturity before 10/2028
- Bond 19/24 - 5.25%
 - Repayment EUR 20m 12/23
 - EUR 20m due 12/24
 - "Holding costs" bond 12/24 effective 1.5%

Production growth since 2020

Group production per day



Group Production

- Core production is crude oil - natural gas & NGL (natural gas liquids - butane, propane) are also produced from all wells
- Oil production has low operating costs of 8\$/BOE, initial investment around 16\$/BOE
- Revenue per BOE at around USD 44 Rising trend (oil share WY)
- Oil is sold at the WTI price less transportation costs (approx. 2\$)

8.2 USD

OPEX / BOE

74.9 USD

WTI Realized price

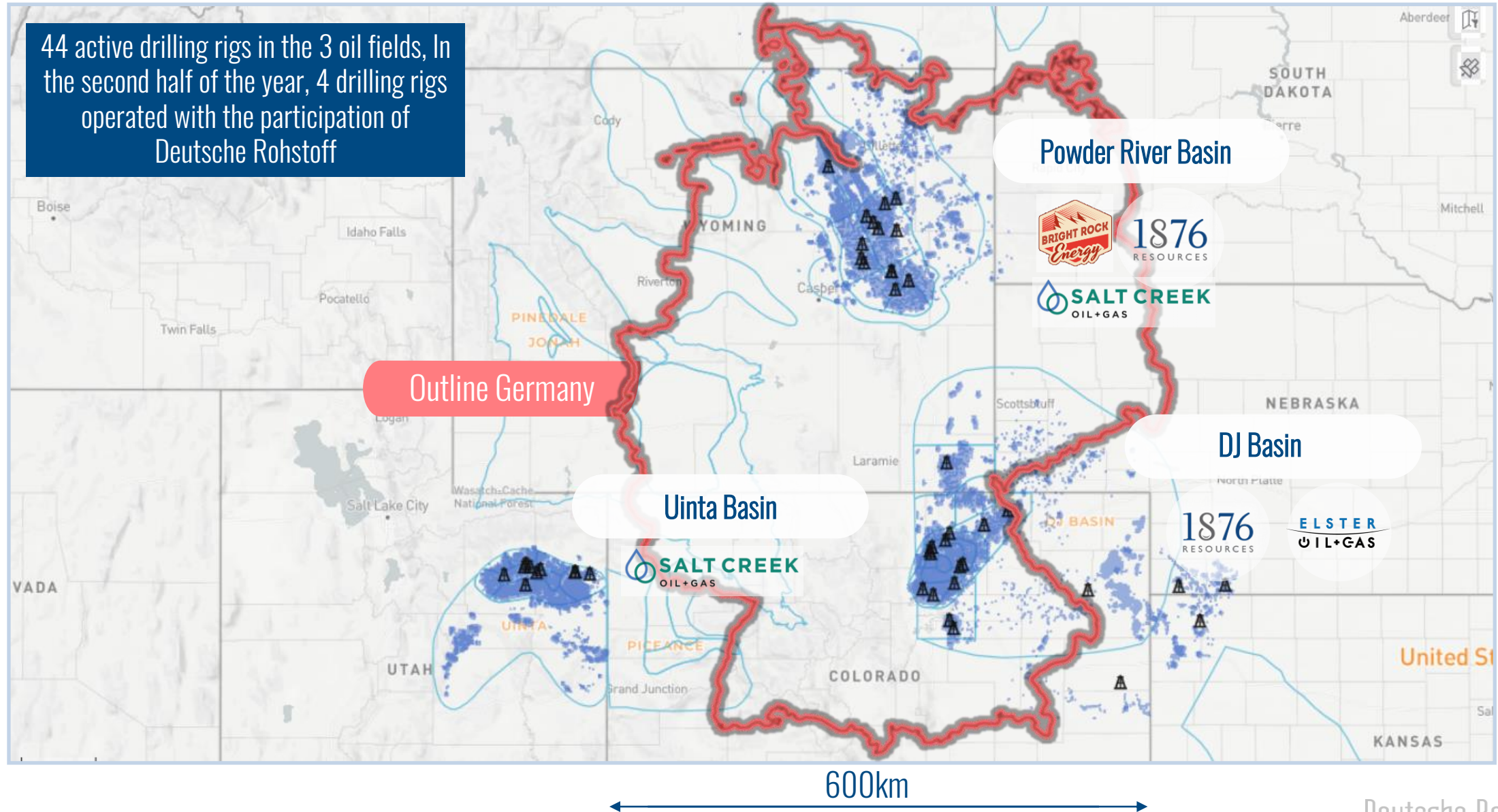
52 / 48

Oil / Gas Share [%]

80 / 20

Oil & Gas sales split

We produce in three US states with high levels of drilling activity








2023 & 2024 continuous drilling program implemented

2023e-2024e

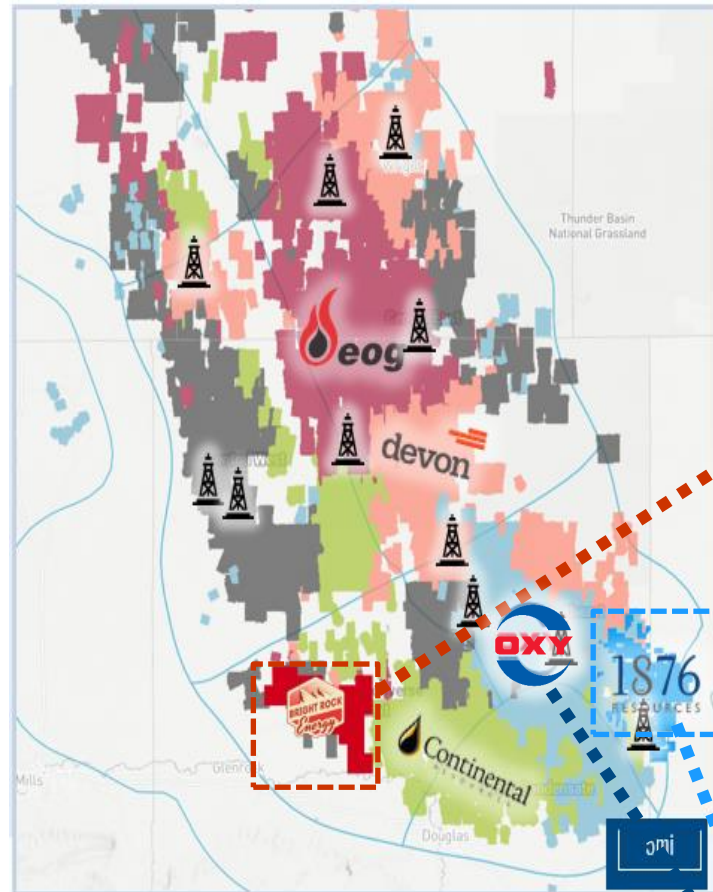
CAPEX - EUR 285m
EBITDA - EUR 282-307m

	2023	2024	2025+
   	<ul style="list-style-type: none"> - 3 Lost Springs wells online since June - 4 wells online during 4Q 	<ul style="list-style-type: none"> - 2+2 further wells online in 2024 - Further wells possible in 2024 	<ul style="list-style-type: none"> - Area potential for over 100 wells - CAPEX around EUR 10m per well - + EUR 1bn investment potential - Inventory for many years
	<ul style="list-style-type: none"> - 6 wells since the end of 2022 - 15 wells in production in 2023 	<ul style="list-style-type: none"> - 10 wells already drilled, completion 1Q24 	
	<ul style="list-style-type: none"> - 70 Non-OP holes 	<ul style="list-style-type: none"> - Bright Rock drilling program 3 wells 	
	EUR 155m CAPEX Drilling 2023 + EUR 20m Infrastructure	EUR 80m CAPEX Drilling 2024 + EUR 28m expansion of Bright Rock	

Our areas in the Powder River Basin (PRB), Wyoming

- High potential in Wyoming: Currently 50% of our production from PRB, most of the area not yet developed
- Active oil field: Around 12 drilling rigs were active in the Powder River Basin in Wyoming in 2023 - CAPEX p.a. of all companies at USD 2-3bn

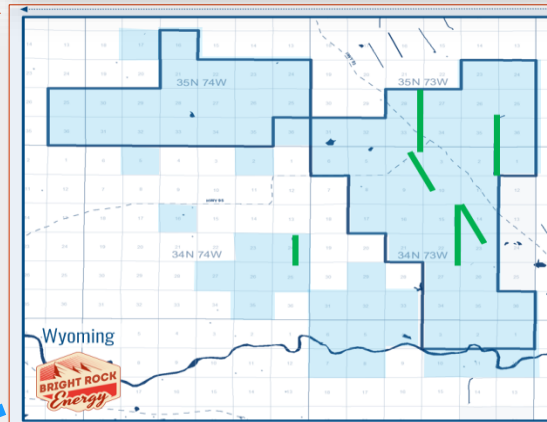
Powder River Basin



3 areas in Wyoming - together around 70,000 acres (28,000 hectares)

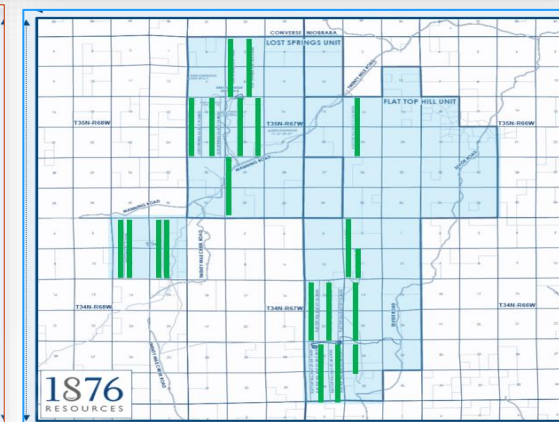


- Purchase 2020: 30k+ acre, 6 wells
- 1 well drilled in 2021
- Potential for up to 100 wells
- Highly prospective acreage

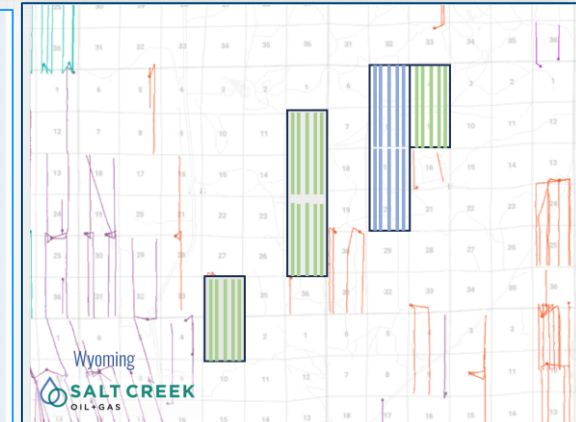


1876

- Purchase 2021: 30k+ acres, 20 wells
- 9 wells drilled in 2023
- Potential for up to 100 wells
- Highly prospective acreage

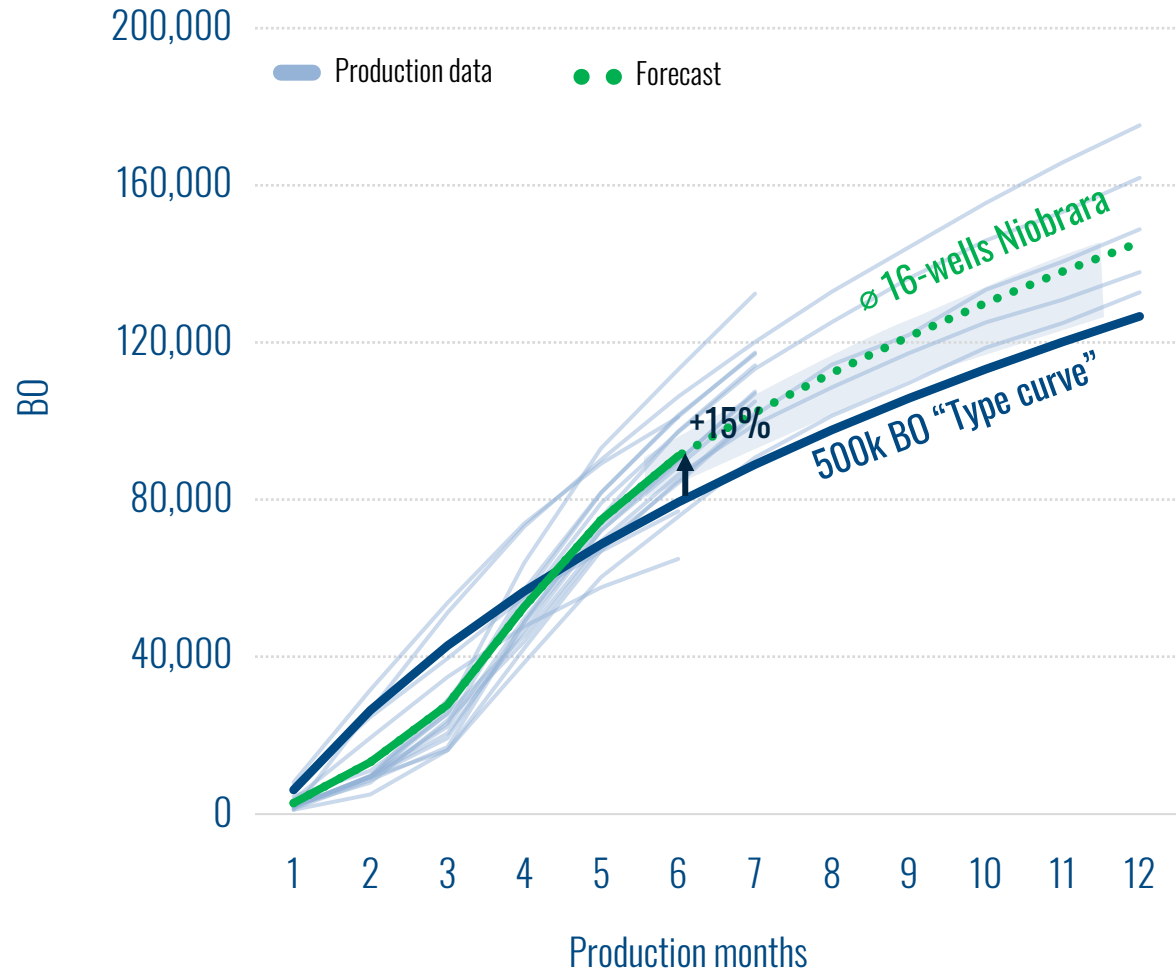


- JV since 2021
- 31 wells from 4 drill sites
- 150 million USD CAPEX DRAG
- Further 10 wells online 1H24



Drilling in Wyoming is developing positive

16 Niobrara wells with 6 months + production history

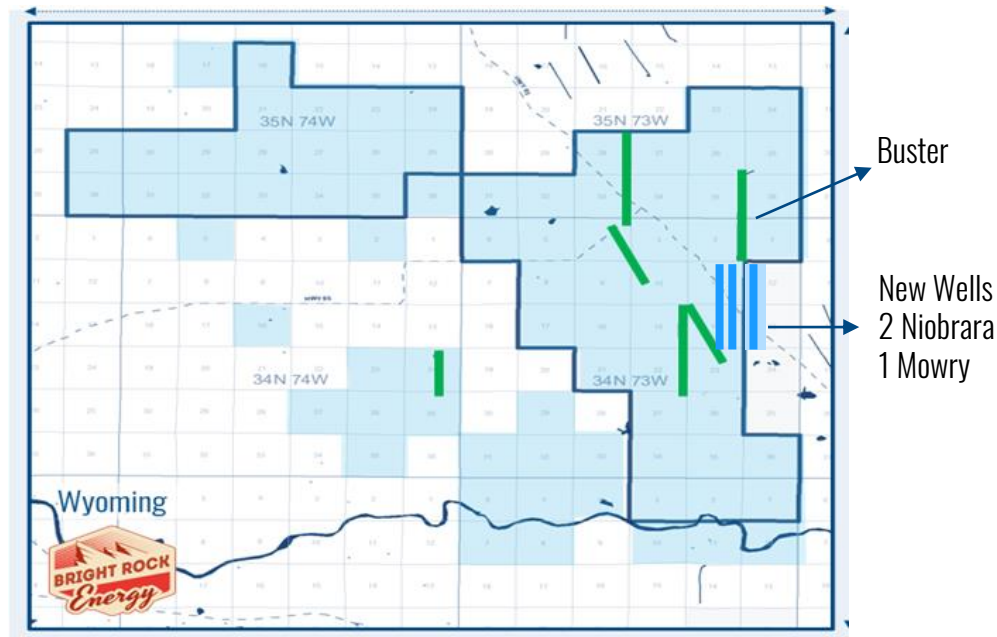


Good results from the drilling program

- 16 wells drilled into the Niobrara formation
- Drilled by US subsidiaries + Oxy JV
- Niobrara wells drilled above type curve to date
- Around 15% higher production after 6 months
- 4 wells in the Turner formation also above expectations (not shown)
- 1 Teapot well at 1876 already drilled

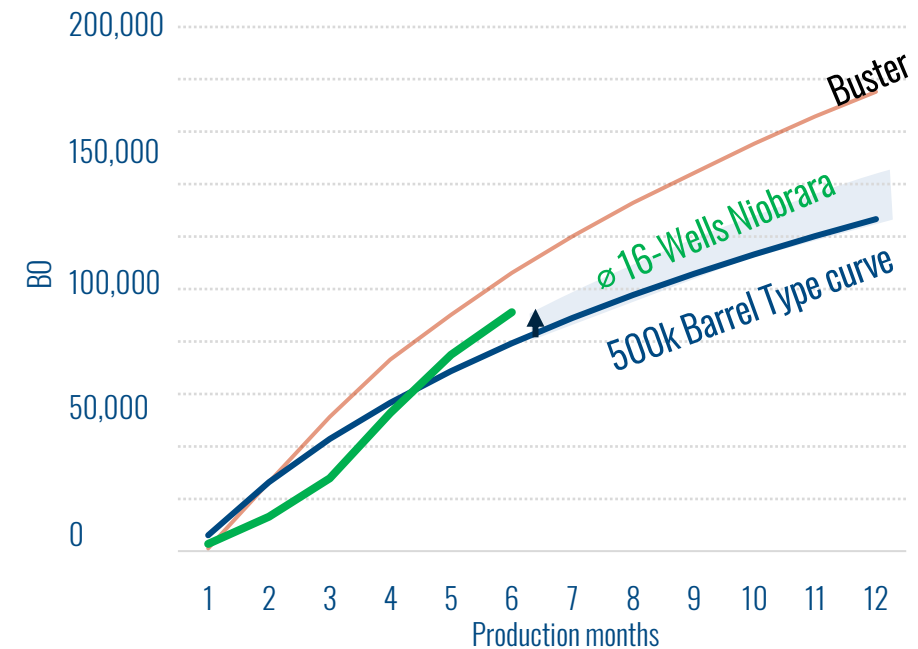
Bright Rock continues successful development in Wyoming

Extensive areas with great potential



- 3 wells planned from the end of 2023
- Drilling in Mowry formation for the first time - "Proof of concept" can significantly increase number of locations
- Completion in 2024 over the course of the year

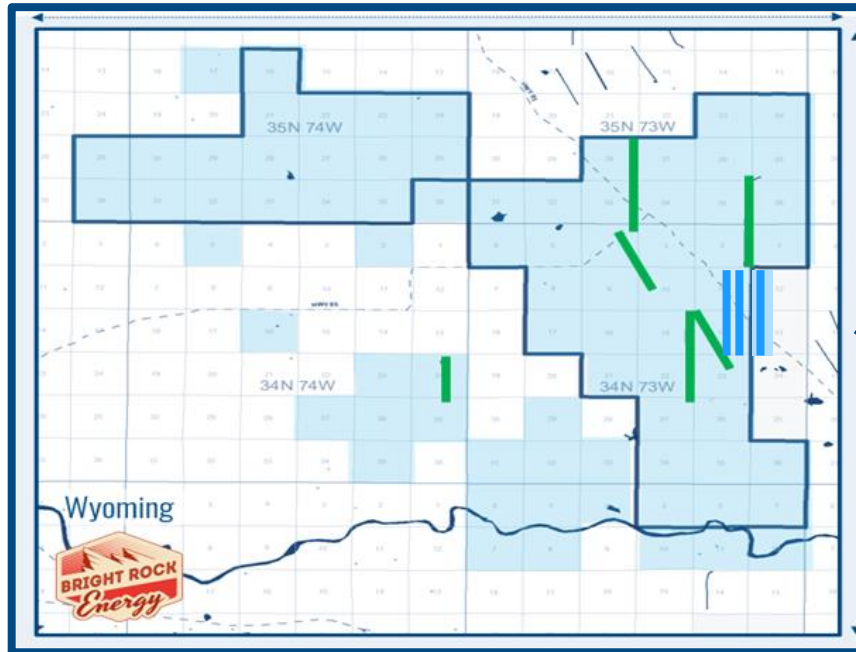
Buster - one of the best wells



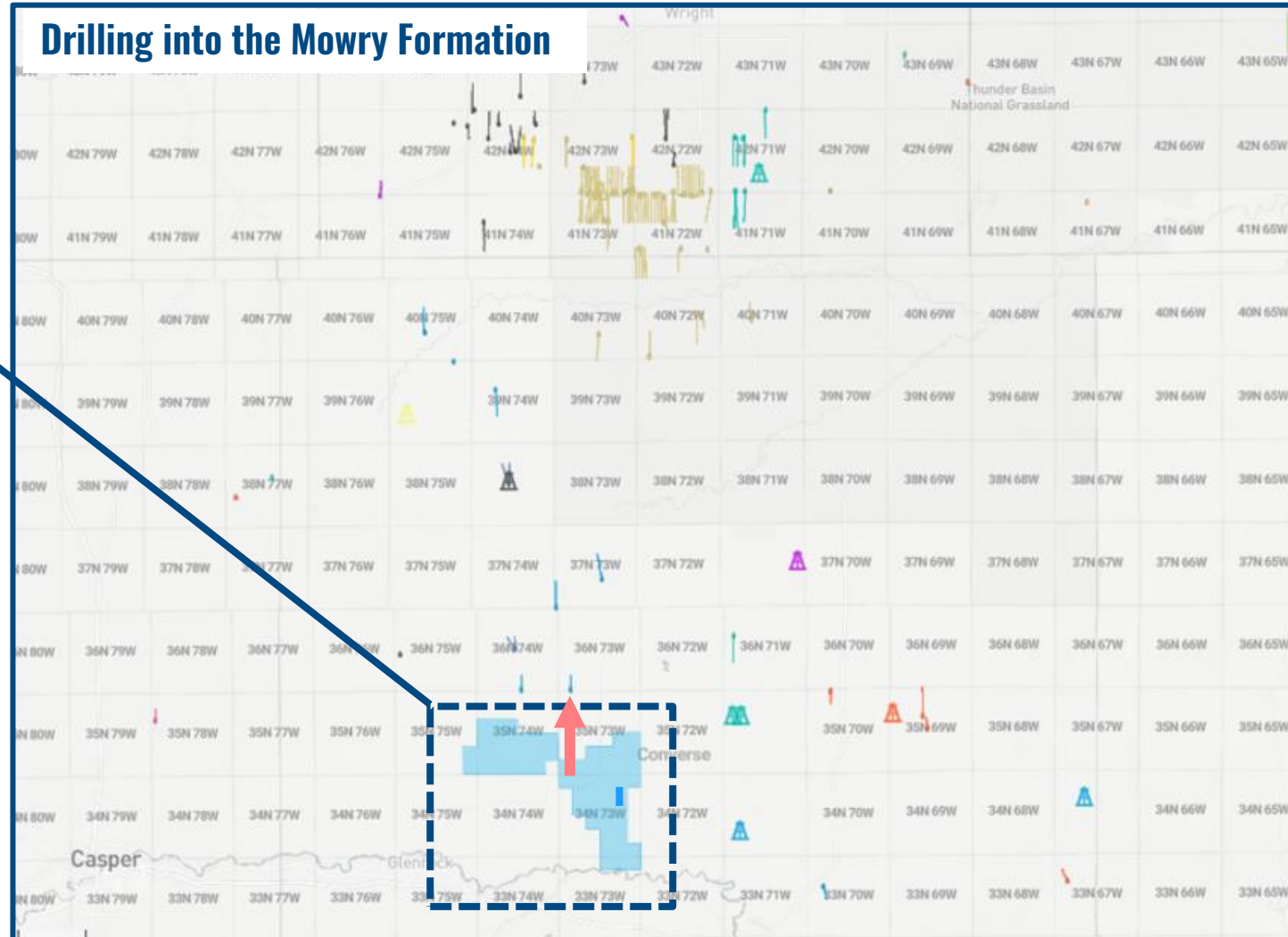
- Buster drilling with extremely strong production
- Payback in less than 12 months
- Tighter spacing, i.e. 2-4 wells per well site suggest slightly lower production per well

Mowry formation still underdeveloped but with great potential

Bright Rock Area

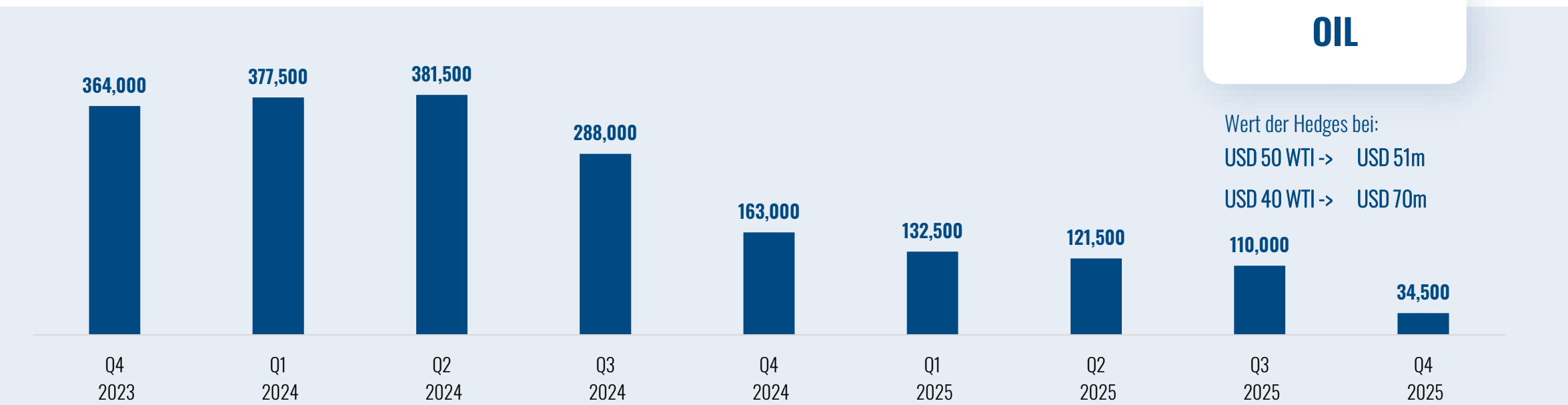


Drilling into the Mowry Formation



Strong hedge book - 2m B0 hedged at around USD 76/BBL

Hedged volume in barrels



	TOTAL HEDGES	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Volume in BBL	1,972,500	364,000	377,500	381,500	288,000	163,000	132,500	121,500	110,000	34,500
Bottom price limit in USD/BBL	75.7	77.4	76.4	77.0	76.8	76.4	71.1	70.2	70.8	73.5
Volume MMBtu	1,833,250	305,000	362,000	248,750	255,000	235,000	220,000	207,500	-	-
Bottom price limit in USD/MMBtu	3.6	3.6	3.9	3.5	3.4	3.4	3.4	3.6	-	-

Metals - promising projects in the tungsten and lithium sector

Metal sector accounts for around 10% of our total assets. Attractive opportunities through electrification & battery sector

Almonty Industries



- 13.5% share since 2014 through sale of a mine
- Tungsten producer in Portugal
- Developer of the largest mine outside China in South Korea - "Sangdong"

- Deutsche Rohstoff's stake in Almonty approx. 13.5%
- Total value of the investment around EUR 30m

Prime Lithium AG



- Focus on the processing of lithium
- Focus on process and technology
- Demand for lithium is growing exponentially
- R&D Center in Stade Chemical Park

- German company, based in Hamburg
- Founded in 2021

EXAI Joint Venture



Exploration Ventures AI

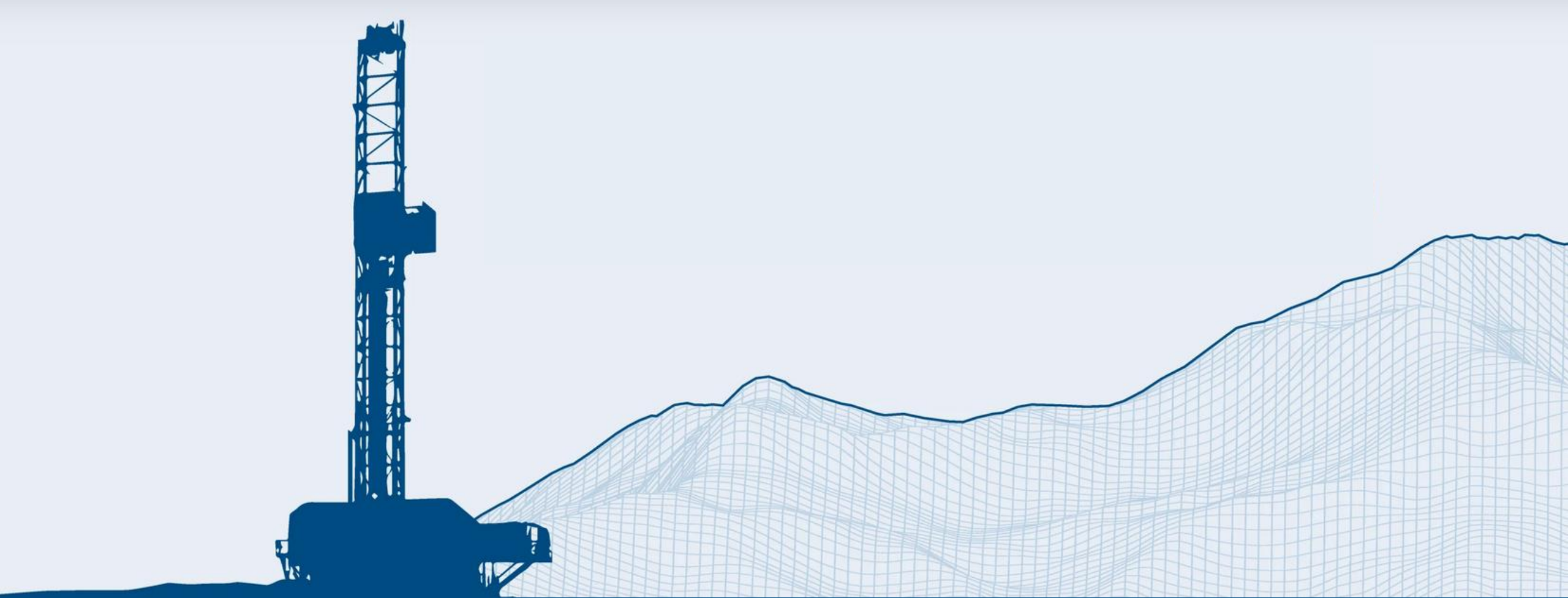
- Early-stage lithium exploration in Western Australia
- JV with technology partner, using Big Data/AI to generate targets
- Identify exploration targets

- 70% share in the Joint Venture
- SensOre Ltd. as JV partner

Highly profitable investment portfolio in the junior mining sector

Investments in listed companies

EUR 9m income since 2017 → EUR 2.5m in 2023 → Current value around EUR 5.5m



Capital Markets Days 2023 – Part II

22. November 2023

High investments lead to strong nine-month figures

Income statement items

<i>EURm</i>	9M 23	9M 22	↑ in %
Revenue	136.6	118.2	12%
Other operating income	7.3	15.1	-52%
Cost of materials	24.7	19.9	24%
Personnel expenses	4.4	3.9	14%
Other expenses	9.2	7.1	28%
EBITDA	101.6	102.3	-1%
Depreciation & Amortization ¹⁾	43.3	31.1	31%
EBIT	58.3	69.3	-16%
Financial result	4.8	4.3	13%
EBT	53.4	65.0	-18%
Taxes	10.1	12.4	-19%
Group result	42.6	47.6	-10%
<i>Earnings per Share</i>	8.51	9.50	-10%

1) Depreciation and amortization also includes write-downs of financial assets and marketable securities

Balance sheet & Cash Flow items

<i>EURm</i>	9M 23	2022	↑ in %
Balance Sheet Total	472.6	350.3	35%
Property, plant and equipment	288.8	192.6	50%
Equity	172.7	132.4	30%
Equity Ratio	36.5%	37.8%	-1.3%p
Liabilities	213.8	149.9	43%
Financial liabilities	171.9	109.9	56%
Cash and cash equivalents ²⁾	76.1	54.2	41%
Net debt	95.7	55.6	72%
Net Debt-EBITDA Ratio³⁾	0.7	0.4	72%
Operating Cash Flow *	96.0	108.1	-11%
Investing Cash Flow *	-125.0	-65.2	-92%
Free Cash Flow *	-29.0	42.8	
<i>Earnings per Share</i>	1.3	0.6	117%

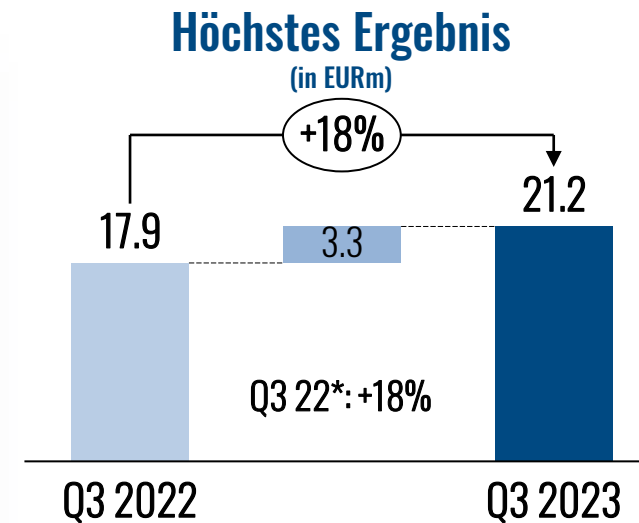
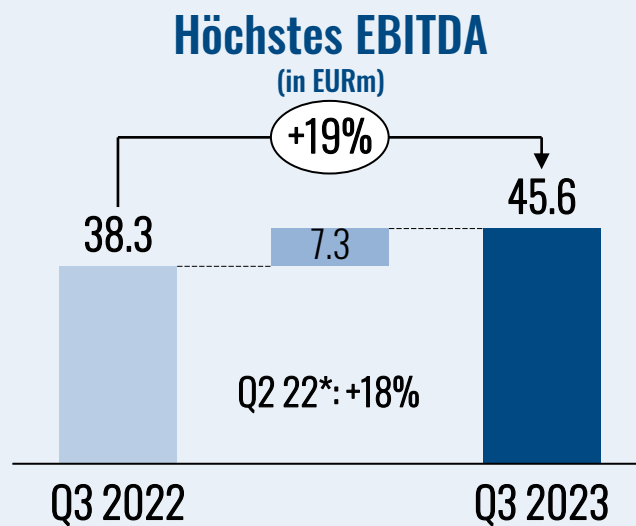
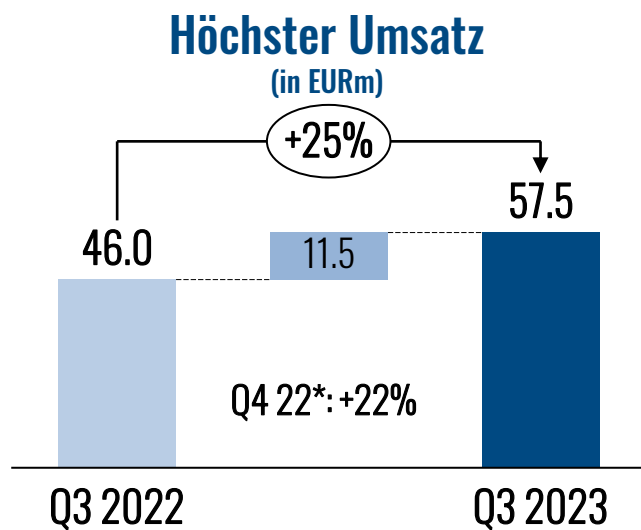
*) Previous year's figure based on June 30, 2022 / all other figures based on December 31, 2022

2) Cash and cash equivalents are defined as bank balances plus marketable securities

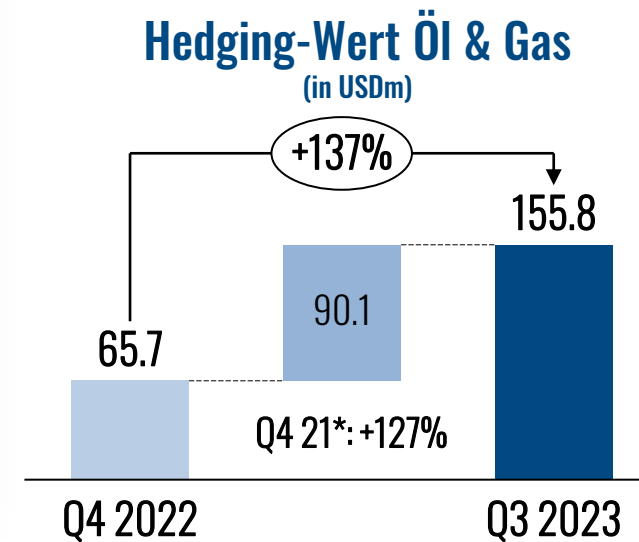
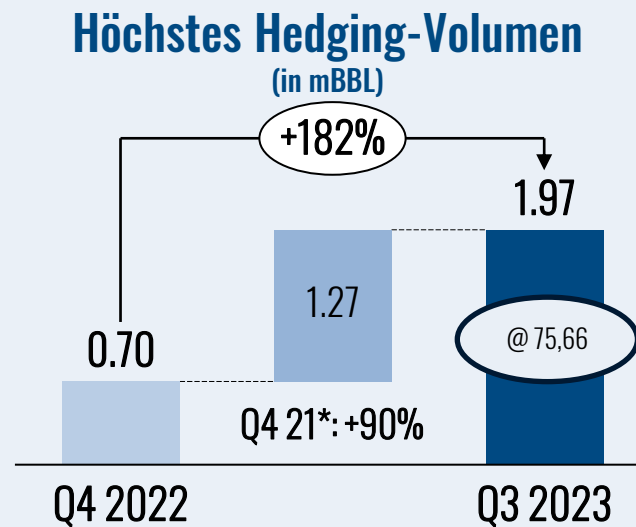
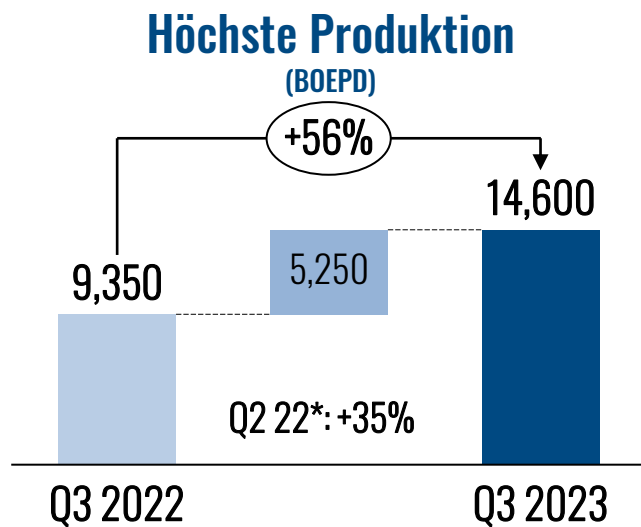
3) Leverage ratio is defined as Net Debt / EBITDA (Q4 22)

3rd quarter 2023: New records for financial figures and volume

Financial figures



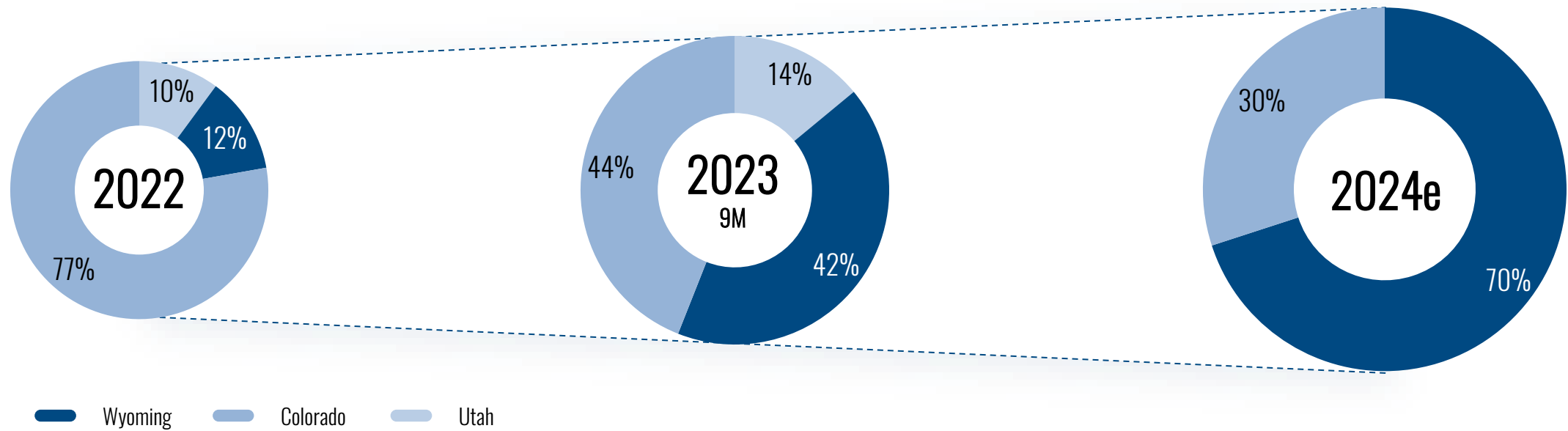
Volume



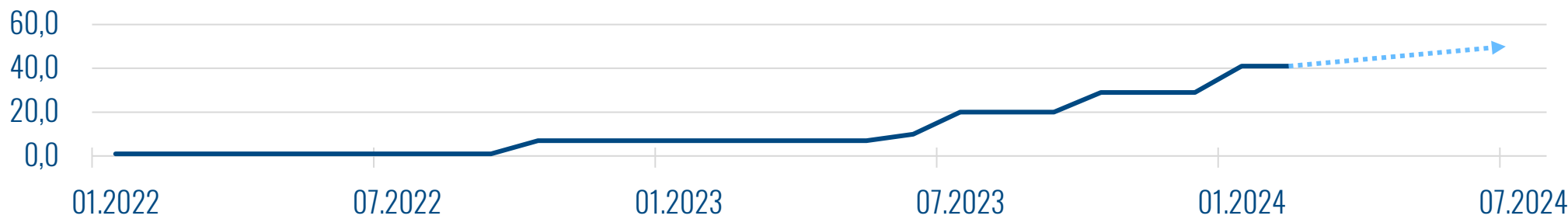
* Previous quarter with the highest value with regard to the key figure shown, earnings figures based on operating earnings excluding divestments

Wyoming with the largest volume share

Volume (BOE) by region

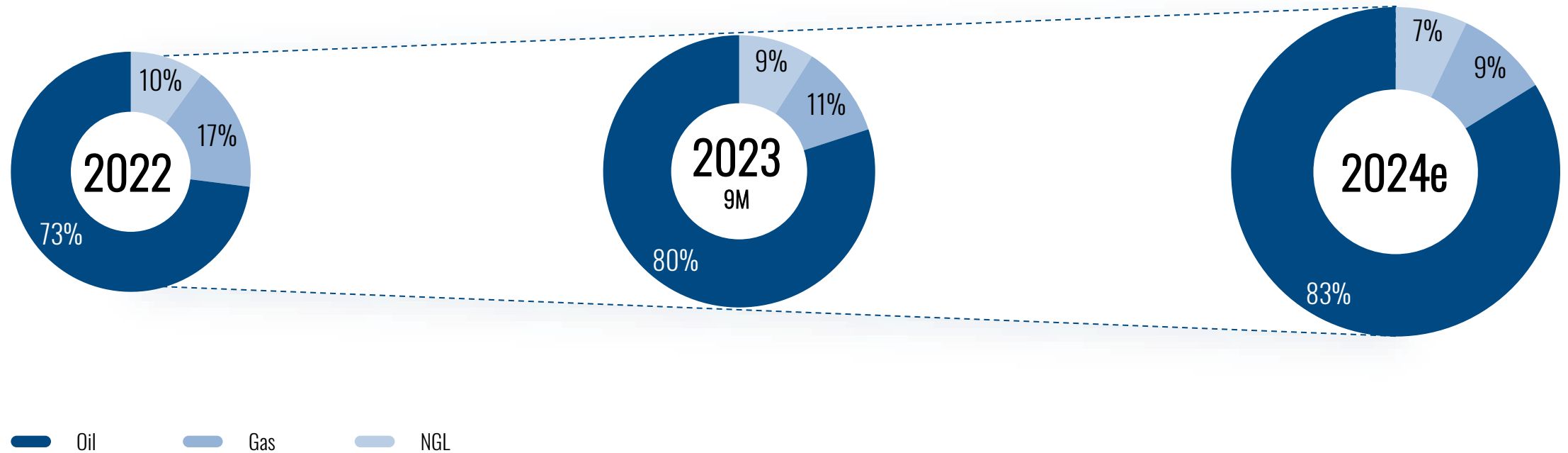


Drilling in the Powder River Basin (Wyoming)



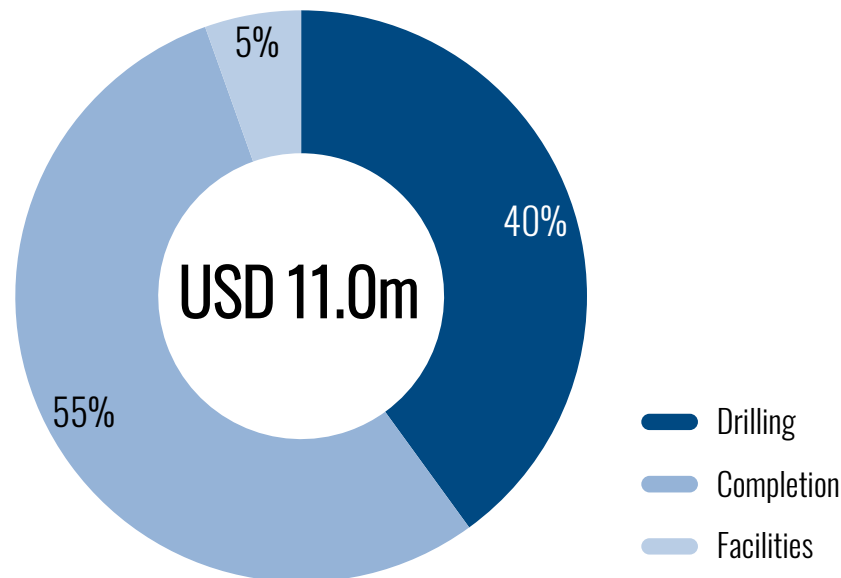
As sales in Wyoming grow, so does the oil share

Sales by product

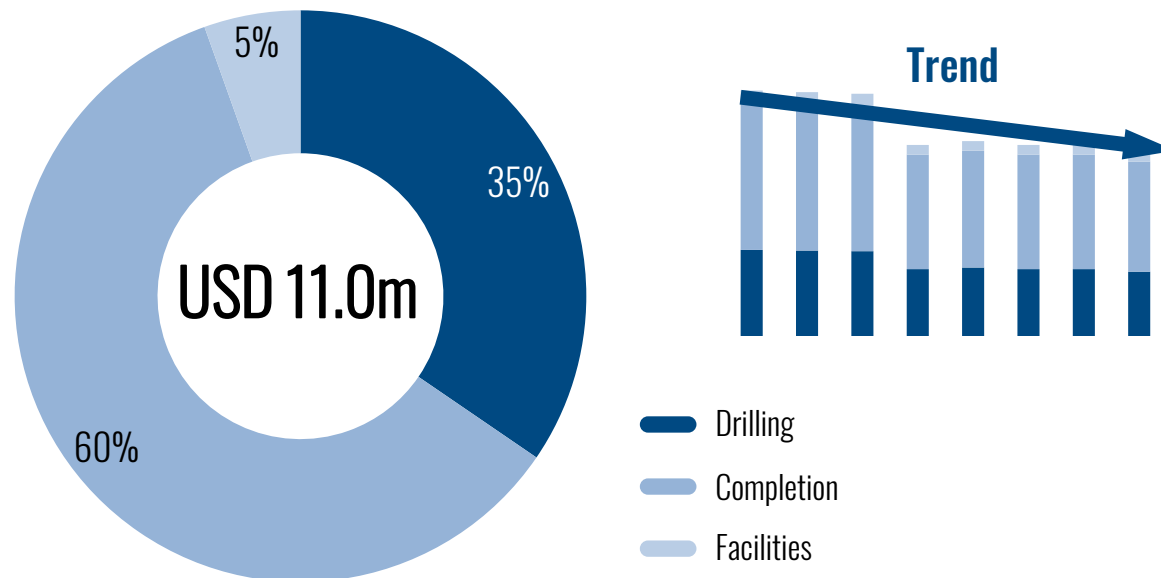


Planning assumptions for CAPEX confirmed after the first 19 wells

PLAN-CAPEX



ACTUAL CAPEX after 19 wells (Average)



Evaluation after 19 drillings

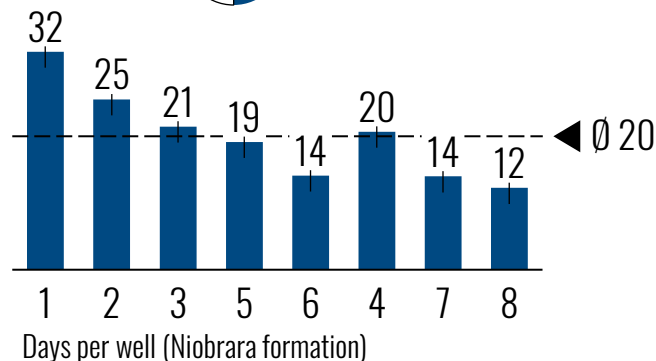
- Planned capital expenditure for a well in the Niobrara formation of USD 11m was confirmed (average: USD 11.02m)
- Higher CAPEX for completion was offset by lower CAPEX for drilling
- CAPEX shows a positive (decreasing) trend so that CAPEX below USD 11m can be expected in the future

Wyoming efficiency gains: good progress and more to come

Days per well

- Significant reduction in cycle time achieved ☒

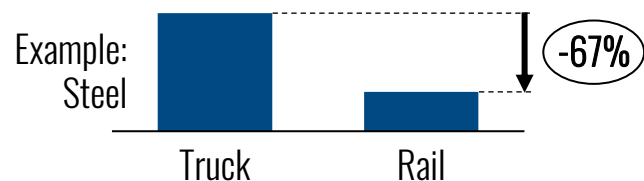
- Potentials  Realization



Transport

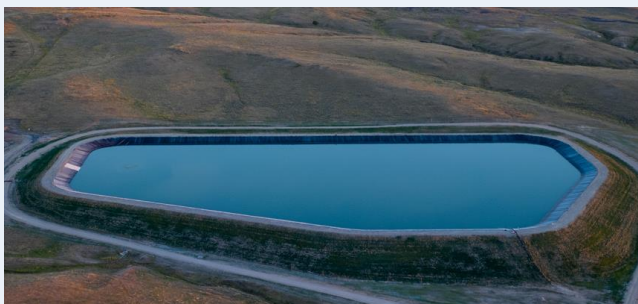
- Transportation and logistics key cost drivers (steel, sand, equipment)

- Potentials  Realization



Fresh water

- Construction of own reservoirs completed ☒
- BUT: Completion design enlarged for higher delivery volume, resulting in water volume +30%

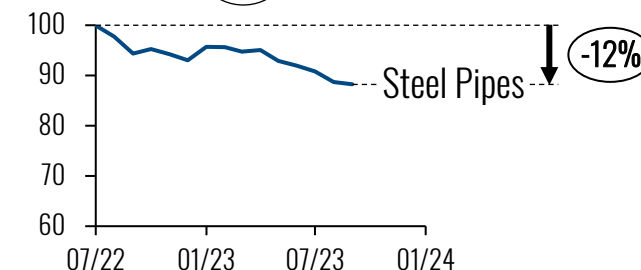


Used water

- Partial reuse of used water in preparation for first completion at the end of 2023
- Reduction of transport routes as part of the further expansion of infrastructure
- Potential not yet realized

Steel

- Over 9.2 km of steel per well
- Potentials  Realization

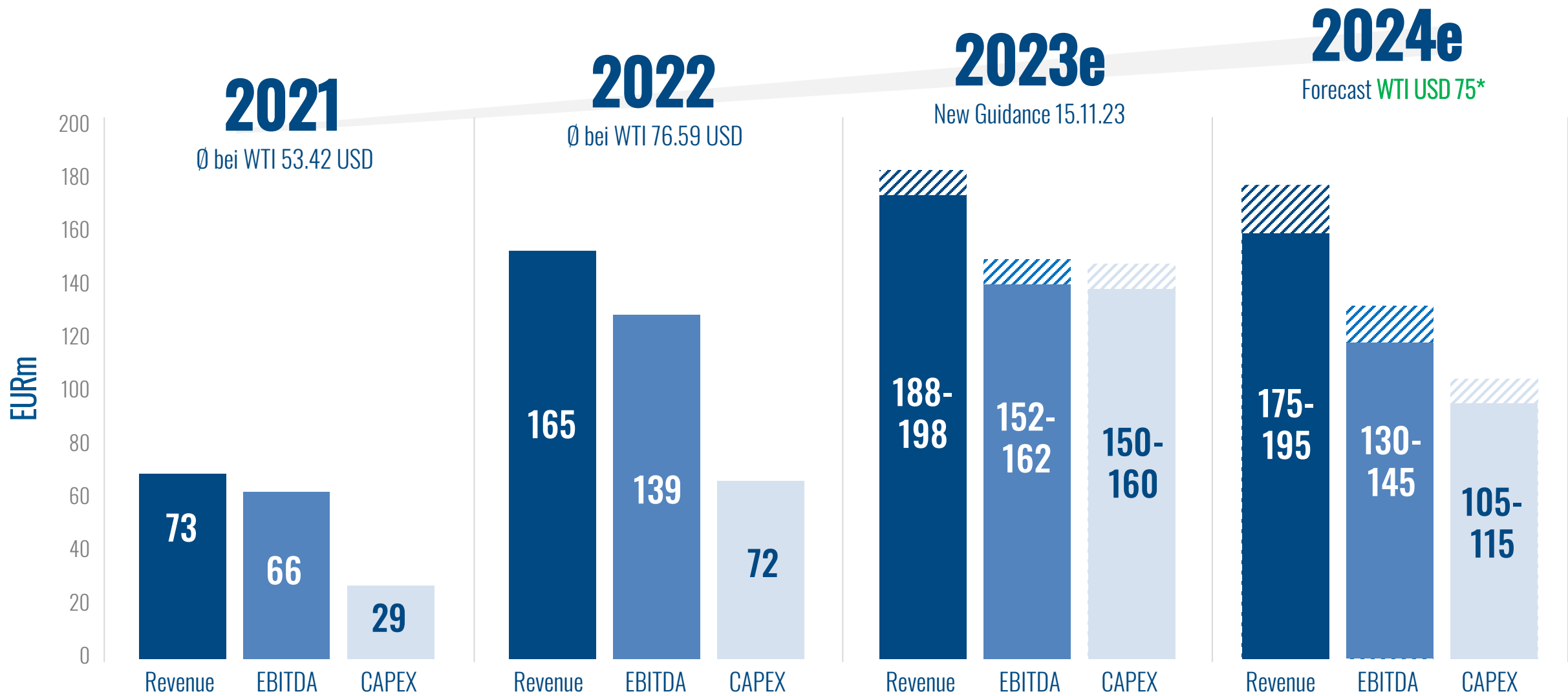


Source: FRED St. Louis, Producer Prices for Steel Pipes

Continuous improvement

- Mindset: "Be 1% better every day than yesterday"
- Permanent presence on site
- Exchange with large company managers
- Openness to new ideas & willingness to implement them directly

Outlook 2023 - 2024



Forecast corresponds to base scenario: Oil: USD 75/BBL (2023) and USD 75/BBL (2024); Gas: USD 3.0/MCF (2023) and USD 3.0/MCF (2024); EUR/USD: 1.08 (2023) / 1.12 (2024)
(Further information on the guidance is available at www.rohstoff.de/guidance/)

Prognose 2023 und 2024 im Detail



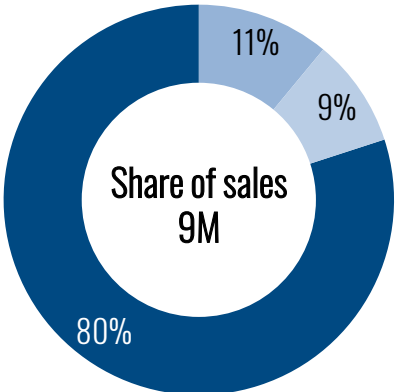
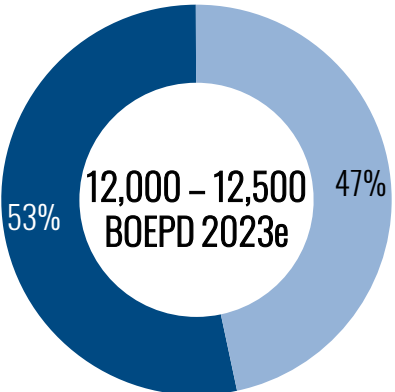
Global oil demand on the rise

	Base scenario	
	2023e	2024e
Revenue EURm	188-198	175-195
EBITDA EURm	152-162	130-145
Underlying assumptions:		
Oil price USD	75,00	75,00
Gas price USD	3,00	3,00
Exchange rate USD/EUR	1,08	1,12

	Elevated scenario
	2024e
Revenue <i>EURm</i>	190-210
EBITDA <i>EURm</i>	155-170
Underlying assumptions:	
Oil price USD	85,00
Gas price USD	3,00
Exchange rate USD/EUR	1,12



Volume



Oil at \$75 WTI Gas at \$3 Henry Hub NGL



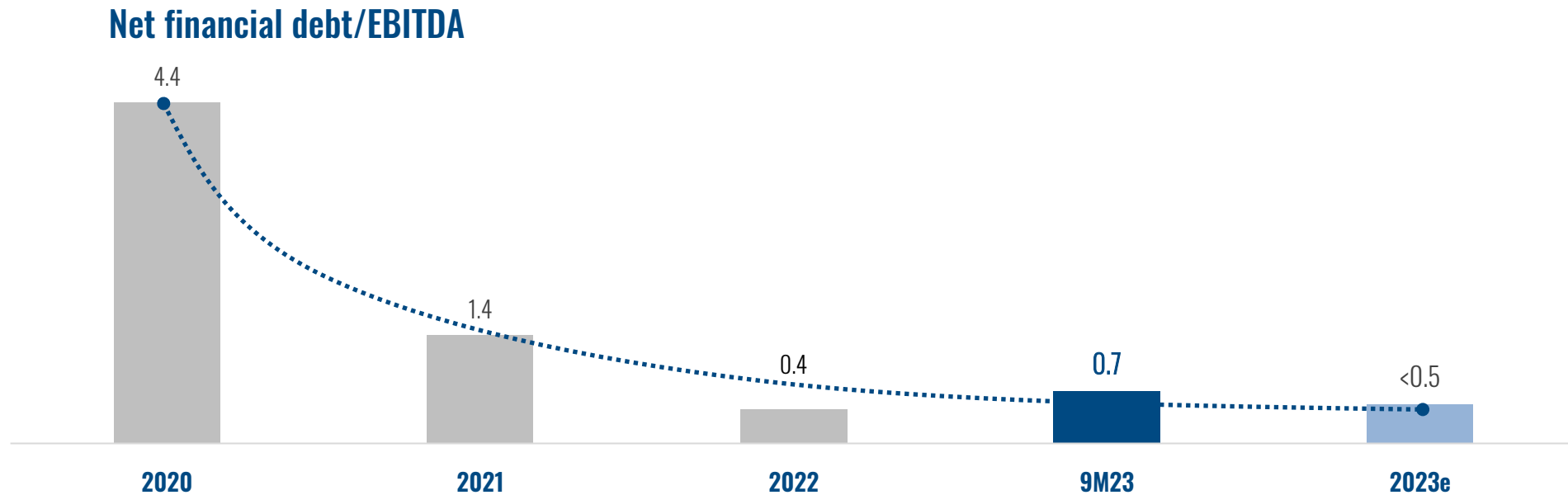
Investments

EUR 265m CAPEX 2023e & 2024e*

- EUR 125m in JV & Utah - Non-Operated
- EUR 140m - Wyoming Operated

* Excluding Midstream & Sale Utah

Outlook: Debt ratio falls due to high EBITDA and the Utah deal

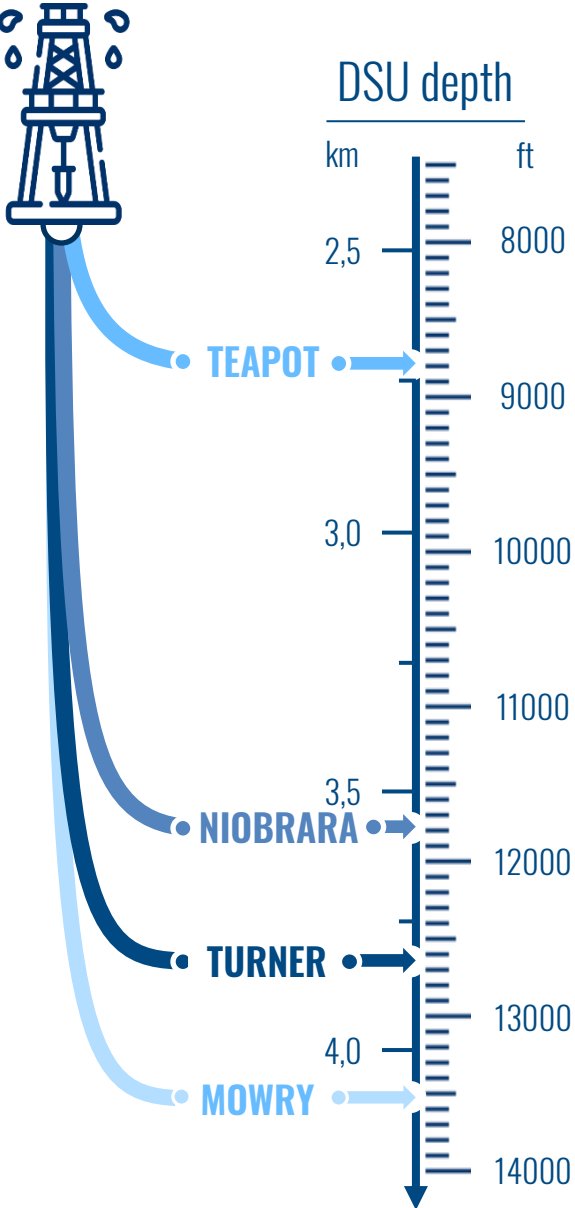


Figures in EURm

	2020	2021	2022	9M23
EBITDA	23.9	66.1	139.1	138.4*
Cash and Securities classified as current assets	22.8	23.5	54.2	76.1
Net financial debt/EBITDA	105.6	93.9	55.7	95.7
Net financial debt/EBITDA	4.4	1.4	0.4	0.7

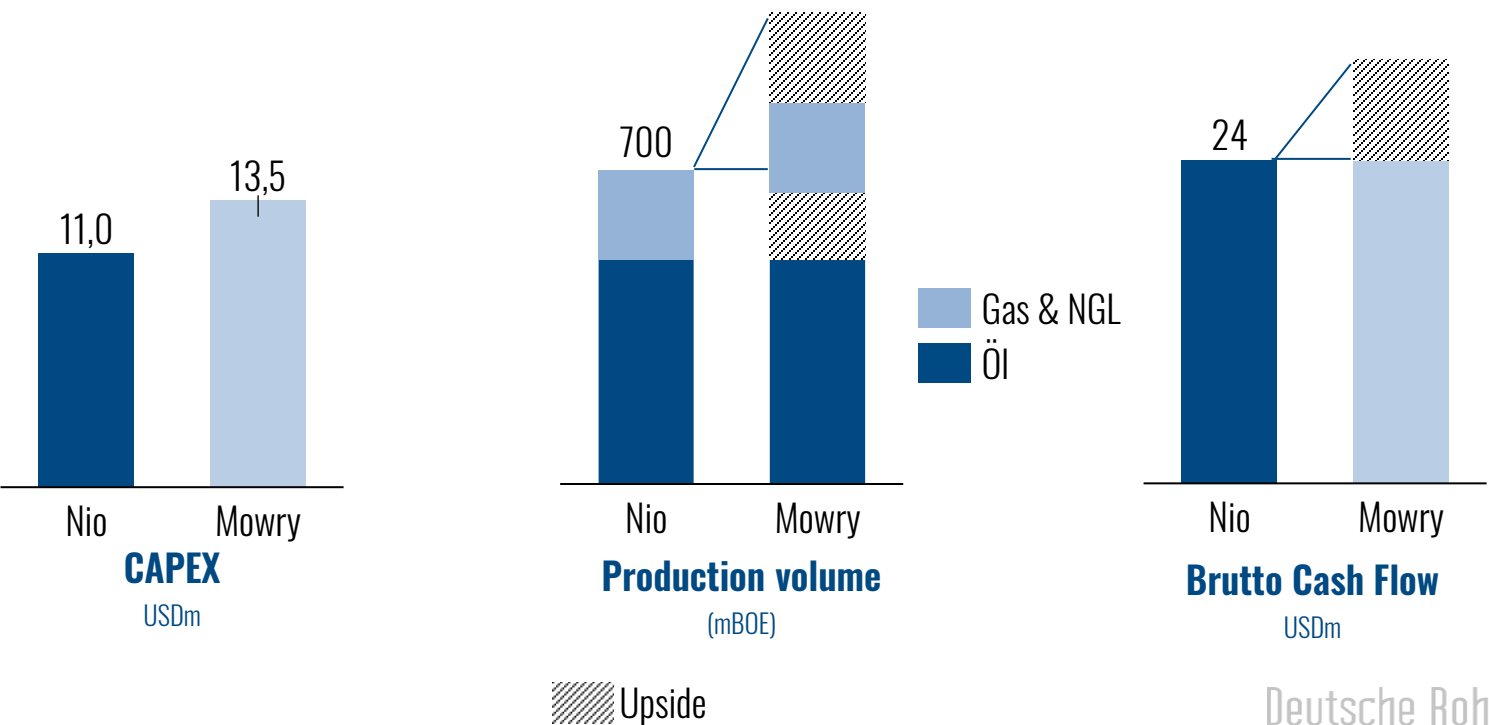
*Figures are based on EBITDA for Q4 22 and 9M 23 (so-called EBITDA LTM - Last Twelve Month)

Mowry formation has an attractive risk/reward profile

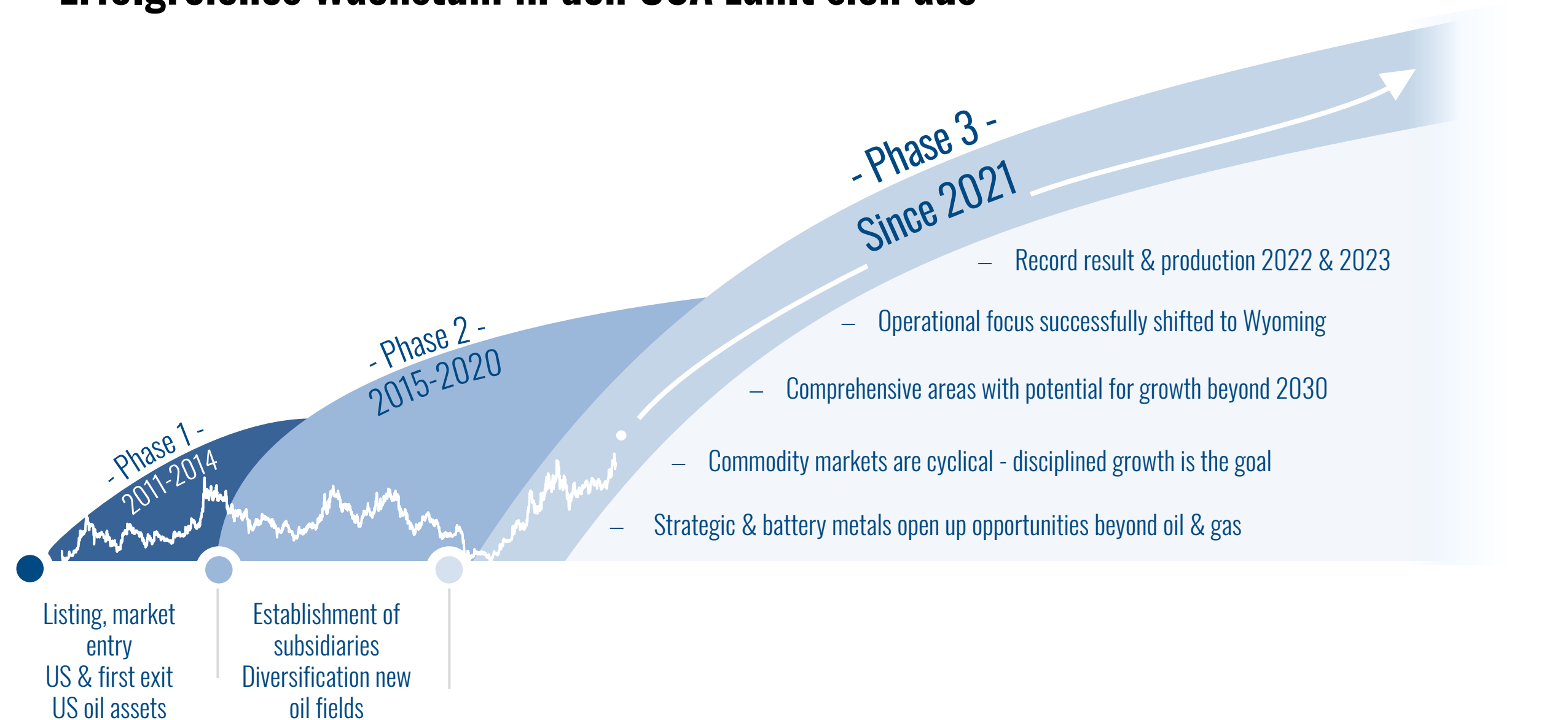


Evaluation

- The greater drilling depth of around 13,500 feet (> 4 km) increases the investment costs
- Reference wells are expected to yield the same to significantly higher volumes for oil & gas
- This results in attractive "upside potential" for gross cash flow and reserves



Erfolgreiches Wachstum in den USA zahlt sich aus



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Glossar

BO bzw. BBL	Barrel oil
BOE	Barrels of oil equivalent (oil, gas, NGLs)
BOEPD / BOPD	Barrels of oil equivalent per day / barrels of oil per day
Brent	Brent is a European crude oil
CAPEX	Capital Expenditure (defined as Investing Cash Flow for reasons of simplification)
CF	Cash Flow
CO	Colorado
DRAG	Deutsche Rohstoff AG
DSU	Drilling spacing unit
E&P	Exploration & Production
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
EBT	Earnings Before Taxes
Enterprise Value (EV)	Enterprise value is the measure of the total value of a company; $EV = \text{Market Capitalization} + \text{Net Debt}$
ESG	Environmental, Social and Corporate Governance
EUR	Euro
FCF	Free Cash Flow
HGB	German Commercial Code
Henry Hub (HH)	Pricing point for natural gas futures contracts traded on NYMEX, considered the benchmark for natural gas prices in North America
LOE	Lease Operating Expenses - operating expenses for leases (reported in the cost of materials item in the HGB income statement)

Glossar

Market Cap	Market capitalization: Refers to the total market value of a company's outstanding shares
mm/mBOPD	Millions/thousands of barrels of oil per day
mm/mBOE	Million/thousand barrels of oil equivalent
MCF	Thousand cubic feet
Mio.	million
Mi	Miles
Mrd.	Billion
MMBTU	Millionen British Thermal Units
Mt	Metric tons
NGL	Natural Gas Liquids: Ethane, Propane, Butane
OPEC	Organization of the Petroleum Exporting Countries
OPEX	Operating expenses
P&G	Processing & Gathering
EURm bzw. USDm	Million euros or US dollars
TWh	Terawatt hour
USD	US-Dollar
UT	Utah
WI	Working interest: share of producing wells, unweighted by length
WTI	West Texas Intermediate crude oil
WY	Wyoming