PERFORMANCE UNDER PRESSURE

NGSG NATURAL GAS SERVICES GROUP, INC.

INVESTOR PRESENTATION | AUGUST 2024

Disclaimer and Forward-Looking Statements

Forward-Looking Statements

This Presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this Presentation, regarding our strategy, future operations, financial position, estimated revenues, income, and losses, projected costs, prospects, guidance, plans and objectives of management are forward-looking statements. When used in this Presentation, the words “could,” “may,” “will,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “guidance,” “project,” “goal,” “plan,” “potential,” “probably,” “target” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management’s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events.

These forward–looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties and factors that could cause actual results to differ materially from such statements, many of which are outside the control of the Company. Forward–looking information includes, but is not limited to, statements regarding: guidance or estimates related to EBITDA growth, projected capital expenditures; returns on invested capital, fundamentals of the compression industry and related oil and gas industry, valuations, compressor demand assumptions and overall industry outlook, and the ability of the Company to capitalize on any potential opportunities.

While the Company believes that the assumptions concerning future events are reasonable, investors are cautioned that there are inherent difficulties in predicting certain important factors that could impact the future performance or results of its business. Some of these factors that could cause results to differ materially from those indicated by such forward-looking statements include, but are not limited to: (i) achieving increased utilization of assets, including rental fleet utilization and unlocking other non-cash balance sheet assets; (ii) failure of projected organic growth due to adverse changes in the oil and gas industry, including depressed oil and gas prices, oppressive environmental regulations and competition; (iii) inability to finance capital expenditures; (iv) adverse changes in customer, employee or supplier relationships; (v) adverse regional and national economic and financial market conditions, including in our key operating areas; (vi) impacts of world events, including pandemics, wars, and military activities; the financial condition of the Company’s customers and failure of significant customers to perform their contractual obligations; (vii) the Company’s ability to economically develop and deploy new technologies and services, including technology to comply with health and environmental laws and regulations; and (viii) failure to achieve accretive financial results in connection with any acquisitions the Company may make.

Such statements are subject to certain risks and uncertainties which are disclosed in the Company’s reports filed with the Securities and Exchange Commission (“SEC”), including its Form 10-K for the fiscal year ended December 31, 2023, and its other filings with the SEC. All forward-looking statements in this Presentation are expressly qualified by the cautionary statements and by reference to the underlying assumptions that may prove to be incorrect.

The Company undertakes no obligation to revise these forward-looking statements to reflect events or circumstances that arise after the date hereof, except as required by applicable law. The financial and operating estimates contained in this Presentation represent our reasonable estimates as of the date of this Presentation. Neither our independent auditors nor any other third party has examined, reviewed or compiled the estimates and, accordingly, neither of the foregoing expresses an opinion or other form of assurance with respect thereto. The assumptions upon which the estimates are based are described in more detail herein. Some of these assumptions inevitably will not materialize, and unanticipated events may occur that could affect our results. Therefore, our actual results achieved during the periods covered by the estimates will vary from the estimated results. Investors are not to place undue reliance on the estimates included herein.

Supplemental Non-GAAP Financial Measures

This Presentation includes financial measures that are not in accordance with accounting principles generally accepted in the United States (“GAAP”), such as “Adjusted Net Income,” “Adjusted EBITDA,” and “Adjusted Gross Margin.” While management believes that such measures are useful for investors, they should not be used as a replacement for financial measures that are in accordance with GAAP. For definitions of such non-GAAP financial measures and their reconciliations to GAAP measures, please see the Appendix.

Overview

- Natural Gas Services Group, Inc. (“NGS”) is a premier provider of natural gas compression equipment to the energy industry.
- The company rents, operates, and maintains compression equipment for use in oil and natural gas production applications, and provides in-house field maintenance, parts, and other support services.
- The company maintains a staff of specialized mechanics and a network of service centers strategically located in oil and natural gas producing basins.
- Rental contracts generally provide for initial terms of up to 60 months with most customers continuing to rent post the initial term.

Ticker (NYSE):	NGS
Founded:	December 1998
IPO:	October 2002
Market Cap:	$271 million
Shares Outstanding: (Fully Diluted):	12.5 million
Enterprise Value:	$430 million
2024 Adj. EBITDA Outlook:	$64 - $68 million

Note: *Based on NGS stock price at market close on August 16, 2024.*
Adjusted EBITDA is a non-GAAP financial measure that excludes certain items to provide a view of financial performance; it should not be considered a substitute for (or superior to) GAAP financial measures and may not be comparable to similar measures utilized by competitors or other companies.

NATURAL GAS SERVICES GROUP, INC.

What is Natural Gas Compression?

The extraction of natural gas from a well or pipeline, compressing it to a desired pressure and flow, and injecting it into a system.

- Natural gas compressors are used in various applications for the production and transportation of oil and gas.
- With the advent of shale oil production, gas compression is an integral part of enhancing the production of oil wells through gas-lift operations.
- Compression equipment is often required to boost a well's production to economically viable levels.

Strategic Drivers of Rental Compression Business

Customers do not need to allocate dedicated personnel or facilities to compression repair and maintenance, as these services are provided by rental company.

Renting allows the customer's capital to be used for their core business: the exploration and production of oil and natural gas.

Balance sheet pressure associated with volatile energy prices may make renting an even more attractive option.

Company Highlights

NGS has a fleet of large, medium, and small horsepower units with a significant majority of revenue derived from units in the Permian Basin

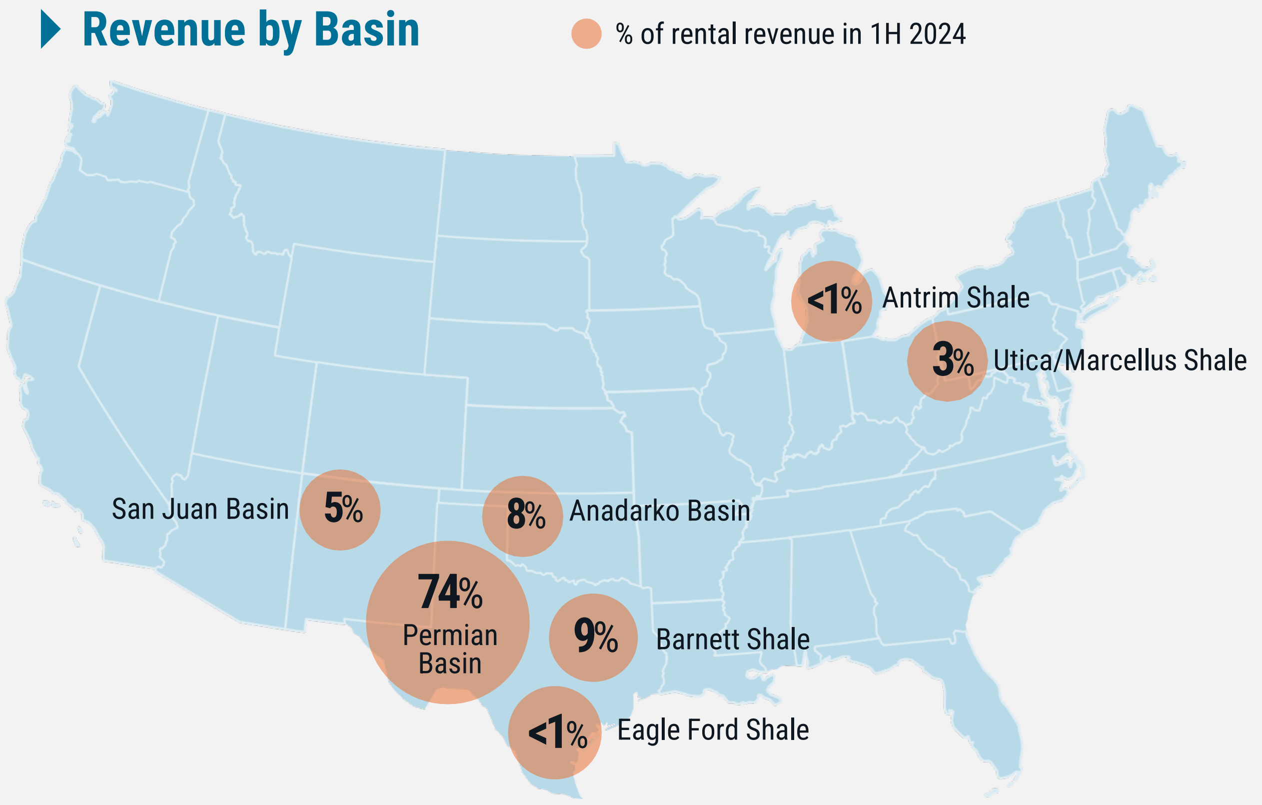
Fleet Highlights

- **Unit Utilization:** 66%
- **HP Utilization:** 82%

	Total Units		Total Horsepower	
	#	%	HP (000s)	%
Large	291	15%	306	55%
Medium	476	25%	101	18%
Small	1,132	60%	145	26%
	1,899		**552**	

Note: Fleet is as of July 31, 2024. Large horsepower units are 400HP or more, medium horsepower are 200-399HP, and small horsepower are below 200HP.

Revenue by Basin



Investment Highlights

A Premier Compression Opportunity with Multiple, Compelling Growth Paths and Value Levers

Attractive Industry Fundamentals

- Oil production is stable and projected to continue to grow with significantly higher growth in the Permian Basin
- A significant majority of U.S. shale oil wells require natural gas compression equipment to operate economically
- Capital discipline has been imposed on energy industry; combined with supply chain challenges, compression supply is constrained amid growing demand

Recurring Rental Business

- Long-term contracts
- Monthly fixed fee provides stable cash flows
- Resilient to commodity price swings

Proven Growth with Conservative Leverage

- Highest growth rate among public peers with greater future opportunities
- Lowest leverage among public peers with one of the lowest in entire compression industry
- Low enterprise valuation multiple relative to public peers

Industry-Leading Technology

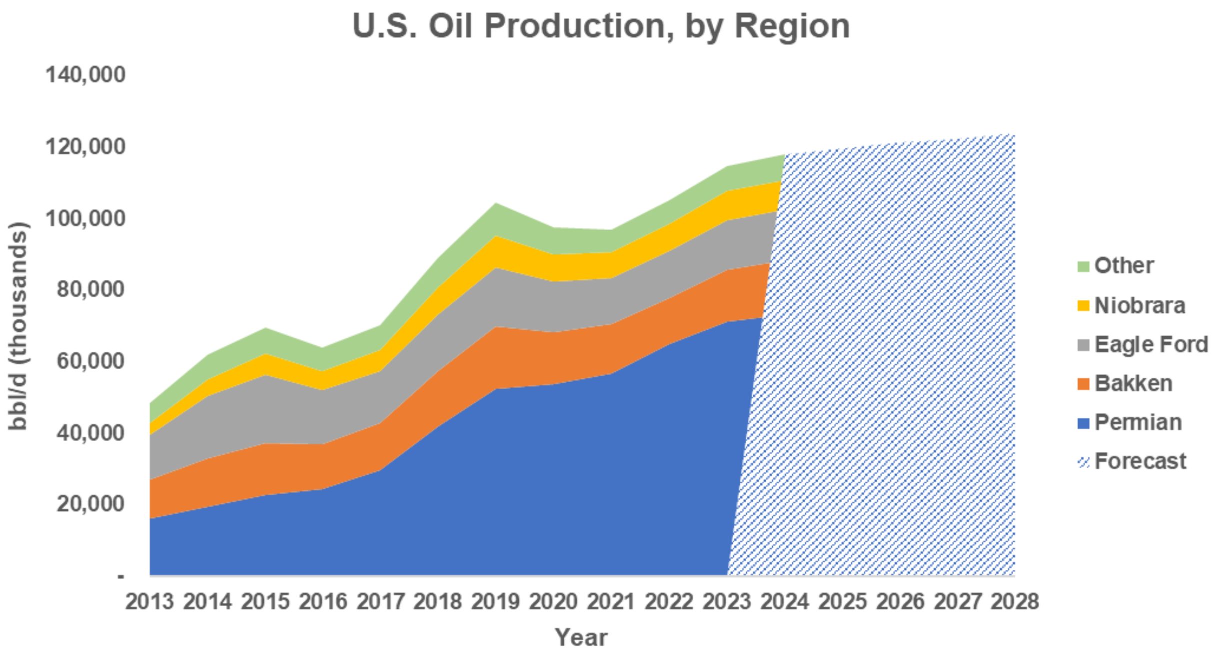
- SMART System = Improves run time performance
- eComp System = Reduces emissions
- Increases data and analytics opportunities
- Strengthens customer relationships

Growth Opportunities and Value Levers

- Optimize Existing Utilized Compression Fleet
- Improve Asset Utilization
  - Increase Fleet Utilization
  - Convert Non-Cash Assets into Cash
- Expand High Horsepower Rental Fleet
- Execute Accretive M&A

Attractive Industry Fundamentals

Oil production is stable and projected to continue to grow with greater need for compression



Source: *U.S. Energy Information Administration*

- The Permian Basin has been the main engine to drive U.S. oil production to world leadership
- Oil production is expected to continue to grow with most of that growth coming from the Permian Basin
- Artificial lift is essential for the vast majority of domestic oil wells, significantly boosting production by using natural gas from the well to improve productivity and profits
- Demand for rented compression exceeds supply
  - Capital discipline has been imposed on the energy industry
  - Prolonged lead times with key OEMs limits supply

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Recurring Rental Business

Long term contracts:

- Initial terms for rental units range from 6-60 months
- New large horsepower units are typically at the high end of the range
- Most customers opt to rent past the initial term

Stable cash flows:

- Compression assets are “sticky”—once on a site, there are material switching costs (shutdown, demobilization, transportation, downtime) borne by operators to change to a competitor after lease expiration
- Assets have 15-25 year useful lives—quality equipment that is well-maintained withstands the test of time
- NGS serves leading operators in the Permian Basin and beyond which limits counterparty (credit) risk

Resilience to commodity price swings:

- The rental compression industry is directly tied to oil production and only indirectly tied to exploration
- Oil production is materially less volatile than exploration as production only stops when the <u>incremental</u> cost of production goes below the price
- The Permian Basin has one of the lowest levels of breakeven production cost for an incremental barrel of oil

Industry-Leading Technology

- NGS compression assets are differentiated from competition through the use of proprietary System Management and Recovery Technology ("SMART") – SMART software reduces unplanned shutdowns and increases productivity by 5% to 8%
- eComp works with existing equipment to reduce emissions through vent capture and electronic valving
- Rich-burn engines reduce fugitive emissions by limiting gas slippage and burning it to power compression
- New equipment includes telemetry software to meet customer demands for operational data to analyze and streamline production
- NGS assets offer remote monitoring – operators can have real-time insights on equipment performance

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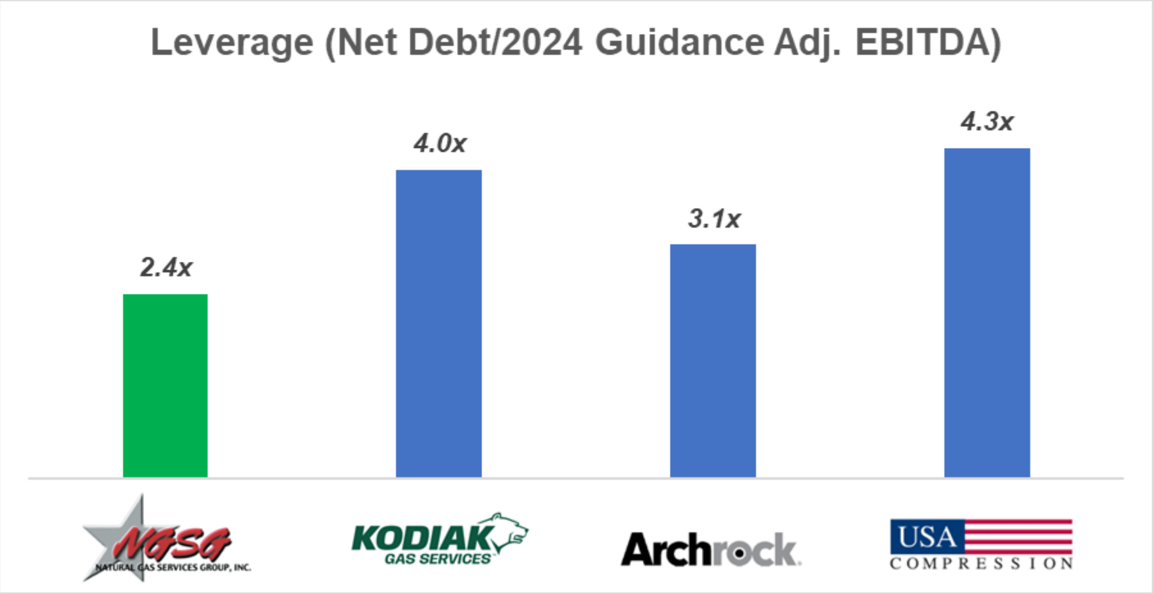
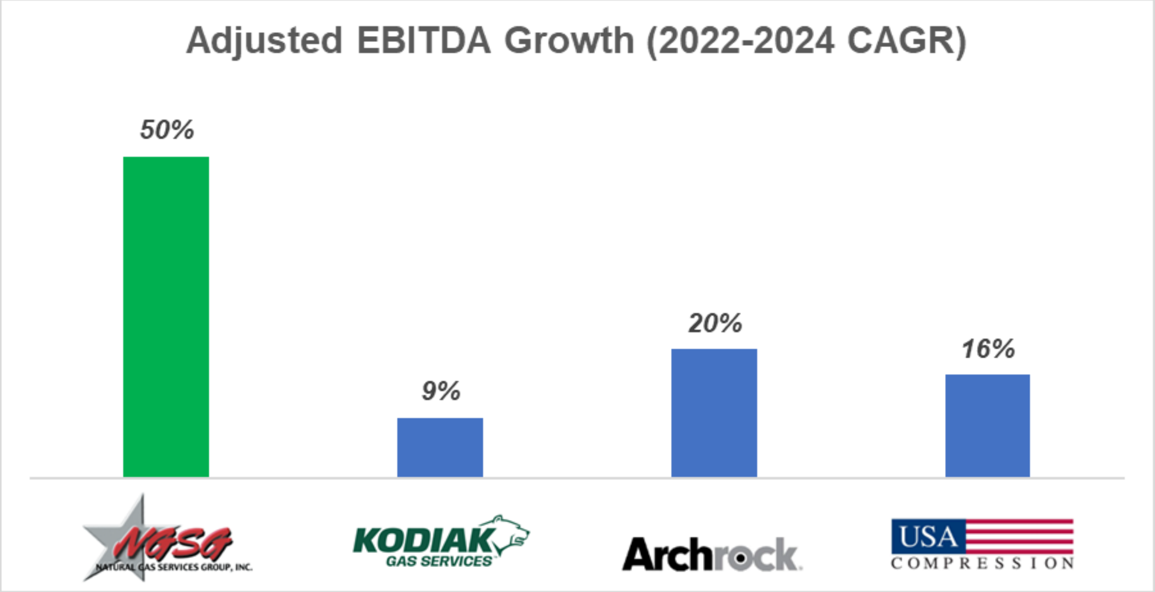
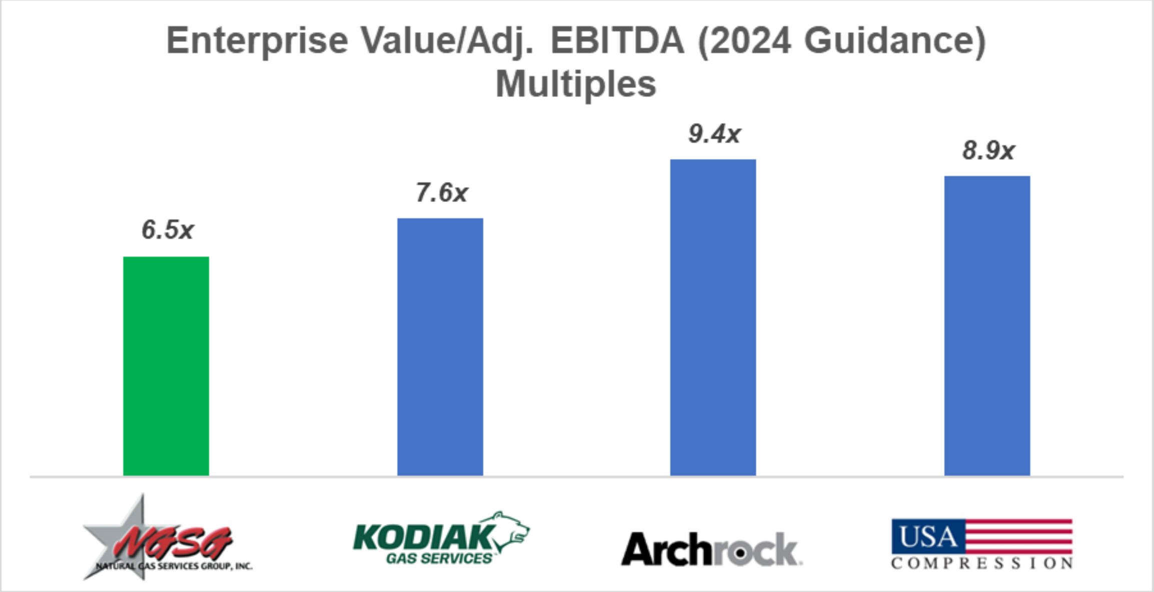
Proven Growth with Conservative Leverage

2023 Adjusted EBITDA grew 56% with 2024 projected to grow another 40%-49%; ample headroom to finance both organic and inorganic growth







Note: *Market prices as of August 16, 2024. Financial data as of Q2 2024 and is sourced from SEC filings and earnings transcripts. Adjusted EBITDA values reflect the midpoint of guidance as released publicly by NGS, KGS, AROC, and USAC.*

KGS Adjusted EBITDA, Leverage, and Enterprise Value multiple charts reflect proforma figures inclusive of CCLP acquisition.

Growth Opportunities and Value Levers

Fleet Optimization

- Opportunity for targeted price increases due to inflation and high utilization
- Optimize operations through increased use of data

Asset Utilization

- **Increase utilization of the existing fleet**
  - Improve the marketability of small and medium HP assets via conversions and upgrades
  - Sell or dispose of units where conversions or upgrades are not justified
- **Convert non-cash assets into cash**
  - Working capital (accounts receivable and inventory)
  - Income tax receivable
  - Owned real estate

Fleet Expansion

- Pre-contract units with strategic customers
- Primarily driven by large horsepower placements at centralized stations
- Meet or exceed target return on invested capital

Accretive M&A

- Pursue value-adding acquisitions in compression rental and related businesses
- Value drivers: equipment type, basin location, customer mix
- Lower leverage results in better flexibility

2024 Guidance

	Low	High
Adjusted EBITDA:	$64 million	$68 million
New Unit Capital Expenditures:	$60 million	$80 million
Maintenance Capital Expenditures:	$8 million	$11 million
Target Return on Invested Capital:	At least 20%	

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Investment Highlights Summary

- Attractive Industry Fundamentals
- Recurring Rental Business
- Industry-Leading Technology
- Proven Growth with Conservative Leverage
- Growth Opportunities and Value Levers

THANK YOU

NATURAL GAS SERVICES GROUP, INC.

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Midland, Texas 79705

Appendix

Management Bios

Justin C. Jacobs
Chief Executive Officer, Director

- Joined NGS as CEO in February 2024, joined Board in April 2023, led Mill Road investment in June 2020
- Mill Road Capital
- LiveWire Capital (Turnaround Management and Principal Investing)
- Blackstone's Private Equity Group

Brian L. Tucker
President & Chief Operating Officer

- Joined NGS as President and Chief Operating Officer in October 2023
- Senior Vice President, Operations, Patterson UTI Energy
- Chief Operating Officer, Pioneer Energy Services
- Vice President, Operations, Helmerich & Payne
- Officer, U.S. Army

John D. Bittner
Interim Chief Financial Officer

- Joined NGS as Interim Chief Financial Officer in October 2023
- Senior Managing Director, Turnaround & Restructuring, Accordion Partners
- Senior Managing Director, Mackinac Partners (Acquired by Accordion Partners)
- Partner, Business Recovery Services, PwC
- Partner in the Corporate Advisory and Restructuring Services, Grant Thornton LLP

John A. Rowell
Vice President, Technical

- Joined NGS in 2001
- Production Manager
- Supply Chain Manager

Appendix

Non-GAAP financial measure bridges: YTD through 6/30/24

Net Income to Adjusted EBITDA (in USD thousands)	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Net Income	$ 4,250	$ 504	$ 9,348	$ 874
Interest Expense	2,932	185	5,867	185
Income Tax Expense	1,294	249	2,773	396
Depreciation & Amortization	7,705	6,418	14,792	12,583
Non-Cash Stock Compensation Expense	242	1,130	516	1,617
Severance Expenses	33	612	33	1,224
Impairment Expense	--	779	--	779
Retirement of Rental Equipment	--	--	5	--
Adjusted EBITDA	$ 16,456	$ 9,877	$ 33,334	$ 17,658