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Wintershall Dea GmbH

Group Management Report

and

Consolidated Financial Statements

1 January – 30 June 2020

Group Management Report of the Wintershall Dea Group for the period 1 January to 30 June 2020 (1st half-year 2020)

1. Material changes and key events

The reporting period for the first half-year 2020 comprises the months of January to June 2020. Since the preceding fiscal year covered the period from May to December 2019 (short fiscal year), the comparison period according to IAS 34 comprises the months of May to September 2019. Therefore, the amounts presented in the interim financial statements for reporting and comparison periods are not fully comparable. In addition to the comparison of the reporting period (1 January – 30 June 2020) with the comparison period (1 May – 30 September 2019; comparison period), for the sake of comparability, the results of operations for the second quarter 2020 (1 April – 30 June 2020) were compared with the results of operations for the second quarter of the calendar year 2019 (1 April – 30 June 2019), derived from the addition of the consolidated financial statements of the Wintershall Group for April 2019, the consolidated financial statements of the Dea Group for April 2019 and the consolidated financial statements of the Wintershall Dea Group for May - June 2019. Just for the sake of comparability, the amounts for the first half-year 2019 (January – June 2019) , derived from the addition of the consolidated financial statements of the Wintershall Group for January – April 2019, the consolidated financial statements of the Dea Group for January – April 2019 and the consolidated financial statement of the Wintershall Dea Group for May - June 2019, are reported as well. The periods January - June 2019 and April - June 2019 including the described comparisons are presented on a voluntary basis for illustrative purpose only (in the following "like-for-like information for illustrative purposes"). For computational reasons, rounding differences to the exact mathematical figures (monetary units, percentages, etc.) may occur.

During the period under review, Dawn Summers became a new member of the Executive Board of Wintershall Dea GmbH, Celle as of 1 June 2020. As Chief Operator Officer (COO) she is responsible for the business units Germany, Norway, the Netherlands, UK and Denmark, Egypt, Libya. Algeria and UAE.

In Norway, the Norwegian government has enacted temporary changes in the petroleum tax system in June 2020 due to the COVID-19 situation. The changes include an increase of the uplift allowance to 24% for investments and immediate tax expense of both uplift allowance and capital expenditures in the special petroleum tax regime in 2020 and 2021. In addition, cash refunds for the tax value of losses from Norwegian tax authorities are expected in the second half of 2020.

Furthermore, we secured interests in nine new exploration licenses in Norway, including three as the operator. In the Awards for Predefined Areas (APA) 2019 licensing round, we received participating interest in one license in the Barents Sea, four in the Norwegian Sea, and four in the North Sea.

In the Netherlands, our JV Wintershall Noordzee B.V. has successfully started gas production at the own-operated Sillimanite field with two production wells in the first half-year 2020.

In Mexico, together with our license partners we have made significant oil discoveries on the Polak and the Chinwol prospects in Block 29 offshore Mexico.

In Egypt, we signed the concession agreement for the East Damanhour block. The block is located to the west of Wintershall Dea's Disouq development in the onshore Nile Delta.

Following the deconsolidation of the WIGA Group in December 2019, the cash pooling contract with the equity investment WIGA was amended during the reporting period. From May 2020 onwards, WIGA is pooling about 50% of their cash balances with WD Group (formerly 100%) and about 50% with Gazprom Germania Group resulting in a significant reduction of about € 300 million in cash balances of WD Group.

Since the beginning of this year, the spread of Covid-19 has resulted in a global health pandemic, providing significant risk to the health of individuals. Wintershall Dea is carefully monitoring the development of the virus in all jurisdictions where we operate. Our priority is to avoid any harm to our employees and contractors, and in addition to actions taken to date we will continue to evaluate the effects for both the current year, and the longer term. In addition, the rapid spread of Covid-19 has resulted in a significant global decline in economic activity, and a corresponding steep decline in commodity prices. Therefore, Wintershall Dea performed an impairment testing triggered by revised commodity price assumptions resulting in an impairment on assets for the first half of 2020 of € 952 million. Moreover, a shareholder loan granted to an investment valued at equity was fully impaired (€ 75 million). Net of tax, the impairment losses had an impact on half-year result of € 776 million.

2. Macro fundamentals

Oil prices

$/barrel	Jan - Jun 2020	May - Sep 2019	Jan - Jun 2019[2]	Apr - Jun 2020	Apr - Jun 2019[2]
Average Brent price for the period[1]	40	64	66	30	69

[1] Source: Heren/Argus/Platts
[2] Like-for-like information for illustrative purposes

Gas prices

$/mscf	Jan - Jun 2020	May - Sep 2019	Jan - Jun 2019[2]	Apr - Jun 2020	Apr - Jun 2019[2]
Average TTF price (month ahead) for the period[1]	2.9	4.0	5.9	2.1	4.8

[1] Source: Heren/Argus/Platts; FX conversion according to ECB
[2] Like-for-like information for illustrative purposes

Foreign currency

Closing rates **€ 1 =**	30-06-2020	31-12-2019
Argentinian Peso (ARS)	79.02	67.21
Russian Ruble (RUB)	79.63	69.96
Norwegian Krone (NOK)	10.91	9.86
US-Dollar (USD)	1.12	1.12

Average **€ 1 =**	Jan - Jun 2020	May - Sep 2019	Jan -Jun 2019	Apr - Jun 2020	Apr - Jun 2019
Argentinian Peso (ARS)	71.18	53.57	46.87	74.63	49.46
Russian Ruble (RUB)	76.67	72.11	73.74	79.61	72.56
Norwegian Krone (NOK)	10.73	9.82	9.73	11.01	9.71
US-Dollar (USD)	1.10	1.12	1.13	1.10	1.12

3. Business performance and profitability

The group uses various key performance indicators to manage and steer its performance and to achieve sustainable and value-oriented growth. Production, adjusted EBITDAX (EBITDAX), development/production capex and free cash flow are the major key metrics used for the purposes of internal management control.

3.1. Production

Natural gas (mboe/d)	Jan - Jun 2020	May - Sep 2019	Jan - Jun 2019[1,]	Apr - Jun 2020	Apr - Jun 2019[2]
Northern Europe	111	102	109	110	111
Russia	237	217	237	231	226
Middle East/North Africa	39	40	35	38	38
Latin America	63	70	66	65	67
	450	**429**	**447**	**444**	**442**

Liquids (mboe/d)	Jan - Jun 2020	May - Sep 2019	Jan - Jun 2019[1]	Apr - Jun 2020	Apr - Jun 2019[2]
Northern Europe	91	95	99	89	99
Russia	57	52	56	56	54
Middle East/North Africa[3]	10	15	9	8	10
Latin America	9	10	9	9	9
	167	**172**	**173**	**162**	**172**

Total production (mboe/d)	Jan - Jun 2020	May - Sep 2019	Jan - Jun 2019[1]	Apr - Jun 2020	Apr - Jun 2019[2]
Northern Europe	202	197	208	199	210
Russia	294	269	293	287	280
Middle East/North Africa[3]	49	55	44	46	48
Latin America	72	80	75	74	76
	617	**601**	**620**	**606**	**614**

mboe/d – thousand barrel of oil equivalent per day

[1] The period comprises production for Wintershall Dea Group on a like-for-like basis for illustrative purposes (aggregating production for Wintershall Group for January - April 2019, the production for Dea Group for January - April 2019 and the production for Wintershall Dea Group for May – June 2019) on a working interest basis; including proportional production from at equity accounted companies.

[2] The period comprises production for Wintershall Dea Group on a like-for-like basis for illustrative purposes (aggregating production for Wintershall Group for April 2019, the production for Dea Group for April 2019 and the production for Wintershall Dea Group for May – June 2019) on a working interest basis; including proportional production from at equity accounted companies.

[3] Excluding Libyan onshore

In the first half of 2020, the group's daily production averaged 617 mboe/d, of which gas was 450 mboe/d and liquids 167 mboe/d. Gas production increased by 21 mboe/d, due to additional wells on stream in Russia and the seasonal maintenance in Russia in the comparison period May - September 2019. The respective increase was partially compensated by lower demand in Argentina. The production of liquids decreased by 5 mboe/d, due to a decrease in production in a few Norwegian production licences.

Total production in the second quarter 2020 averaged to 606 mboe/d compared to 614 mboe/d in the period April - June 2019. The gas production increased slightly by 2 mboe/d (+1%) and the production of liquids decreased by 10 mboe/d (-6%) due to a decrease in production in a few Norwegian production licences.

3.2. Realized prices

	Jan - Jun 2020	May - Sep 2019	Jan - Jun 2019[1]	Apr - Jun 2020	Apr - Jun 2019[1]
Average realized liquids price including oil price hedge result (in $/bbl)	26	40	42	19	41
Average realized liquids price excluding oil price hedge result (in $/bbl)	24	40	41	16	41
Northern Europe	34	51	54	22	54
Russia[2]	8	11	12	6	10
Middle East/North Africa	27	60	61	17	61
Latin America	34	48	52	22	54
Average realized gas price (in $/mscf)	1.5	2.2	2.5	1.2	2.3
Northern Europe	3.1	4.0	5.6	2.1	4.7
Russia[2]	0.4	0.8	0.9	0.3	0.9
Middle East/North Africa	2.9	3.5	3.6	2.9	3.5
Latin America	2.1	3.3	3.2	2.0	3.2

[1] Like-for-like information for illustrative purposes
[2] Includes the deduction of costs and applicable taxes

In the reporting period January - June 2020, our realized liquids price (excl. hedges) declined by 16 $/bbl from 40 $/bbl to 24 $/bbl (40%) compared to a decline in Brent prices of 38% over the same period. Our realized gas price declined by 0.7 $/mscf from 2.2 $/mscf to 1.5 $/mscf (32%) compared to a decline in TTF prices of 28% over the same period.

In the reporting period April - June 2020, our realized liquids price (excl. hedges) declined by 25 $/bbl from 41 $/bbl to 16 $/bbl (61%) compared to a decline in Brent prices of 57% over the same period. Our realized gas price declined by 1.1 $/mscf from 2.3 $/mscf to 1.2 $/mscf (48%) compared to a decline in TTF prices of 56% over the same period. This divergent development of the gas price reflects the advantage of a diversified pricing construct built into the portfolio of our global gas assets.

3.3. Results of operations

<u>Comparison January - June 2020 versus May - September 2019</u>

Consolidated income statement of the Wintershall Dea Group

€ million	Jan - Jun 2020	May - Sep 2019
Revenues and other income	1,793	2,218
EBITDAX	735	1,176
Income from operating activities	-1,014	465
Income before taxes	-1,142	371
Net income/loss (-)	-793	168
Adjusted net income	12	189

In the reporting period January - June 2020, revenues and other income decreased by € 425 million or 19% to € 1,793 million, compared with € 2,218 million in the period May - September 2019. The longer reporting period was offset by significantly lower commodity prices: Brent declined by 38%, whereas gas prices (TTF) declined by 28%. Furthermore, after the change of the consolidation method for the WIGA Group in December 2019, no revenues from midstream are reported anymore. This was only partially compensated by higher net income from equity accounted investments midstream. Gas trading revenues accounted for € 311 million in the reporting period, compared to € 344 million in the period May - September 2019. Commodity hedges for oil and gas accounted for € 46 million in the revenues; the comparison period included a positive hedge effect of € 21 million. The other income, which mainly comprises income from divestments and government grant in Argentina, decreased by € 63 million as the comparison period included mainly the gain from the sale of a subsidiary.

The increase in production and operating expenses as well as the increase in general and administration expenses mainly related to the different duration of reporting and comparison periods. In addition, the comparison period included positive effects from the reversal of impairment of trade and other receivables as well as from the release of provisions.

Income from operating activities decreased by € 1,479 million to € -1,014 million (May - September 2019: € 465 million). Impairment losses on assets in the amount of € 952 million (pre-tax) led to a reduction of the income from operating activities. The impairment was triggered by a lower long-term commodity price forecast as well as reduced reserve expectations in the West Nile Delta development in Egypt. In the comparison period no impairments were recognized. In addition, depreciation and amortization were higher in the reporting period, mainly due to the timing effect.

Income before taxes amounted € -1,142 million, a significant decrease compared to the income before taxes in the period May - September 2019 of € 371 million. In addition to the lower income from operating activities, also the financial result decreased by € 34 million, which is mainly due to an impairment on a shareholder loan granted to an investment valued at equity of € 75 million and higher losses from fx derivatives, which amounted to € 42 million in the reporting period (May - September 2019: € 24 million). This was partially offset by an increase of

the net interest result: the net interest income in the reporting period amounted to € 43 million € (May - September 2019: net interest expense of € 4 million). The comparison period was impacted by amortized arrangement fees (€ 10 million) for Facility A of the SFA, which was fully repaid in September 2019.
The total tax income of Wintershall Dea in the reporting period January - June 2020 (€ 349 million) is impacted by deferred taxes on impairment losses for certain assets and changes in the Norwegian petroleum tax law. The changes include an increase of the uplift allowance to 24% for investments and the direct tax expense of both uplift allowance and capital expenditures in the special petroleum tax regime in 2020 and 2021.

Net income/loss amounted to € -793 million in the reporting period (May - September 2019: € 168 million). The adjusted net income amounted to € 12 million in the reporting period (May - September 2019: € 189 million).

Comparison April - June 2020 versus April - June 2019

Consolidated income statement of the Wintershall Dea Group

€ million	Apr - Jun 2020	Apr - Jun 2019[1]
Revenues and other income	685	1,363
EBITDAX	254	683
Income from operating activities	-1,079	-1,073
Income before taxes	-1,159	-1,060
Net income/loss (-)	-703	-868
Adjusted net income	90	330

[1] Like-for-like information for illustrative purposes, aggregating the income statement of the Wintershall Group for April 2019 (in the new reporting structure), the income statement of the Dea Group for April 2019 (in the new reporting structure) and the income statement of the Wintershall Dea Group for May - June 2019. Effects from the purchase price allocation are included from 1 May 2019 onwards only.

In the reporting period April - June 2020, revenues and other income decreased by € 678 million or 50%, to € 685 million, compared with € 1,363 million in the period April - June 2019. This is mainly relating to the significantly lower commodity prices: Brent declined by 57%, whereas gas prices (TTF) declined by 56%. Moreover, after the change of the consolidation method for the WIGA Group in December 2019, no revenues from midstream are reported anymore. This was only partially compensated by higher net income from equity accounted investments midstream. Gas trading revenues accounted for € 105 million in the reporting period, compared to € 261 million in the period April - June 2019. Commodity hedges for oil and gas accounted for € 33 million in the revenues; the comparison period included a negative hedge effect of € 1 million. The lower revenues were only partially compensated by lower production and operating expenses and lower cost of sales midstream.

In the reporting period, net impairment losses on assets (€ 952 million pre-tax) were triggered by a lower long-term commodity price forecast as well as reduced reserve expectations in the West Nile Delta development in Egypt. In the comparison period, closing related net impairments (€ 1,281 million) resulted mainly from producing and development assets in Northern Europe and North Africa and impairments of equity-accounted investments in Northern Europe and Russia as well as goodwill impairment. Since the reductions of production and operating expenses and net impairment losses on assets offset the lower revenues, income from operating activities nearly remained stable and amounted to € -1,079 million (April - June 2019: € -1,073 million).

Income before taxes amounted to € -1,159 million (April - June 2019: € -1,060 million). The financial result decreased by € 93 million, which is mainly due to the impairment on a shareholder loan granted to an investment valued at equity amounting to € 75 million. In addition, the result was impacted by fx effects in the reporting period showing a loss of € 40 million, whereas the period April - June 2019 contained fx gains of € 16 million. The net interest income decreased slightly from € 24 million in the period April - June 2019 to € 22 million in the reporting period. This was partially compensated by gains from derivatives, which amounted to € 18 million in the reporting period (April - June 2019: losses of € 30 million).

The total tax income of Wintershall Dea in the reporting period April - June 2020 (€ 456 million) is impacted by deferred taxes on impairment losses for certain assets and changes in the Norwegian petroleum tax law. The changes include an increase of the uplift allowance to 24% for investments and the direct tax expense of both uplift allowance and capital expenditures in the special petroleum tax regime in 2020 and 2021.

Net income/loss amounted to € -703 million in the reporting period (April - June 2019: € 868 million). The adjusted net income amounted to € 90 million in the reporting period (April - June 2019: € 330 million).

Non-GAAP performance indicators

EBITDAX

EBITDAX is a non-GAAP financial measure and is used for internal management control purposes within the Wintershall Dea Group. It is the main key indicator obtained from the income statement, derived from the income/loss (-) before taxes and adjusted by the following items:

a) Interest income and expenses and income from investments shown as financial income and expenses in the income statement but adjusted for interest effects regarding pension provisions and pension assets which are shown separately in the line "pension items".

b) Income and expenses attributable to exploration but excluding depreciation, amortization, impairment losses and reversal of impairment losses, interest income and expenses, currency effects and pension items for exploration, since these are adjusted in separate line items.

c) Depreciation, amortization and net impairment on assets as shown in the income statement.

d) Acquisition, disposal and restructuring costs and further identified items as stated below. This represents all fees, costs and expenses, stamp duty, registration and other taxes incurred by the company in connection with an acquisition or a disposal and material items of an unusual or non-recurring nature (e.g. resulting from restructuring activities).

e) Realized and unrealized foreign exchange gains and losses (including hedging results).

f) Gains over or losses on book value arising from the disposal of any fixed assets (other than sale of trading stock).

g) Income from pension assets, interest expenses, service costs or other charges attributable to a post-employment benefit scheme (pension item).

€ million	Jan - Jun 2020	May - Sep 2019	Jan - Jun 2019[2]	Apr - Jun 2020	Apr -Jun 2019[2]
Income/loss (-) before taxes	**-1,142**	**371**	**-924**	**-1,159**	**-1,060**
Interest and other financing costs	-45	30	-13	-24	-24
Exploration expenses	64	66	96	18	39
Depreciation, amortization and net impairment on assets	1,664	661	2,076	1,300	1,752
Acquisition, disposal and restructuring costs and identified items [1)]	104	-11	285	92	-7
Realized and unrealized gains/losses from foreign currency valuation and financial derivatives	77	61	14	19	14
Gains/losses attributable to the disposal of fixed assets	0	-13	-27	1	-27
Pension items	13	11	8	7	2
EBITDAX	**735**	**1,176**	**1,515**	**254**	**683**

[1] Includes the following identified items:
Jan - Jun 2020: including merger related costs € 29 million and € 75 million impairment losses on financial receivables
May - Sep 2019: including merger related costs € 21 million, acquisition costs € 2 million and net gain from deconsolidated subsidiaries € 34 million
Jan - Jun 2019: including merger related costs € 344 million and net gain from deconsolidated subsidiaries and divestments € 59 million
Apr - Jun 2020: including merger related costs € 17 million and € 75 million impairment losses on financial receivables
Apr - Jun 2019: including merger related costs € 52 million and net gain from deconsolidated subsidiaries and divestments € 59 million
[2] Like-for-like information for illustrative purposes

In the reporting period January - June 2020, EBITDAX decreased by € 441 million (-38%) to € 735 million compared to the comparison period May - September 2019 (€ 1,176 million) mainly due to lower revenues in the reporting period.

In the reporting period April - June 2020, EBITDAX decreased by € 429 million (-63%) to € 254 million compared to the comparison period April - June 2019 (€ 683 million). This was mainly due to lower revenues in the reporting period, which were only partially offset by lower production and operating expenses and lower cost of sales midstream, leading to the lower EBITDAX.

Additional performance indicators

Adjusted net income

€ million	Jan - Jun 2020	May - Sep 2019	Jan - Jun 2019[1]	Apr - Jun 2020	Apr -Jun 2019[1]
Net income/loss (-)	-793	168	-856	-703	-868
Adjustments:					
Impairment losses on assets (incl. reversals)	952	-	1,281	952	1,281
Impairment losses on financial receivables	75	-	-	75	-
Taxes on adjusted impairment losses	-251	-	-135	-251	-135
Merger related costs	29	21	344	17	52
Adjusted net income	**12**	**189**	**634**	**90**	**330**

[1] Like-for-like information for illustrative purposes

The adjusted net income is derived by net income/loss and adjusted for special items like impairment losses on assets and financial receivables and expenses related to the merger such as restructuring and integration cost and change of control fees.

Production costs

Production costs per boe ($/boe)	Jan - Jun 2020	May - Sep 2019	Jan - Jun 2019[1]	Apr - Jun 2020	Apr - Jun 2019[1]
Northern Europe	6.0	7.1	7.3	5.7	7.1
Russia	0.5	0.6	0.6	0.5	0.7
Middle East/North Africa	5.7	2.2	2.8	2.9	0.8
Latin America	3.8	4.0	3.9	3.9	4.1
Total production cost group	**3.9**	**4.2**	**4.3**	**3.5**	**4.1**

[1] Like-for-like information for illustrative purposes

Production costs relate to the production in consolidated companies only and comprise all costs related to our operations including G&A allocation but exclude export and processing tariffs, transport fees, finance items and expenses for research and development. Since we operate in Russia on a net-back basis, the majority of the production costs are already considered in the price formula, leading to lower realized prices and lower production costs.

Overall production cost decreased by 7% or 0.3 $/boe compared to the comparison period May - September 2019. Quarter-on-quarter, production cost decreased by 15% or 0.6 $/boe. This is mainly owing to lower production cost in Northern Europe due to increased production efficiency and positive fx effects. This was partially offset by higher production cost in Middle East/North Africa, which were caused by higher production, higher charge-outs from the Gulf of Suez operator and lower release of provisions.

4. Net assets

Balance sheet of the Wintershall Dea Group

Assets € million	30-06-2020	31-12-2019
Intangible assets	6,632	7,082
Tangible assets	9,322	9,932
Equity-accounted investments	2,565	2,685
Financial receivables	1,122	1,064
Other assets / receivables	298	308
Non-current assets	**19,939**	**21,071**
Financial receivables	174	181
Trade and other receivables	983	1,227
Other current assets	1,254	1,181
Current assets	**2,411**	**2,589**
Assets	**22,350**	**23,660**

Equity and liabilities € million	30-06-2020	31-12-2019
Equity	**7,253**	**8,289**
Provisions	3,646	3,624
Financial debt	5,969	6,028
Other non-current liabilities	3,725	3,542
Non-current liabilities	**13,340**	**13,194**
Provisions	313	375
Financial debt	499	576
Trade and other payables	894	1,096
Other current liabilities	51	130
Current liabilities	**1,757**	**2,177**
Equity and liabilities	**22,350**	**23,660**

Non-current assets amounted to 89% of total assets and stood at € 19,939 million as of 30 June 2020, down by € 1,132 million compared to 31 December 2019. The main drivers for the decrease were the impairment losses and the depreciation and amortization, partially offset by capital expenditures. Intangible assets amounted to € 6,632 million, down by € 450 million. Tangible assets decreased by € 610 million, resulting from the impairments and depreciation, partially offset by capital expenditures. Investments valued at equity decreased by € 120 million. By contrast, financial receivables increased by € 58 million.

Current assets decreased by 7% compared to 31 December 2019 and amounted to € 2,411 million as of 30 June 2020. Financial receivables decreased by € 7 million, mainly due to a shareholder loan to a Dutch equity investment which was completely impaired (€ 75 million) in the reporting period. This was partially offset by higher receivables from dividends. Trade and other receivables decreased by € 244 million, mainly due to lower revenues. The other current assets increased by € 73 million, mainly due to higher income tax assets (€ 428 million) and derivative assets (€ 34 million), partially offset by a decline in cash and cash equivalents (€ 367 million) as well as inventories (€ 22 million).

The non-current provisions and liabilities amounted to € 13,340 million as of 30 June 2020, a 1% increase compared with 31 December 2019. Non-current financial debt decreased slightly by € 59 million. In contrast, other non-current liabilities, comprising derivative instruments, income tax liabilities, other liabilities and deferred tax liabilities, increased by € 183 million, mainly due to higher deferred tax liabilities and increased derivative instruments.

Current provisions and liabilities decreased by 19% compared to 31 December 2019 and amounted to € 1,757 million as of 30 June 2020. Trade and other payables decreased by € 202 million (18%), which is related to lower capital and operation expenditures. Current financial debt decreased by € 77 million, mainly due to declined cash pool liabilities towards related parties, partially compensated by accrued interests on loans. The decrease of other provisions by € 58 million was mainly due to lower restructuring provisions (€ -37 million). Derivate instruments slightly decreased by € 18 million and income tax liabilities decreased by 77% and amounted to € 18 million.

Net debt as of 30 June 2020 amounted to € 5,999 million, implying a net debt to EBITDAX ratio of 2.9 (31 December 2019: 2.0).

5. Financial position

5.1. Statement of Cash Flows

<u>Comparison for January - June 2020 with May - September 2019</u>

€ million	Jan - Jun 2020	May - Sep 2019
Cash flow from operating activities	601	790
Cash flow from investing activities	-769	-719
Cash flow from financing activities	-177	1
Change in cash and cash equivalents	-345	72

<u>Cash flow from operating activities</u>
Cash inflow from operating activities decreased by € 189 million from € 790 million in the comparison period to € 601 million in the reporting period. The decrease is mainly due to the lower commodity prices. Changes in provisions and working capital compensated this effect partially.

<u>Cash flow from investing activities</u>
Cash outflow from investing activities, which includes capital expenditures, acquisitions, payments for financial receivables as well as proceeds from divestments and disposals, amounted to € 769 million in the reporting period compared to € 719 million in the comparison period. The increase is mainly due to the different duration of the reporting and comparison periods.

Investments € million	Jan - Jun 2020	May - Sep 2019
Capital expenditure		
Northern Europe	**598**	**507**
Development/production	576	476
Exploration	22	31
Russia	**7**	**9**
Development/production	7	9
Exploration	-	-
Middle East/North Africa	**85**	**124**
Development/production	85	124
Exploration	-	-
Latin America	**33**	**30**
Development/production	20	20
Exploration	13	10
Midstream	**-**	**0**
Other	**1**	**-**
Total capital expenditure	724	670
Acquisitions	11	-
Total investments	**735**	**670**

Our expenditure for tangible and intangible assets increased by € 54 million, mainly due to the timing effect between reporting and comparison periods. The majority of the capex was spent in Northern Europe, mainly for our ongoing development projects such as Nova, Dvalin, Njord and Ærfugl in Norway. Moreover, we continue to invest in the Raven field in the Egyptian West Nile Delta project. In total, our production and development capital expenditure amounted to € 689 million.

From exploration activities, we capitalized € 35 million in the reporting period. This relates to seven wells drilled in Northern Europe and Latin America. Six wells were successful, whereas the remaining one well is not yet finalized as of the balance sheet date and is still capitalized as of the end of June 2020.

Acquisitions in the reporting period relate to the equity injection in a non-consolidated subsidiary of Wintershall Dea.

Cash flow from financing activities
Cash flow from financing activities amounted to € -177 million in the reporting period compared with a cash flow from financing activities of € 1 million in May - September 2019. Cash flow from financing activities in the reporting period reflects mainly the decrease in liabilities from cash pooling with related parties - mostly impacted by the lower cash pooling of WIGA (€ -123 million) - and a dividend payment on preferred shares (€ 57 million). In the comparison period, the cash flow from financing activities reflected payments to shareholders and repayment of shareholder loans, compensated by proceeds from debt to banks after the refinancing in the course of the merger with Dea.

Free cash flow

€ million	Jan - Jun 2020	May - Sep 2019
Cash flow from operating activities	601	790
Cash flow from investing activities	-769	-719
Less payments for acquisitions	11	0
Free cash flow	-157	71

The free cash flow, which comprises the cash flow from operating activities and the cash flow from investing activities but excludes payments for acquisitions, amounted to € -157 million in the reporting period, compared with € 71 million in the period May - September 2019.

Comparison for April - June 2020 with April - June 2019

€ million	Apr - Jun 2020	Apr - Jun 2019[1]
Cash flow from operating activities	99	494
Cash flow from investing activities	-393	-504
Cash flow from financing activities	-383	244
Change in cash and cash equivalents	-677	234

[1] Like-for-like information for illustrative purposes

Cash flow from operating activities
Cash inflow from operating activities for the reporting period amounted to € 99 million, a decrease of € 395 million compared with the period April - June 2019. This is mainly due to a lower net result (excluding depreciation and changes from deferred taxes and tax assets) and lower changes in working capital, mainly impacted by lower commodity prices.

Cash flow from investing activities
Cash outflow from investing activities for the reporting period amounted to € 393 million, € 111 million lower compared with the period April - June 2019. This is mainly due to lower capex. In addition, cash outflow for financial receivables decreased year-on-year.

Investments € million	Apr - Jun 2020	Apr - Jun 2019[1]
Capital expenditure		
Northern Europe	**313**	**296**
Development/production	308	237
Exploration	5	59
Russia	**2**	**6**
Development/production	2	6
Exploration	0	0
Middle East/North Africa	**30**	**84**
Development/production	30	76
Exploration	-	8
Latin America	**21**	**35**
Development/production	15	19
Exploration	6	16
Midstream	**-**	**0**
Other	**1**	**1**
Total capital expenditure	367	422
Acquisitions	-	43
Total investments	**367**	**465**

[1] Like-for-like information for illustrative purposes

Our expenditure for tangible and intangible assets decreased by € 55 million, mainly due to lower capex for development and production in Middle East/North Africa. This was partially compensated by an increase in Northern Europe due to the higher development capex for our Norwegian development projects. In total, our production and development capital expenditure amounted to € 356 million.

From exploration activities, we capitalized € 11 million in the reporting period. The decrease in exploration in Northern Europe compared to the period April - June 2019 (€ 72 million) was due to phasing of the exploration activities throughout the year for Norwegian exploration projects.

Cash outflow for acquisitions amounted to € 43 million in the comparison period relating to an earn-out payment for the Sierra Oil & Gas acquisition.

Cash flow from financing activities

Cash flow from financing activities amounted to € -383 million in the reporting period compared with a cash flow from financing activities of € 244 million in April - June 2019. Cash flow from financing activities in the reporting period reflects mainly the decrease in liabilities from cash pooling with related parties - mostly impacted by the lower cash pooling of WIGA (€ -313 million) - and a dividend payment on preferred shares (€ 57 million). In the comparison period, the cash flow from financing activities reflected payments to shareholders, repayment of shareholder loans and changes in liabilities to related parties, overcompensated by proceeds from debt to banks after the refinancing in the course of the merger with Dea.

Free cash flow

€ million	Apr - Jun 2020	Apr - Jun 2019[1]
Cash flow from operating activities	99	494
Cash flow from investing activities	-393	-504
Less payments for acquisitions	-	43
Free cash flow	-294	33

[1] Like-for-like information for illustrative purposes

Free cash flow for the reporting period amounted to € -294 million, compared with € 33 million for the period April - June 2019. The lower operating cash flow was partly compensated by lower payments for capital expenditures and for financial receivables.

5.2. Cash and Liquidity

Cash and cash equivalents amounted to € 447 million as of 30 June 2020, a decrease of € 367 million including € 22 million effect from fx translation compared with 31 December 2019. This is mainly caused by lower deposits from cash pooling due to the amendment of the cash pooling contract with WIGA Group. From May 2020 onwards, WIGA is pooling about 50% of their cash balances with WD Group (formerly 100%).

In addition to the cash and cash equivalents, Wintershall Dea has an undrawn RCF facility of € 900 million and undrawn working capital lines of € 450 million. Overall, the available liquidity as of 30 June 2020 amounted to € 1,797 million.

Kassel and Hamburg, 18 August 2020

The Management Board

Mehren Smith Dijkgraaf Summers Wieland

Wintershall Dea GmbH Consolidated Interim Financial Statements for the Period 1 January – 30 June 2020

(with comparison period May – September 2019)

Consolidated Statement of Income

€ million	Jan - Jun 2020	May - Sep 2019	Apr - Jun 2020	Jul - Sep 2019
Revenues gas and oil	1,535	1,780	542	1,056
Revenues midstream	-	94	-	55
Revenues other	145	204	83	123
Net income from equity - accounted investments: gas and oil	-6	8	-7	5
Net income from equity - accounted investments: midstream	103	53	59	32
Other operating income	16	79	8	35
	1,793	2,218	685	1,306
Production and operating expenses	-829	-781	-333	-456
Production and similar taxes	-47	-75	-15	-42
Depreciation and amortization	-712	-661	-348	-361
Net impairment on assets	-952	-	-952	-
Cost of sales midstream	-	-14	-	-8
Exploration expenses	-65	-68	-19	-33
General and administration expenses	-202	-154	-97	-110
	-1,014	465	-1,079	296
Financial income	64	46	52	15
Financial expenses	-192	-140	-132	-102
	-128	-94	-80	-87
Net income/loss (-) before taxes	**-1,142**	**371**	**-1,159**	**209**
Income taxes	349	-203	456	-174
Net income/loss (-)	**-793**	**168**	**-703**	**35**
Net income/loss (-) attributable to shareholders	**-793**	**144**	**-703**	21
Net income/loss (-) attributable to non-controlling interests	-	24	-	14

Consolidated Statement of Comprehensive Income

€ million	Jan – Jun 2020	May - Sep 2019	Apr - Jun 2020	Jul - Sep 2019
Net income/loss (-)	**-793**	**168**	**-703**	**35**
Actuarial gains/losses	-20	-111	-2	-53
Items that will not be reclassified to income statement at a later date, recognized directly in equity	**-20**	**-111**	**-2**	**-53**
Unrealized gains/losses on currency translation	-128	71	-7	99
Unrealized gains/losses on currency translation from equity investments	-44	55	-44	29
Fair value changes in derivatives designated in cash flow hedges	-7	-	-40	2
Fair value changes in derivatives designated in cash flow hedges from equity investments	4	-	6	-
Income and expenses that will be reclassified to the statement of income at a later date, recognized directly in equity	**-175**	**126**	**-85**	**130**
Other comprehensive income (net tax)	**-195**	**15**	**-87**	**77**
Total comprehensive income	**-988**	**183**	**-790**	**112**
Total comprehensive income attributable to shareholders	-988	159	-790	98
Total comprehensive income attributable to non-controlling interests	-	24	-	14

Consolidated Balance Sheet

€ million	30-06-2020	31-12-2019
Assets		
Non-current assets		
Goodwill	2,560	2,580
Exploration assets	945	1,577
Other intangible assets	3,127	2,925
Property, plant and equipment, and investment property	9,322	9,932
Investments valued at equity	2,565	2,685
Other financial assets	16	5
Financial receivables	1,122	1,064
Derivative instruments	100	72
Other receivables	67	135
Deferred tax assets	115	96
	19,939	21,071
Current assets		
Inventories	205	227
Financial receivables	174	181
Trade and other receivables	983	1,227
Derivative instruments	91	57
Income tax assets	511	83
Cash and cash equivalents	447	814
	2,411	2,589
Total assets	**22,350**	**23,660**

€ million	30-06-2020	31-12-2019
Equity and Liabilities		
Equity		
Subscribed capital	189	189
Capital reserve	1,161	6,152
Retained earnings and other comprehensive income	5,903	1,948
Shareholder's equity	7,253	8,289
Non-current liabilities		
Pension provisions	592	579
Decommissioning provisions	2,835	2,815
Other provisions	219	230
Financial debt	5,969	6,028
Derivative instruments	121	22
Income tax liabilities	8	8
Other liabilities	26	35
Deferred tax liabilities	3,570	3,477
	13,340	13,194
Current liabilities		
Decommissioning provisions	54	58
Other provisions	259	317
Financial debt	499	576
Trade and other payables	894	1,096
Derivative instruments	33	51
Income tax liabilities	18	79
	1,757	2,177
Total equity and liabilities	**22,350**	**23,660**

Consolidated Statement of Changes in Equity

€ million	Subscribed capital of Wintershall Dea GmbH	Capital reserves of Wintershall Dea GmbH	Retained earnings and net retained profit	Other comprehensive income: Remeasure-ment of benefit plans	Other comprehensive income: Foreign currency translation	Other comprehensive income: Cash flow hedges	Share-holder's equity	Non-controlling interests	Total
As of 1 January 2020	**189**	**6,152**	**2,943**	**-190**	**-786**	**-19**	**8,289**	**-**	**8,289**
Other comprehensive income	-	-	-	-20	-172	-3	**-195**	**-**	**-195**
Net income/loss (-)	-	-	-793	-	-	-	**-793**	**-**	**-793**
Total comprehensive income	-	-	-793	-20	-172	-3	**-988**	**-**	**-988**
Capital increase/ decrease	-	9	-	-	-	-	**9**	**-**	**9**
Dividend distribution	-	-	-57	-	-	-	**-57**	**-**	**-57**
Other changes	-	-5,000	5,000	-	-	-	**-**	**-**	**-**
As of 30 June 2020	**189**	**1,161**	**7,093**	**-210**	**-958**	**-22**	**7,253**	**-**	**7,253**
As of 1 May 2019	**105**	**1,173**	**2,699[1)]**	**-143**	**-834**	**-36**	**2,964**	**154**	**3,118**
Other comprehensive income	-	-	-	-111	71	55	**15**	**-**	**15**
Net income/loss (-)	-	-	144	-	-	-	**144**	**24**	**168**
Total comprehensive Income	-	-	144	-111	71	55	**159**	**24**	**183**
Capital increase/ decrease	84	6,239	-	-	-	-	**6,323**	**-**	**6,323**
Dividend distribution	-	-	-	-	-	-	**-**	**-51**	**-51**
Other changes	-	-	1	-	-	-	**1**	**-**	**1**
As of 30 Sep 2019	**189**	**7,411**	**2,844**	**-253**	**-763**	**19**	**9,447**	**127**	**9,574**

1) Adjusted according to IAS 8.41; the adjustment relates to the calculation method and disclosure of deferred taxes in Argentina and was carried out retrospectively as of 1 January 2019 (see also Consolidated Financial Statements for Short Fiscal Year 1 May - 31 December 2019).

Consolidated Statement of Cash Flows

€ million	Jan - Jun 2020	May - Sep 2019	Apr - Jun 2020	Jul - Sep 2019
Net income/loss (-)	**-793**	**168**	**-703**	**35**
Amortization/depreciation/impairment losses/reversal of impairment losses	1,684	685	1,309	366
Changes in provisions	-65	-154	-30	-60
Changes in deferred taxes	60	38	-49	64
Gains (-)/losses from disposal of non-current assets	-4	-13	1	-7
Gains (-)/losses from deconsolidation	-	-38	-	-
Other non-cash income (-)/expenses	-45	-18	4	-36
Changes in working capital	27	-28	-105	-14
Miscellaneous items	-263	150	-328	118
Cash flow from operating activities	**601**	**790**	**99**	**466**
Payments for intangible assets, property, plant and equipment and investment property	-724	-670	-367	-400
Payments for acquisitions	-11	-	-	-
Proceeds from the disposal of non-current assets/divestitures	50	42	-3	2
Payments for financial receivables	-84	-91	-23	-46
Cash flow from investing activities	**-769**	**-719**	**-393**	**-444**
Dividend payment to shareholder (preferred shares)	-57	-	-57	-
Payments to shareholders from capital reserves	-	-1,300	-	-
Dividend payment to non-controlling interests	-	-52	-	-52
Repayments of shareholder loans	-	-242	-	-
Proceeds from debt to banks	16	3,366	16	22
Proceeds from bonds	-	3,984	-	3,984
Repayments of debt to banks	-4	-5,611	-4	-3,719
Change in financial liabilities (related parties)	-100	-121	-321	-86
Repayment of lease liabilities	-32	-23	-17	-13
Cash flow from financing activities	**-177**	**1**	**-383**	**136**
Change in cash and cash equivalents	**-345**	**72**	**-677**	**158**
Effects of foreign exchange rates changes, consolidation-related changes and other changes in value	-22	171	33	-3
Cash and cash equivalents at beginning of reporting period	**814**	**889**	**1,091**	**977**
Cash and cash equivalents at end of reporting period	**447**	**1,132**	**447**	**1,132**

Notes to the Condensed Consolidated Financial Statements

NOTE 1 – BASIS OF PRESENTATION

Wintershall Dea GmbH is a German limited company (registration court: Local Court (Amtsgericht) of Lüneburg; entry no.: HRB 200519) and has its registered office in Celle, Lower Saxony, Germany. The headquarters are in Kassel (Friedrich-Ebert-Strasse 160 in 34119 Kassel) and Hamburg (Überseering 40 in 22297 Hamburg), Germany.

The interim financial statements of Wintershall Dea GmbH and its subsidiaries ("WD Group" or the "Group") have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the European Union (EU).

In the line with IAS 34, the scope of the presentation of the interim consolidated financial statements for the six months period ended 30 June 2020 (comparison period 1 May to 30 September 2019) was condensed compared to the scope applied to the consolidated financial statements as of 31 December 2019. The interim consolidated financial statements apply the same accounting policies and practices as those used in the 2019 annual financial statements, except where financial reporting standards have been applied for the first time in 2020 (see Note 3).

Since the reporting period comprises a six months period and the comparative period comprises a five months period and since the business is also subject to seasonal effects, amounts presented in the financial statements in the year-to-year comparison are not entirely comparable.

Selected exchange rates

€ 1 =	**Closing rates**		**Average**	
	30-06-2020	31-12-2019	Jan -Jun 2020	May – Sep 2019
Argentinian Peso (ARS)	79.02	67.21	71.18	53.57
Brazilian Real (BRL)	6.11	4.52	5.41	4.41
British Pound (GBP)	0.91	0.85	0.87	0.89
Norwegian Krone (NOK)	10.91	9.86	10.73	9.82
Russian Ruble (RUB)	79.63	69.96	76.67	72.11
US-Dollar (USD)	1.12	1.12	1.10	1.12
Mexican Peso (MXN)	25.95	21.22	23.84	21.59

Discount rates

The discount rates applied for decommissioning provisions remain unchanged between 0.00% and 6.56%. Pension provisions are discounted at an interest rate of 0.95% in Germany (31 December 2019: 1.05%) and at an interest of 1.80% in Norway (31 December 2019: 1.80%).

NOTE 2 – SCOPE OF CONSOLIDATION

The consolidated financial statements include the accounts of Wintershall Dea GmbH and its subsidiaries over which the company has control. There are 50 consolidated companies (31 December 2019: 51). There are 7 joint ventures and 7 associated companies that are accounted for using the equity method (31 December 2019: 7 joint ventures and 7 associated companies).

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. There are joint arrangements at Wintershall Dea in the course of development and production activities. They are classified as joint operations since the arrangements transfer the rights and obligations relating to the assets and liabilities to the investors. The Company's shares in joint operations are accounted by recognizing its respective share in assets and liabilities as well as its income and expenses. The joint operation AO Achimgaz, Novy Urengoy/Russia, which is operated jointly with Gazprom for the production of natural gas and condensate is proportionately consolidated. Wintershall Dea holds a 50% interest in the company and controls the company jointly with Gazprom.

Companies whose business is dormant or of low volume and are therefore of minor importance for the presentation of a true and fair view of the net assets, financial position and results of operations are not consolidated, but rather are reported under "other financial assets". These companies are carried at amortized cost and are written down in the event of an impairment. The aggregated assets as well as equity of these companies amount to less than 2.5% of both corresponding values at group level.

NOTE 3 – CHANGES IN ACCOUNTING STANDARDS

The International Accounting Standards Board (IASB) has adopted changes in the existing International Financial Reporting Standards (IFRS), which became effective for the WD Group as of 1 January 2020:

Standards, interpretations and amendments	**IASB effective date**
Amendments to Reference to the Conceptional Framework in IFRS Standards (2018)	1 January 2020
Amendments to IAS 1 and IAS 8 (2018) "Definition of Material"	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 (2019) "Interest Rate Benchmark Reform"	1 January 2020
Amendments to IFRS 3 (2018) "Business Combinations"	1 January 2020

The amendments had no material impact on the WD Group consolidated financial statements.

NOTE 4 – SUPPLEMENTARY INFORMATION ON CONSOLIDATED STATEMENT OF INCOME

Revenues

Revenues	Jan - Jun 2020	May - Sep 2019	Apr - Jun 2020	Jul - Sep 2019
€ million				
Revenues gas				
Gas sales own production	554	545	220	320
Gas sales trading	311	344	105	179
Gas derivatives	-1	11	-1	-8
	864	900	324	491
Revenues oil				
Oil sales own production	615	858	181	553
Oil sales trading	9	12	3	5
Oil derivatives	47	10	34	7
	671	880	218	565
Total revenues gas and oil	**1,535**	**1,780**	**542**	**1,056**
Revenues midstream	-	94	-	55
Revenues other	145	204	83	123
Total	**1,680**	**2,078**	**625**	**1,234**

From Q4 2019 onwards, gas and oil (crude oil/condensate) revenues from own production also include service fees for extraction services in Russia. In the previous period, these revenues were shown under "revenues other". In the reporting period, "revenues other" mainly comprise revenues from construction services to Achim Development.

Trading revenues cover the trading activities for oil and gas. The corresponding purchase costs are shown under "cost of trade goods". The trading activities of the Russian subsidiary YRGM Trading are shown net of cost under revenues ("gas sales trading").

Gains from gas derivatives and oil swaps are not considered sales revenues according to IFRS 15.

Production and operating expenses

Production and operating expenses	Jan - Jun 2020	May - Sep 2019	Apr - Jun 2020	Jul - Sep 2019
€ million				
Production cost	298	311	132	188
Change over-/underlift	-35	36	-40	21
Transport fees and leases	125	108	62	61
Development cost	12	20	7	13
Cost of trade goods	287	326	94	178
Cost of sales other	142	-	78	-
Other costs	0	-20	0	-5
Production and operating expenses	**829**	**781**	**333**	**456**

Production costs also comprise extraction services in Russia. In the previous period the production cost also included construction services for Achim Development. From Q4 2019 onwards those costs are shown under "other cost of sales".

Financial result

	Jan - Jun 2020	May - Sep 2019	Apr - Jun 2020	Jul - Sep 2019
€ million				
Interest income from third parties	56	44	26	14
Interest income from related parties	5	-	5	-
Foreign currency exchange gains, net	-	-	-	-
Gains from financial derivatives, net	-	-	18	-
Income from investments	3	1	3	-
Other financial income	0	1	0	1
Financial income	**64**	**46**	**52**	**15**
Interest expenses to third parties	39	57	20	38
Interest expenses to related parties	0	6	0	5
Less capitalised borrowing costs	-21	-15	-11	-9
Foreign currency exchange losses, net	35	37	37	29
Losses from financial derivatives, net	42	24	-	23
Interest from addition to provisions	21	23	10	13
Other financial expenses	1	8	1	3
Net impairment on financial receivables	75	-	75	-
Financial expenses	**192**	**140**	**132**	**102**
Financial result	**-128**	**-94**	**-80**	**-87**

In the reporting period, a shareholder loan granted to an investment valued at equity was fully impaired as payments are not expected. The impairment loss (€ 75 million) was recognized as net impairment on financial receivables in the financial result.

Income taxes

Income taxes	**Jan - Jun 2020**	**May - Sep 2019**	**Apr - Jun 2020**	**Jul - Sep 2019**
€ million				
Current taxes	409	-198	405	-141
Deferred taxes	-60	-5	51	-33
Total	**349**	**-203**	**456**	**-174**

The total tax income of Wintershall Dea in the reporting period January - June 2020 (€ 349 million) is impacted by deferred taxes on impairment losses for certain Norwegian, Mexican and German assets (in total € 251 million) as well as changes in the Norwegian petroleum tax law (€ 25 million).

NOTE 5 – SEGMENT REPORTING

The Group's business is conducted in 6 segments:

- E&P Northern Europe
- E&P Russia
- E&P Middle East/North Africa (MENA)
- E&P Latin America (LATAM)
- Midstream
- Other

The 4 E&P segments are further divided into 11 divisions, based on countries in the respective region. The E&P segments comprise exploration and appraisal, field development and production activities in the following divisions:

- E&P Northern Europe: Germany, Norway and Denmark/the Netherlands/the UK
- E&P Russia: Russia
- E&P Middle East/North Africa: Egypt, Libya, Algeria and United Arab Emirates (UAE)
- E&P Latin America: Argentina, Mexico and Brazil

The Midstream segment comprises the onshore and offshore gas transportation activities in Europe.

The segment "Other" includes the Board of Management, corporate functions, inter alia Strategy, Global Exploration, Technology & Innovation, Digital, holding companies as well as trading activities managed by headquarter.

The consolidation column includes the elimination of inter-segment sales, mainly resulting from the gas trading activities between the headquarter and the business segments. Sales between the segments are made at prices that approximate market price.

The internal performance measure "adjusted EBITDAX" (EBITDAX) is disclosed as a measure of profit and loss for each reporting segment. EBITDAX is not a recognized measure under IFRS.

€ million/mboed	E&P Northern Europe	E&P Russia	E&P Middle East/ North Africa	E&P Latin America	Midstream	Other	Consoli-dation	Total
	January – June 2020							
External revenues	786	302	93	173	1	325	-	1,680
Inter-segment revenues	61	-	-	0	-	3	-64	-
Segment revenues	847	302	93	173	1	328	-64	1,680
Depreciation and amortization	-538	-13	-54	-104	0	-3	-	-712
Net impairment on assets	-287	-17	-484	-164	-	-	-	-952
Exploration expenses	-24	-	-2	-33	-	-6	-	-65
Income tax	318	-28	6	26	1	26	-	349
Net income/loss (-)	-139	89	-492	-201	100	-150	-	-793
EBITDAX	446	141	35	104	102	-93	-	735
thereof net income from equity-accounted investments	-15	14	-5	-	103	-	-	97
Capital expenditure [1]	598	7	85	33	-	1	-	724
Production (mboed) [2] [3] [4]	202	294	49	72	-	-	-	617
thereof gas	111	237	39	63	-	-	-	450
thereof oil	91	57	10	9	-	-	-	167

1) Including capitalized exploration
2) On working interest basis, including proportional production from at equity valued companies
3) Excluding Libyan onshore
4) Production (mboed) is not an IFRS measure

€ million/mboed	E&P Northern Europe	E&P Russia	E&P Middle East/ North Africa	E&P Latin America	Midstream	Other	Consoli-dation	Total
	May - September 2019							
External revenues	1,041	199	188	236	94	320	-	2,078
Inter-segment revenues	7	-	-	-	-	17	-24	0
Segment revenues	1,048	199	188	236	94	337	-24	2,078
Depreciation and amortization	-430	-11	-63	-98	-19	-40	-	-661
Net impairment on assets	-	-	-	-	-	-	-	-
Exploration expenses [1]	-32	-	-3	-28	-	-5	-	-68
Income tax	-79	-26	-43	-19	-14	-22	-	-203
Net income/loss (-)	-17	117	68	-47	125	-78	-	168
EBITDAX	625	146	174	166	131	-66	-	1,176
thereof net income from equity-accounted investments	-12	20	-	-	53	-	-	61
Capital expenditure [2]	507	9	124	30	0	-	-	670
Production (mboed) [3] [4] [5]	197	269	55	80	-	-	-	601
thereof gas	102	217	40	70	-	-	-	429
thereof oil	95	52	15	10	-	-	-	172

1) Adjusted allocation between "Norther Europe" and "Other"
2) Including capitalized exploration
3) On working interest basis, including proportional production from at equity valued companies
4) Excluding Libyan onshore
5) Production (mboed) is not an IFRS measure

€ million/mboed	April - June 2020 E&P Northern Europe	E&P Russia	E&P Middle East/ North Africa	E&P Latin America	Midstream	Other	Consoli-dation	Total
External revenues	242	136	46	76	1	124	-	625
Inter-segment revenues	33	-	-	0	-	1	-34	-
Segment revenues	275	136	46	76	1	125	-34	625
Depreciation and amortization	-263	-6	-27	-51	0	-1	-	-348
Net impairment on assets	-287	-17	-484	164	-	-	-	-952
Exploration expenses	-3	-	0	-15	-	-1	-	-19
Income tax	416	-10	0	33	1	16	-	456
Net income/loss (-)	-110	8	-480	-176	58	-3	-	-703
EBITDAX	118	37	27	43	58	-29	-	254
thereof net income from equity-accounted investments	-9	5	-3	-	59	-	-	52
Capital expenditure [1]	313	2	30	21	-	1	-	367
Production (mboed) [2] [3] [4]	199	287	46	74	-	-	-	606
thereof gas	110	231	38	65	-	-	-	444
thereof oil	89	56	8	9	-	-	-	162

1) Including capitalized exploration
2) On working interest basis, including proportional production from at equity valued companies
3) Excluding Libyan onshore
4) Production (mboed) is not an IFRS measure

€ million/mboed	July - September 2019 E&P Northern Europe	E&P Russia	E&P Middle East/ North Africa	E&P Latin America	Midstream	Other	Consoli-dation	Total
External revenues	623	111	132	142	56	170	-	1,234
Inter-segment revenues	6	-	-	-	-	14	-20	0
Segment revenues	629	111	132	142	56	184	-20	1,234
Depreciation and amortization	-230	-7	-30	-61	-11	-22	-	-361
Net impairment on assets	-	-	-	-	-	-	-	-
Exploration expenses [1]	-15	-	-4	-12	-	-2	-	-33
Income tax	-82	-15	-46	-15	-9	-7	-	-174
Net income/loss (-)	-3	66	42	-53	75	-92	-	35
EBITDAX	383	86	118	97	78	-54	-	708
thereof net income from equity-accounted investments	-7	12	0	-	32	-	-	37
Capital expenditure [2]	310	4	71	15	0	-	-	400
Production (mboed) [3] [4] [5]	186	263	59	80	-	-	-	588
thereof gas	95	212	40	70	-	-	-	417
thereof oil	91	51	19	10	-	-	-	171

1) Adjusted allocation between "Norther Europe" and "Other"
2) Including capitalized exploration
3) On working interest basis, including proportional production from at equity valued companies
4) Excluding Libyan onshore
5) Production (mboed) is not an IFRS measure

External revenues are allocated to the following divisions:

External revenues	Jan - Jun 2020	May - Sep 2019	Apr - Jun 2020	Jul - Sep 2019
€ million				
Norway	535	744	151	457
Germany	251	296	91	165
UK/Denmark/Netherlands	-	1	-	1
Northern Europe	**786**	**1,041**	**242**	**623**
Russia	**302**	**199**	**136**	**111**
Egypt	71	90	36	43
Libya	-	76	-	75
Algeria	22	22	10	14
Middle East/North Africa	**93**	**188**	**46**	**132**
Argentina	150	206	68	125
Mexico	23	30	8	17
Latin America	**173**	**236**	**76**	**142**
Midstream	**1**	**94**	**1**	**56**
Other	**325**	**320**	**124**	**170**
Total	**1,680**	**2,078**	**625**	**1,234**

EBITDAX

EBITDAX is derived from the profit/loss (-) before taxes and adjusted by the following items:

a) Interest income and expenses and income from investments shown as financial income and expenses in the income statement but adjusted for interest effects regarding pension provisions and pension assets which are shown separately in the line "pension items".

b) Income and expenses attributable to exploration but excluding depreciation, amortization, impairment losses and reversal of impairment losses, interest income and expenses, currency effects and pension items for exploration, since these are adjusted in separate line items.

c) Depreciation, amortization and net impairment on assets as shown in the income statement.

d) Acquisition, disposal and restructuring costs and further identified items as stated below. This represents all fees, costs and expenses, stamp duty, registration and other taxes incurred by the company in connection with an acquisition or a disposal and material items of an unusual or non-recurring nature (e.g. resulting from restructuring activities).

e) Realized and unrealized foreign exchange gains and losses (including hedging results).

f) Gains over or losses on book value arising from the disposal of any fixed assets (other than sale of trading stock).

g) Income from pension assets, interest expenses, service costs or other charges attributable to a post-employment benefit scheme (pension item).

EBITDAX	Jan - Jun 2020	May - Sep 2019	Apr - Jun 2020	Jul - Sep 2019
€ million				
Income/loss (-) before taxes	**-1,142**	**371**	**-1,159**	**209**
Interest and other financing costs	-45	30	-24	38
Exploration expenses	64	66	18	31
Depreciation, amortization and net impairment on assets	1,664	661	1,300	361
Acquisition, disposal and restructuring costs and identified items [1]	104	-11	92	18
Realized and unrealized gains/losses from foreign currency valuation and financial derivatives	77	61	19	53
Gains/losses attributable to the disposal of fixed assets	0	-13	1	-7
Pension items	13	11	7	5
EBITDAX	**735**	**1,176**	**254**	**708**

1) Includes the following identified items:
Jan - Jun 2020: including restructuring costs € 2 million, integration costs € 27 million and € 75 million impairment losses on financial receivables
May - Sep 2019: including acquisition costs € 2 million, integration costs € 21 million and net gain from deconsolidated subsidiaries € 34 million
Apr - Jun 2020: including restructuring costs € 2 million, integration costs € 15 million and € 75 million impairment losses on financial receivables
Jul - Sep 2019: including acquisition costs € 2 million, integration costs € 12 million and loss from deconsolidation of subsidiary € 4 million

NOTE 6 – SUPPLEMENTARY INFORMATION ON BALANCE SHEET

Intangible assets and property, plant and equipment and investment property

Intangible assets	30-06-2020	31-12-2019
€ million		
Exploration	945	1,577
Other intangible assets	3,127	2,925
Goodwill	2,560	2,580
Total	**6,632**	**7,082**

Property, plant and equipment and investment property	30-06-2020	31-12-2019
€ million		
Land and buildings [1]	122	132
Gas and oil assets	9,160	9,756
Other plant machinery and equipment	10	11
Fixtures and fittings and office equipment	30	33
Total	**9,322**	**9,932**

1) Land and buildings include investment property.

Impairment testing

The impairment losses have been recognized in the income statement as net impairments of assets. They comprise impairments on property, plant and equipment, other intangible assets and goodwill as well as impairments on investments valued at equity.

An impairment is recognized when the book value of an asset or a cash-generating unit, including goodwill, exceeds the recoverable amount. The recoverable amount corresponds to the fair value less cost of disposal (level 3 in fair value hierarchy). For producing licences and licences in development phase the recoverable amount is estimated based on discounted future after tax cash flows.

Net impairments	**Jan - Jun 2020**
€ million	
Goodwill	27
Acquisition cost of concessions	197
Producing and development assets	711
Investments valued at equity	17
Total	**952**

In the reporting period, impairment losses amount to € 952 million (pre-tax). The impairments on property, plant and equipment and other tangible assets impairments relate to acquisition costs in Mexico (€ 164 million), to producing and development assets and acquisition costs in Egypt (€ 405 million) as well as to producing and development assets in Norway (€ 241 million), Algeria (€ 52 million) and Germany (€ 46 million).

The goodwill allocated to the cash-generating unit Egypt was fully impaired (€ 27 million).

Moreover, the impairment losses include impairments on investments valued at equity in Russia (€ 17 million).

The impairments are mainly triggered by revised commodity price assumptions and include updated operational assumptions for certain assets. The update of the commodity price scenario took place in the second quarter of 2020 once it became apparent that the decline in commodity prices which initially occurred in March 2020 is of longer nature. The revised gas and oil price scenario includes an oil price of 33.5 USD/bbl and a gas price of 3.3 USD/mmbtu for the year 2020. The discount rates remain unchanged to the impairment test for year-end 2019

See also Note 10 "Impact of COVID-19 pandemic".

Financial Debt/Net Debt

Financial debt	30-06-2020 non-current	30-06-2020 current	31-12-2019 non-current	31-12-2019 current
€ million				
Bonds	4,000	34	4,000	12
less transaction cost	-16	-	-16	-
	3,984	34	3,984	12
Debt to banks	1,882	15	1,879	2
less/plus transaction cost and embedded derivatives	7	-	8	-
	1,889	15	1,887	2
Financial liabilities to related parties and other participations	-	390	0	496
Lease liabilities	96	60	157	66
Total	**5,969**	**499**	**6,028**	**576**

Bonds

On 25 September 2019, Wintershall Dea Finance B.V. (fully owned subsidiary of Wintershall Dea GmbH) issued bonds in the amount of € 4,000 million. The transaction comprised of 4 tranches.

The arrangement fee has been capitalised as a reduction of the loan amount and is being amortized over the expected life applying the effective interest method.

Bonds	%	Maturity	Currency	Nominal value	Fair Value 30-06-2020	Carrying amount 30-06-2020
€ million						
Bond	0.452	2023	EUR	1,000	968	996
Bond	0.840	2025	EUR	1,000	951	996
Bond	1.332	2028	EUR	1,000	939	996
Bond	1.823	2031	EUR	1,000	940	996
Total				**4,000**	**3,798**	**3,984**

The fair value was determined using quoted prices in an active market. The Group's repayment obligation remains unchanged at € 4,000 million.

Debt to banks

Following the merger with Dea Group, the previous financing (BASF group financing) was replaced by an external financing arrangement via a consortium of banks (Syndicated Credit Facilities Agreement). The first tranche was drawn on 30 April 2019 and the second tranche was drawn on 2 May 2019. As of 30 June 2020, a nominal amount of € 1,882 million was utilized (Facility B and C). Facility A was fully repaid in September 2019.

For the remaining Facilities B and C of the Syndicated Credit Facilities Agreement, margins over the applicable Euribor and Libor rate apply.

An arrangement fee of € 16 million has been capitalized as a reduction of the loan amount in April 2019. In addition, the financing facility comprises embedded derivatives which are required to be separated. The positive fair value of the embedded derivatives of € 18 million was initially recognized as an increase in the loan amount. Both amounts are being amortized over the term of the loans with corresponding impact on the financial result. Refer to Note 9 for more information on the embedded derivatives.

Breakdown of debt to banks (incl. accrued interest)	**Term**	**Interest rate**	**Currency**	**Nominal value (contract currency)**	**30-06-2020 (€ million)**	**31-12-2019 (€ million)**
Facility B	04/2022	0.6%	EUR	584	584	586
	04/2022	1.07 – 2.61%	USD	400	358	358
Facility C	04/2024	0.75%	EUR	584	584	587
	04/2024	1.22 - 2.76%	USD	400	358	358
Overnight draft facility Argentina	-	21.0 - 21.5	ARS	-	12	-
Total					**1,896**	**1,889**

Credit facility
A revolving credit facility in the total amount of € 900 million and a tenor of 5-years with additional extension options for up to 2 years was agreed with the bank consortium which can be utilised if necessary. The facilities are currently undrawn. In April 2020, further working capital lines of € 450 million in total have been secured with five banks and are currently undrawn. These committed lines have a maturity of 364 days.

Net Debt	**30-06- 2020**	**31-12-2019**
€ million		
Cash and cash equivalents	-447	-814
Financial receivables from cash pooling	-17	-16
Bonds	4,018	3,995
Debt to banks	1,904	1,889
Financial liabilities from cash pooling	385	485
Lease liabilities	156	223
Net Debt	**5,999**	**5,762**

NOTE 7 – COMMITMENTS

Contractual commitments
As of 30 June 2020, Wintershall Dea has commitments from firm contracts for property, plant and equipment as well as from field development projects in the amount of € 360 million (31 December 2019: € 404 million).

Furthermore, Wintershall Dea is committed to a certain number of exploration wells and seismic in the context of concession agreements. The estimated expenditures amount to € 145 million (31 December 2019: € 156 million).

Other long-term commitments

The obligations from purchase agreements resulted primarily from long-term purchase commitments for natural gas. The firm purchase commitments amount to € 2,475 million as of 30 June 2020 (31 December 2019: € 3,559 million). The decline compared to year end is mainly impacted by lower prices.

€ million	30-06-2020	31-12-2019
2020	250	783
2021	703	928
2022	819	1,022
2023	699	821
2024	1	1
2025 and residual maturities extending beyond this	3	4
Total	**2,475**	**3,559**

NOTE 8 – RELATED PARTY TRANSACTIONS

A related party is a natural person or legal entity that can exert influence on the Wintershall Dea Group or over which the Wintershall Dea Group exercises control, joint control or a significant influence.

Wintershall Dea is jointly controlled by BASF and LetterOne. Therefore, BASF and LetterOne and their subsidiaries are considered as related parties. In addition, related parties include non-consolidated subsidiaries, joint ventures and associated companies.

Revenue with related parties	**Jan - Jun 2020**	**May - Sep 2019**
€ million		
Non-consolidated subsidiaries	-	1
Joint ventures/associates	142	84
Shareholders and their affiliates	131	143
Total	**273**	**228**

Trade accounts receivables from/	**Trade accounts receivables**		**Trade and other payable**	
trade accounts payable to related parties	**30-06-2020**	**31-12-2019**	**30-06-2020**	**31-12-2019**
€ million				
Non-consolidated subsidiaries	2	1	4	1
Joint ventures/associates	61	52	2	4
Shareholders and their affiliates	14	42	9	4
Total	**77**	**95**	**15**	**9**

Financial and other receivables from/ financial liabilities to related parties	Financial and other receivables		Financial and other liabilities	
	30-06-2020	31-12-2019	30-06-2020	31-12-2019
€ million				
Non-consolidated subsidiaries	32	31	11	2
Joint ventures/associates	353	362	375	484
Shareholders and their affiliates	-	1	-	9
Total	**385**	**394**	**386**	**495**

Revenues with, as well as trade accounts receivable from, and trade accounts payable to related parties mainly comprised transactions with the company's own products, as well as other typical business transactions.

Other receivables and liabilities resulted mainly from financing transactions, outstanding dividend payments and profit and loss transfer agreements, as well as other financing-related and operating transactions.

Cash-effective changes in financial liabilities to related parties (see "Consolidated Statement of Cash Flows") are mainly related to liabilities from cash pooling.

All transactions are subject to market terms and conditions.

NOTE 9 – REPORTING OF FINANCIAL INSTRUMENTS

The financial instruments comprise both primary and derivative financial instruments and are assigned to the valuation categories according to IFRS 9. Financial instruments on the asset side like financial investments and derivatives are recognised at fair value, while other financial assets, receivables and cash and cash equivalents are recorded at amortised cost. On the liabilities side, the primary financial instruments include liabilities at amortised costs. The primary financial instruments are stated in the balance sheet, with the carrying amounts of financial assets reflecting the expected credit losses.

Fair values of derivative financial instruments are determined using customary market valuation methods taking into account public market data available on the measurement date as well as the counterparty default risk.

Commodity derivatives
The Group has designated oil-sales derivatives as hedging instruments within the scope of cash flow hedges. Cash flow hedges are used to hedge the risk of variability in cash flows related to highly probable forecast transactions. The effective portion of changes in the fair value of derivates that are designated as cash flow hedges is recognised as other comprehensive income within equity. The gains or losses relating to the ineffective portion are recognised immediately in profit or loss. As of 30 June 2020, parts of our oil sales are hedged until 2022. The price of the hedged item is defined via a price formula in the sales contract. The instruments used are Brent dated oil swaps for which a liquid market exists. Furthermore, a regression analysis shows a high correlation between Brent dated oil and the price formula. This is also the basis to determine the hedge ratio in order to achieve the highest level of hedge efficiency.

Derivatives related to the gas trading business are measured and disclosed based on a net risk exposure in accordance with IFRS 13.48.

Foreign currency derivatives
In the context of the Group's ordinary net foreign currency exposure derivatives are recognized at fair value through profit and loss.

In order to hedge the foreign currency risk from future USD repayments of intercompany loans the company entered into cross currency swaps. The future cash flows resulting from the repayment of the intercompany loans have been designated as hedged items. The spot elements and the forward elements of the cross currency swaps have been separated, whereas only the value changes of the spot elements have been designated as hedging instruments. The forward elements are recognized as cost of hedging in other comprehensive income and are reclassified to profit or loss on a systematic (linear) basis. Hedge ineffectiveness is immediately recognized in profit or loss. As of 30 June 2020, the market value of the derivative liabilities amounts to € 86 million.

Interest derivatives
In the context of financing activities, embedded derivatives have been identified which are required to be separated. The contractual terms of the credit facilities entered into by the company contain early termination options as well as in individual cases extension options within the discretion of the company. Early termination and extension options represent embedded derivatives which have to be separated and measured at fair value through profit and loss. Changes in fair value are based on changes of interest rates and companies own credit risk. To determine the fair value an option pricing model is used, taking into account simulations of interest rates and companies own credit risk. The market value as of 30 June 2020 amounts to € 4 million.

The carrying amounts of the primary financial assets and liabilities are close to their fair values, either because if short maturities or due to market-driven interest rates in case of non-current loans.

The following overview represents the financial instruments to be recognized at fair value and the essential parameters on which the measurement is based. The individual levels are defined as follows in accordance with IFRS 13:

Level 1: Measurement at (unadjusted) prices quoted for identical assets or liabilities on active markets.

Level 2: Measurement based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Measurement on the basis of unobservable inputs.

Fair value hierarchy		**30-06-2020**		
	Total	**Level 1**	**Level 2**	**Level 3**
€ million				
Other receivables	23	-	-	23
Derivative financial assets	191	-	191	-
thereof commodity derivatives	185		185	-
thereof currency derivatives	2	-	2	-
thereof embedded derivatives	4	-	4	-
Derivative financial liabilities	154	-	154	-
thereof commodity derivatives	56	-	56	-
thereof currency derivatives	98	-	98	-

Fair value hierarchy		**31-12-2019**		
	Total	**Level 1**	**Level 2**	**Level 3**
€ million				
Other receivables	23	-	-	23
Derivative financial assets	129	-	129	-
thereof commodity derivatives	72	-	72	-
thereof currency derivatives	26	-	26	-
thereof embedded derivatives	31	-	31	-
Derivative financial liabilities	73	-	73	-
thereof commodity derivatives	52	-	52	-
thereof currency derivatives	21	-	21	-

No transfers between the levels occurred during the period under review or during the previous year.

The other receivables of € 23 million as of 30 June 2020 comprise the fair value of contingent consideration resulting from the Sierra Oil & Gas purchase agreement. This receivable was part of the assets acquired in the course of the merger with Dea Group. The valuation has not affected profit or loss in the reporting period.

NOTE 10 – IMPACT OF COVID-19 PANDEMIC

Since the beginning of this year, the spread of COVID-19 has resulted in a global health pandemic, which in turn led to a significant global decline in economic activity, and a corresponding steep decline in commodity prices. The duration and extent of the COVID-19 pandemic and the resulting impact for the WD Group cannot be ascertained at this time. However, following the decline in commodity prices, the WD Group has revised its commodity price assumptions triggering an impairment test for our major assets. In the first half of 2020, net pre-tax impairments of € 952 million have been recognized (see Note 6).

In June 2020, the Norwegian government has enacted temporary changes in the petroleum tax system, in effort to maintain oil and gas investments during a period of falling oil prices and reduced activity due to the COVID-19 situation. The changes include an increase of the uplift allowance to 24% for investments and the direct tax expense of both uplift allowance and capital expenditures in the special petroleum tax regime in 2020 and 2021. These changes result in a positive tax effect of € 25 million in the tax result. In addition, cash refunds for the tax value of losses from Norwegian tax authorities are expected in the second half of 2020, totalling € 413 million.

In Germany, the government allowed for several tax deferral schemes (mainly value added tax and payroll tax) to take place. The company took advantage of the scheme with an overall payment amount of € 44 million deferred to year end as of the end of June 2020.

NOTE 11 – EVENTS AFTER THE BALANCE SHEET DATE

No events subject to mandatory disclosure occurred after the balance sheet date that have not been reflected in the consolidated financial statements.

Kassel and Hamburg, 18 August 2020

The Management Board

Mehren Smith Dijkgraaf Summers Wieland