wintershall dea

WINTERSHALL DEA ANNUAL REPORT 2023

WINTERSHALL DEA
AT A GLANCE*

Operating Cash Flow

€1.2 BN

Free Cash Flow

€-27 M

Adjusted Net Income

€513 M

Production Costs

€6.7 PER BOE

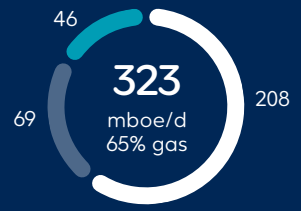
From around 60 Nations

2,091
EMPLOYEES

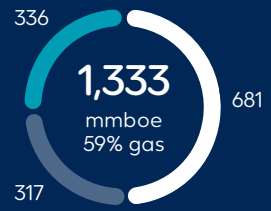
OUR GLOBAL PRESENCE IN 11 COUNTRIES

KEY FIGURES 2023

Northern Europe
Latin America
Middle East/ North Africa
Midstream
Headquarter and Other



Production[1]



2P Reserves

CAPEX

EBITDAX

* Wintershall Dea's 2023 financial and operational metrics combining continuing and discontinued operations.
[1] Excluding Libya onshore production

WINTERSHALL DEA
OUR RESULTS[1, 2]

Safety

TRIR

2023	2.27
2022	3.37
2021	2.41

LTIR

2023	0.97
2022	1.08
2021	0.12

Operational

Production[3] (mboe/d)

2023	323
2022	321
2021	331

2P reserves (bn boe)

2023	1.3
2022	1.4
2021	1.3

Production costs[4] (€/boe)

2023	6.1
2022	5.8
2021	5.6

Financial

EBITDAX (€ million)

2023	4,190
2022	5,924
2021	3,103

Adjusted Net Income[5] (€ million)

2023	513
2022	928
2021	403

Free Cash Flow (€ million)

2023	–27
2022	2,484
2021	1,577

Leverage[6]

2023	0.6
2022	0.2
2021	0.7

1 Wintershall Dea's 2023 financial and operational metrics combining continuing and discontinued operations.
2 Wintershall Dea's 2022 and 2021 financial and operational metrics shown without the contribution from segment Russia.
3 On a working interest basis, including proportional production from at equity accounted companies, excluding Libya onshore production.
4 Excluding one-off effects in Q4 2023 and Q4 2021 related to a pre-merger commercial settlement with a third party.
5 Defined as EBITDAX less depreciation and amortisation, less exploration expenses, plus financial income, less financial expenses and less income taxes, adjusted for special items and tax effects on adjusted special items and disregarded items (e.g. net impairments on assets) as well as impairments on deferred tax assets for tax loss carryforwards.
6 Net debt divided by last twelve months EBITDAX.

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SUSTAINABILITY REPORT 2023

Release in March 2024

FURTHER EXPLANATIONS

You will find further information on the Internet.

You will find further information in this report.

A ABOUT WINTERSHALL DEA

ABOUT THIS REPORT

Wintershall Dea's annual report is intended to provide a thorough and transparent overview of our activities, including our financial performance for fiscal year 2023.

The annual report combines our key financial, operational and sustainability-related information in a comprehensive report to allow for a full evaluation of our performance. The report comprises the following:

- Report to our stakeholders
- Group Management Report
- Consolidated Financial Statements

The Group Management Report and Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and German Accounting Standards (GAS).

Unless otherwise stated, "Group", "Wintershall Dea", "Wintershall Dea Group" and "we" refer to Wintershall Dea AG and its consolidated and equity-accounted subsidiaries. All reserves and resource figures in this report are shown based on Petroleum Resources Management System (PRMS) definitions. All production figures are shown based on working interest volumes, unless otherwise stated. "Net zero by 2030", "net zero GHG emissions by 2030" or similar expressions used in this report refer to our target to reduce our Scope 1 and Scope 2 greenhouse gas emissions of our upstream activities, operated and non-operated at equity (share) basis to net zero by 2030, with an intermediary target of a 25% net reduction by 2025 compared to the 2020 baseline year. The annual report does not comprehensively reflect all aspects of the business combination agreement entered into by Harbour Energy plc and the shareholders of Wintershall Dea, nor does it address all future changes resulting from such agreement and the business combination covered by it. The targets, outlooks and assessments presented in the annual report are those of Wintershall Dea, unless otherwise stated.

DISCLAIMER

This annual report contains forward-looking statements regarding the future development of Wintershall Dea and its companies, as well as of the economic and political environment. These statements are assessments that we have made based on information available to us at the time this report was prepared. Forward-looking statements are not guarantees of the future developments and results outlined therein. In the event that the underlying assumptions do not materialise or unforeseen risks arise, actual developments may deviate from the currently predicted developments. Therefore, we cannot assume responsibility for the correctness of these statements. Wintershall Dea does not assume any obligation to update the forward-looking statements contained in this report above and beyond the legal requirements.

MARIO MEHREN
Chief Executive Officer, CEO

CHIEF EXECUTIVE LETTER

DEAR STAKEHOLDERS,

In recent years it has become commonplace to talk of "challenging" times. Our industry and company have weathered the storm of a pandemic that disrupted working practices and dented demand. Then, the repercussions of a war that has shaken Europe, placed huge demands on our energy systems, and continues to claim all too many lives. It has not been an easy period.

Nevertheless, I must say once again that the past year was a profoundly challenging year for Wintershall Dea. 2023 started with our decision to exit Russia, and ended with an announcement that brings major change for our whole team.

Business combination agreement with Harbour Energy

In December 2023, Wintershall Dea's shareholders BASF and LetterOne signed a business combination agreement with Harbour Energy. The agreement is for the transfer of Wintershall Dea's E&P business to Harbour Energy, consisting of its production and development assets and exploration rights in Norway, Argentina, Germany, Mexico, Algeria, Libya (excluding Wintershall AG), Egypt and Denmark (excluding Ravn), as well as Wintershall Dea's carbon capture and storage (CCS) licences.

The Wintershall Dea headquarters, and our headquarters team, are not a part of the transaction. This will require further restructuring and ultimately the closure of the headquarters in Kassel and Hamburg, that currently have around 850 employees.

The agreement is subject to regulatory approvals in multiple countries. Harbour Energy and our shareholders target closing by the fourth quarter of 2024. Until then, Wintershall Dea continues to work as an independent company, producing energy and advancing Carbon Management & Hydrogen projects. Safely and efficiently.

Russia exit and its consequences

The agreement between our shareholders and Harbour Energy was a last step in a year of complex, structural change for the company. In January 2023, we announced our intention to fully exit Russia. The war of aggression remains an abhorrence that goes against our values. And interference of the Russian government in our joint ventures had amounted to a de-facto expropriation of our assets. A de-facto expropriation that was formalised in December 2023 when President Putin issued a decree invalidating contracts and transferring assets to Russian companies.

Exiting Russia was the right decision and the only decision to take. But it had profound consequences. Throughout the year we worked on steps to right-size our company and secure our competitiveness in the context of reduced production and reserves. Amongst other measures we reduced our Management Board from five to three members. And we announced and started to implement a restructuring and reorganisation process in September. In light of the agreement with Harbour Energy, some planned changes will be re-assessed, but the majority will be implemented during 2024.

Solid operations and a clear strategy

Despite this difficult context, our team delivered solid operational performance. We achieved a full year production of 323 mboe/d in 2023. This was slightly below our guidance mainly due to longer lead times for projects in Norway and longer than planned commissioning activities of the Dvalin field.

We set two clear strategic priorities for Wintershall Dea at the beginning of 2023: moderate growth for our E&P business, and the development of our nascent Carbon Management & Hydrogen business. In the 12 months that followed, our teams delivered significant achievements in pursuit of those two goals.

Delivering our E&P goals

In our E&P business we made progress in all of our regions. In Norway, we recommenced full production at the Dvalin field at the end of 2023 providing significant new gas volumes for Europe. We also secured approval for the further development of the Dvalin North and Maria Phase 2 fields, and secured 13 new exploration licences in the 2023 license round.

In Mexico, we closed our acquisition of a 37% interest in the producing Hokchi field, and made a major oil discovery in our Kan exploration prospect. Together with our partners we submitted the development concept for the Zama field, one of the largest shallow water oil discoveries of the past 20 years. In Argentina, we saw good progress for the development of the Fénix project, which once operational will produce up to 10 million cubic metres of natural gas per day for Argentina.

In Egypt, we produced first gas at our own-operated East Damanhour project. And we cemented our commitment to sustainable operations, by achieving zero routine flaring at the Disouq facilities, the first project in Egypt to do so. We closed our acquisition of an increased share at Reggane Nord in Algeria.

Building a leading position for CCS

We also made strong progress in our Carbon Management & Hydrogen business in 2023. We closed the year with one of the strongest CCS portfolios in Europe. The five CO_2 storage licences we have secured to date – Luna and Havstjerne in Norway, Greensand in Denmark, and Poseidon and Camelot in the UK – have a combined annual storage capacity of 17.4 million tonnes of CO_2 (Wintershall Dea share).

At the Greensand CCS project in Denmark we and our partners celebrated first CO_2 injection in March 2023. This was a moment of real significance for CCS in Europe: the first time a CCS value chain, from capture to transport to storage, has been implemented across borders. Taking international CCS from pilot to scale is essential if we are to decarbonise European industry and achieve net zero targets. I'm proud of our team's role in this achievement.

Wintershall Dea has built one of the strongest portfolios in Europe in just a few years. We have rapidly established a strong foundation upon which I hope others will build. I hope that German and European policymakers will work with similar urgency to put in place regulatory framework required to enable CCS at scale. We have pushed for this and will continue to do so. Because without CO_2 storage, decarbonising industry and hitting net zero will be unnecessarily harder.

A strong team, that delivers

All of our teams – our over 2,000 employees – can be proud of what they have achieved in the course of the last year, under circumstances they themselves may not have chosen. I would like to thank each and every member of our team for their contribution on behalf of the entire Management Board of Wintershall Dea. In 2024 they, and our company overall, will continue our work. Delivering the secure, affordable energy supplies that Germany, Europe and the world need: to keep the lights on, power our factories, and heat our homes. And developing CCS and hydrogen projects that we need if we are to reach net zero. The work that our teams put in, day in day out, is honourable. Our society depends on it. We can and should be proud of it.

Mario Mehren
Chief Executive Officer

DR HANS-ULRICH ENGEL
Chairman of the Supervisory Board of Wintershall Dea AG

REPORT OF THE SUPERVISORY BOARD OF WINTERSHALL DEA AG

FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2023

In the period from 1 January to 31 December 2023, the Supervisory Board performed the duties incumbent on it under the law and the Articles of Association and continuously monitored the management of the company. The Management Board regularly informed the Supervisory Board about the company's activities and certain matters of corporate policy, both in meetings and in writing. The business policy intended by the Management Board, as well as the situation and development of the company, were discussed in detail. In addition, the Supervisory Board received regular reports on ongoing projects. The Chairman of the Supervisory Board also discussed key business matters with the Management Board and was informed about the situation and development of the company in individual discussions.

Four ordinary meetings and one extraordinary meeting of the Supervisory Board were held in 2023. Two of the ordinary meetings and the extraordinary meeting were held in Hamburg and the other two ordinary meetings were held in Kassel. Considering the exceptional circumstances caused by the COVID-19 developments and the related travel advisory, the Supervisory Board members agreed on a video conference option in addition to in-person meetings.

Since 24 February 2022, Russia's war of aggression against Ukraine has had far-reaching consequences for the company. The Management Board regularly informed the Supervisory Board about current developments.

On 27 February 2023, Ms Saori Dubourg resigned from the Supervisory Board with effect from the end of 28 February 2023. In the following month, on 24 March 2023, Mr Dmitry Avdeev resigned from the Supervisory Board of Wintershall Dea AG with immediate effect. On 17 April 2023, the Annual General Meeting elected Dr Katja Scharpwinkel and Mr Francis Sommer to the Supervisory Board as proposed by the Supervisory Board. With the resignation of Mr Dmitry Avdeev, his mandate on the Audit Committee also ended. The Supervisory Board elected Mr Timothy Summers as his successor on the Audit Committee by written procedure. Mr Heiko Rehder's term of office as an employee representative ended at the end of the Annual General Meeting on 17 April 2023. Ms Katharina da Luz-Berlin was newly elected to the Supervisory Board as an employee representative, while Ms Birgit Böl, Mr Michael Winkler and Mr Günther Prien were re-elected to the Supervisory Board as employee representatives. Their term of office began at the end of the Annual General Meeting on 17 April 2023. At the ordinary meeting on 11 May 2023, the Supervisory Board unanimously elected Mr Timothy Summers as First Deputy Chairman and Mr Michael Winkler as Second Deputy Chairman of the Supervisory Board.

In light of the transformation project and the announced exit from Russia, the Supervisory Board decided, on the recommendation of the Personnel Committee, to approve the termination agreement for the Management Board service contract with Mr Thilo Wieland by written procedure. The Supervisory Board also approved a project by written procedure.

In addition, at the ordinary meeting on 4 September 2023, the Supervisory Board approved the reduction in the number of Management Board members from four to three and the associated termination agreement of the Management Board service contract with Mr Hugo Dijkgraaf as of 30 November 2023 on the recommendation of the Personnel Committee.

The Supervisory Board also monitored the accounting processes, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements and dealt with the selection and independence of the auditor.

Furthermore, the Supervisory Board dealt with the course of business, production, cost and revenue development, as well as the earnings situation, corporate planning and all significant transactions of the company. In addition, the Supervisory Board received reports relating to the market environment for oil and gas prices, measures to hedge business risks, corporate development, the business model and corporate strategy.

Furthermore, the Supervisory Board was informed of the HSE performance (which includes personal safety, process safety and environmental performance) in the context of Health, Safety, Environment, Quality (HSEQ) reporting.

The financial statements and the consolidated financial statements for Wintershall Dea AG for the year from 1 January to 31 December 2023, the management reports of the Group and Wintershall Dea AG were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, the elected and appointed auditors. The auditors issued an unqualified audit opinion. The financial statements and the consolidated financial statements of Wintershall Dea AG for the year from 1 January through 31 December 2023, the management reports of the Group and Wintershall Dea AG and the respective auditor's reports were distributed to the Supervisory Board in a timely manner prior to the balance sheet meeting on 19 February 2024.

The auditor took part in the discussion of the annual financial statements and the consolidated financial statements, reported about material findings of the audit and was available to answer questions. The Supervisory Board noted the report and the explanations. The Supervisory Board approved the audit results for the financial statements and consolidated financial statements for the year from 1 January through 31 December 2023.

The Supervisory Board examined the financial statements, the consolidated financial statements and the management reports compiled by the Management Board for the Group and for Wintershall Dea AG. The final audit did not give rise to any objections. The Supervisory Board approved the annual financial statements and the consolidated financial statements for the year from 1 January through 31 December 2023.

The Supervisory Board would like to thank the members of the Management Board, the Works Councils and all employees for their commitment and their efforts.

Kassel, 19 February 2024

On behalf of the Supervisory Board
Dr Hans-Ulrich Engel, Chairman

OUR FOUNDATION

OUR GUIDING PRINCIPLES

As a leading independent European gas and oil company, Wintershall Dea is committed to producing natural gas and crude oil in the most efficient and environmentally friendly way. The company acknowledges its responsibility to help solve two of today's greatest global challenges: meeting the world's growing energy needs and achieving climate goals.

WHAT WE DO

We are a leading independent European gas and oil company. We explore for and produce gas and oil worldwide in the most efficient and responsible way.

WHY WE DO WHAT WE DO

We believe we contribute to a better world for today's and tomorrow's generations by addressing two major challenges at the same time – the world's growing demand for energy and global climate change. We are committed to securing energy supplies while pursuing climate targets.

HOW WE DO WHAT WE DO

Reliable partner
As a leading independent European gas and oil company, we are the long-term and reliable partner for all our stakeholders. We are setting industry benchmarks in safety and environmental responsibility as well as in operational and financial performance. And we are actively contributing to the energy transition.

Ambitious people
People are our greatest resource. We promote an entrepreneurial spirit and empower people, while welcoming diversity. We cultivate an open and team-orientated working environment which makes it possible to find the best solutions.

Experienced pioneer
German engineering is our heritage. We push for innovation, embrace opportunities presented by the digital revolution and constantly strive to broaden our horizons. We are and will remain experts in the most demanding fields – now and in the future

OUR VALUES

We know that as a company, we are measured at all levels by our actions. Our four corporate values are therefore extremely important to us in all our relations – both internally and externally. Our values guide our actions and define how we want to work together – as a team, with our stakeholders and our partners. They are pivotal in defining Wintershall Dea's culture.

TRUST

Trust is the basis for all our values and also their outcome. We believe in respect and sustainability as the foundation for our success. We also believe in trust as the basis for achieving our goals and empowering our organisation. We trust people to make informed decisions.

CARE

We care for our people, the environment, our assets and our capital. We accept responsibility and act on it. We do not shy away from difficult conversations and weigh our decisions carefully. Safe operations that pose no threat to people and the environment are always our top priority.

ARE OPEN-MINDED

We are convinced that open-mindedness is key to being innovative, to achieving robustness, to securing exciting projects and providing an inspiring work environment. We work on the assumption that we can learn something from every person whom we interact with.

ARE BRAVE

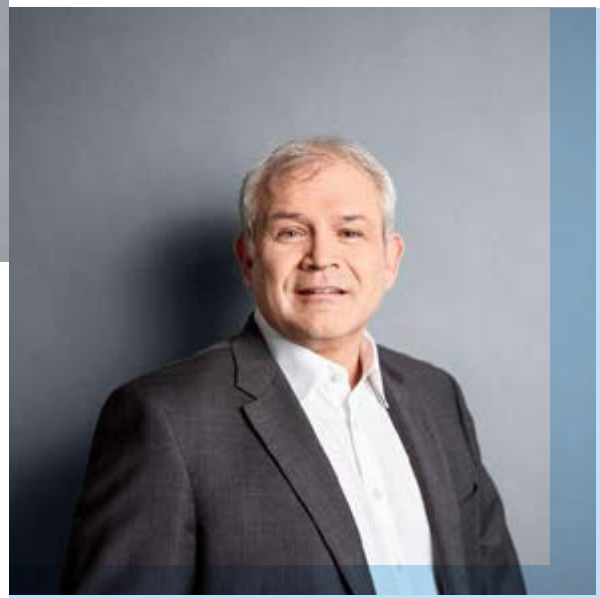
We are ready to accept big challenges, be they demanding fields, new opportunities or our social responsibility to advance the gas and oil industry. We have a strong focus on performance delivery and strive for excellence in all that we do. We seize opportunities while managing risks intelligently.

OUR MANAGEMENT BOARD

MARIO MEHREN
Chief Executive Officer, CEO

DAWN SUMMERS
Chief Operating Officer, COO

PAUL SMITH
Chief Financial Officer, CFO



Corporate Governance – Management Board

OUR PORTFOLIO

Wintershall Dea's portfolio benefits from diversification of geographies and asset classes. Our activities span three regions and eleven countries, with our footprint extending from Northern Norway to the southernmost platform in the world in Argentina.

We conduct our business in the following segments:

- Northern Europe
- Latin America (LATAM)
- Middle East/North Africa (MENA)
- Midstream
- Headquarter and Other[1]

The segments Northern Europe, Latin America and Middle East/North Africa comprise the E&P business and are further divided into divisions, based on countries in the respective region. The E&P segments comprise exploration, appraisal, field development and production activities in the following divisions:

- Northern Europe: Germany, Norway, the Netherlands, United Kingdom, Denmark
- Latin America: Argentina, Mexico
- Middle East/North Africa: Egypt, United Arab Emirates (UAE), Algeria, Libya

In January 2023, Wintershall Dea announced its intention to fully exit Russia. The company is in the process of legally separating its E&P business outside Russia and its Carbon Management & Hydrogen activities from all joint ventures with Russian participations and the midstream business. This process is expected to be completed in 2024.

On 19 December 2023, the President of the Russian Federation has signed two decrees (Decrees No. 965 and 966), based on which Wintershall Dea as shareholder in the Russian Joint Venture companies with Gazprom have been formally expropriated following the de facto economic expropriation that already occurred previously. Pursuant to the decrees, Russian limited liability companies will be established as successors for taking all assets, rights, and liabilities of the five Joint Venture companies. Both decrees are subject to implementing decisions that have not yet been published.

[1] The segment Headquarter and Other includes the Management Board and corporate functions, such as the trading activities managed by the headquarter, Global Exploration and Carbon Management & Hydrogen (CMH), as well as the holding companies

HARBOUR ENERGY TRANSACTION

On 21 December 2023, the shareholders of Wintershall Dea announced the signing of a business combination agreement with Harbour Energy plc ("Harbour") to transfer substantially all of the Wintershall Dea's E&P business consisting of its producing and development assets as well as exploration rights in Norway, Argentina, Germany, Mexico, Algeria, Libya (excluding Wintershall AG), Egypt and Denmark (excluding Ravn) as well as Wintershall Dea's carbon capture and storage (CCS) licences to Harbour.

Wintershall Dea's Senior Notes with a nominal value of €3 billion and €1.5 billion of Subordinated Notes (Bonds) will form part of the target portfolio to be acquired by Harbour and the liabilities in respect of the Wintershall Dea Bonds will be assumed by Harbour at completion. Further information on the business consequently classified as discontinued operations and assets and liabilities held for distribution (in line with IFRS 5) is provided in Note 4.

Upon completion of the legal separation of the assets in scope from the remaining business of Wintershall Dea AG and subject to regulatory approvals, the closing of the transaction is targeted for the fourth quarter of 2024.

A key element of the legal separation is the transfer of all business activities without Russian participation to the newly established "Wintershall Dea Global Holding GmbH" (WDGH).

All joint ventures of Wintershall Dea with Russian participation and the entire midstream business will remain with Wintershall Dea AG with the purpose to divest all remaining assets over time and manage claims regarding Wintershall Dea's former Russia business.

INDICATIVE CORPORATE OVERVIEW – POST LEGAL SEPARATION AND PRE HARBOUR TRANSACTION CLOSING[1]

	Wintershall Dea Global Holding GmbH (WDGH)	Wintershall Dea AG (WDAG)
E&P	Germany	
	Norway	
	Denmark	
	Argentina	
	Mexico	
	Egypt	
	UAE	
	Algeria	
	Libya (offshore)	Wintershall AG (Libya)
		Joint Ventures in Russia[2]
		Wintershall Noordzee B.V.
Midstream		Midstream[3]
Headquarter and Other[4]	international CMH licences	remaining CMH activities
	some holding companies	Headquarter and some holding companies

[1] Subject to authorities approval. Shareholder structure remains: BASF (72.7%), LetterOne (27.3%) for WDAG and WDGH.
[2] In December 2023 Wintershall Dea has been formally expropriated by order of Russian presidential decrees (No. 965 and 966) following the de facto economic expropriation that already occurred previously (Decrees No. 95, 943, 1554, 2554).
[3] Including the stake in the entity holding the loan to Nord Stream 2, the 15.5% stake in Nord Stream AG, and the 50.02% stake in WIGA, the joint venture with SEFE (Securing Energy for Europe).
[4] The segment Headquarter and Other includes the Management Board and corporate functions, such as the trading activities managed by the headquarter, Global Exploration and Carbon Management and Hydrogen (CMH), as well as the holding companies

NORTHERN EUROPE

- In Northern Europe, Wintershall Dea has operations in Germany, Norway, the Netherlands, United Kingdom and Denmark
- Combined production in 2023 was 208 mboe/d
- 2P reserves base is 681 million boe

Germany

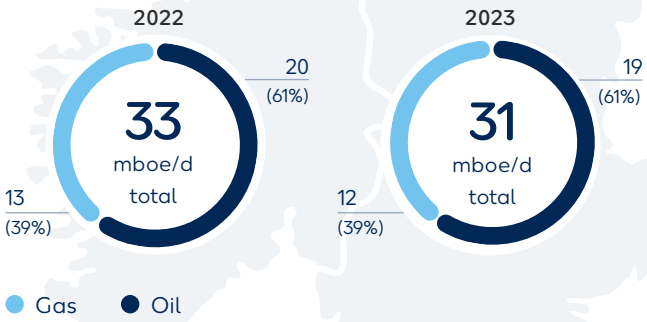
Overview

The oil and gas industry in Germany is mature, with production slowly declining over time for most assets. Our activities are focused on our core production sites in northern Germany: Mittelplate crude oil production in Schleswig-Holstein, as well as natural gas production in the Verden area and oil production in Emlichheim, both of which are in Lower Saxony. In line with our strategy in the country, we continued to optimise our operations. We are actively involved in the energy transition, advancing prototype projects with partners to achieve our climate targets. Furthermore, we continuously monitor the methane emissions of our operating sites in line with our announced target to reduce corporate methane emissions intensity below 0.1% by 2025.

"Protecting the health and safety of our team is our top priority. 'We care' means we take responsibility for our colleagues, the environment and our assets and act accordingly."

Robert Frimpong
Business Unit Head Germany

PRODUCTION



2P reserves
143 mmboe

R/P
13 years

Production

Mittelplate (100% working interest)
Our Mittelplate oil field, which started production in 1987, is the largest oil field in Germany. Located on the southern edge of the Wadden Sea national park in Schleswig-Holstein, it is regarded internationally as a benchmark for safe oil production in an environmentally sensitive area.

In line with our net zero 2030 target[1], we switched the gas turbine-driven power supply of the Mittelplate drilling and production island to renewable power from shore in 2020, saving 36,000 tonnes of CO_2 per annum and making Mittelplate virtually a net zero location. Since November 2023, Mittelplate has been supplied by the first low-noise hybrid hydrogen-powered logistics vessel "Coastal Liberty". Following the successful testing of this propulsion system, additional vessels will be equipped with hydrogen propulsion. This saves 275,000 litres of diesel fuel, equal to 700 tonnes of CO_2, annually.

Operations in 2023 were dominated by further implementation of efficiency measures and optimisation of infill development wells to maintain production in the field. We continue to focus on the delivery of technically complex projects at Mittelplate. These not only enhance the ongoing development but provide us with critical know-how and competencies for follow-up projects all over the world and are highly valued by our international partners.

Völkersen (100% working interest)
In Völkersen, where production started in 1994, we operate the largest natural gas field in northern Germany, meeting about 11% of the overall German gas production. Operations in Völkersen continue to focus on optimising production and accelerating the recovery of remaining gas reserves in a mature environment. Maintaining production safely and efficiently requires extensive intervention and maintenance work, both downhole and on surface. To support efficient and safe operations, we have upgraded the central control room, which is nearing inauguration. It will provide state-of-the-art 24/7 plant monitoring and remote control capabilities.

In 2023, we successfully completed three coiled tubing clean-outs on wells in Völkersen, as well as several smaller well interventions. Further workover and well intervention activities are planned for 2024.

Emlichheim (90% working interest)
Located near the Dutch border, the operated Emlichheim field is one of the oldest oil fields in Germany. Wintershall Dea commenced crude oil production there 80 years ago. Since that time, systematically applied reservoir management, production optimisation and EOR capabilities have maintained plateau production.

In the second quarter of 2023, we continued the sustainable development of oil production in the region of Emlichheim. Wintershall Dea sanctioned a project to revise the production technology from steam injection to hot water injection for the recovery of oil from the Emlichheim field. Through this project, the company expects to reduce both energy consumption and CO_2 emissions at the site by around three quarters from 2025. A geothermal project that is currently under assessment may result in further emissions reduction from 2026/2027 onwards.

Decommissioning

After seven decades of operations and production in the Barnstorf area, some of the fields are nearing depletion (e. g. Aldorf, Bockstedt and Düste). Wintershall Dea therefore plans to gradually phase out production from these fields by the end of 2024.

The plugging and abandonment (P&A) of the wells and the removal of the associated infrastructure has already begun and will intensify in the coming years. This will ensure that the areas are returned to the landowners and local communities in the natural and pristine condition in which the company took them over many years ago.

At the beginning of 2022, a decommissioning department was set up at the Barnstorf site with the task to coordinate all the company's decommissioning activities in Germany. In 2023, the company's decommissioning strategy was aligned until 2028 and the interfaces between all involved stakeholders were defined.

[1] Scope 1 and Scope 2, operated and non-operated at equity (share) basis with an intermediary target of 25% net reduction by 2025 (based on 2020)

Norway

Overview

Norway has been one of Europe's largest and most reliable suppliers of natural gas and oil for decades. Since the war in Ukraine began in early 2022 and the flows from Russia to Europe have declined, Norway has become the most important gas provider for the EU. Wintershall Dea contributed by increasing production from existing fields. It also brought new fields on stream. Our Wintershall Dea Norge subsidiary has been active on the Norwegian continental shelf for over 50 years and is now one of the leading gas and oil companies in the country. The Group currently participates in almost 100 licences, including 24 as the operator.

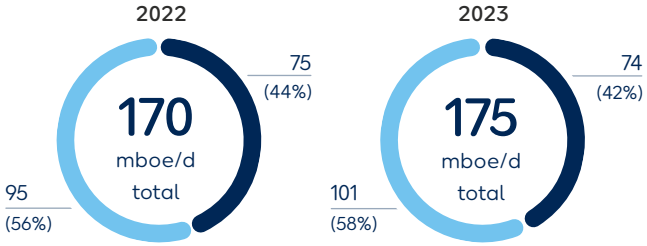
The activity on the Norwegian continental shelf is crucial to the company's journey towards becoming a leading independent gas and carbon management company in Europe. Building on our subsea tie-back expertise, we continue to explore and produce in our core areas, and we aim to further develop a gas-weighted, low-carbon portfolio. We are also contributing to shape the future of the activities on the shelf by developing a carbon management business.

Our portfolio in Norway consists of a large number of assets in different life cycles, including the own-operated development projects Dvalin North and Maria Phase 2. During 2023, our own-operated Dvalin field commenced production.

"With a strong focus on safe and efficient production and operations as well as moving new developments forward, we continue to contribute to energy security in Europe."

Michael Zechner
Business Unit Head Norway

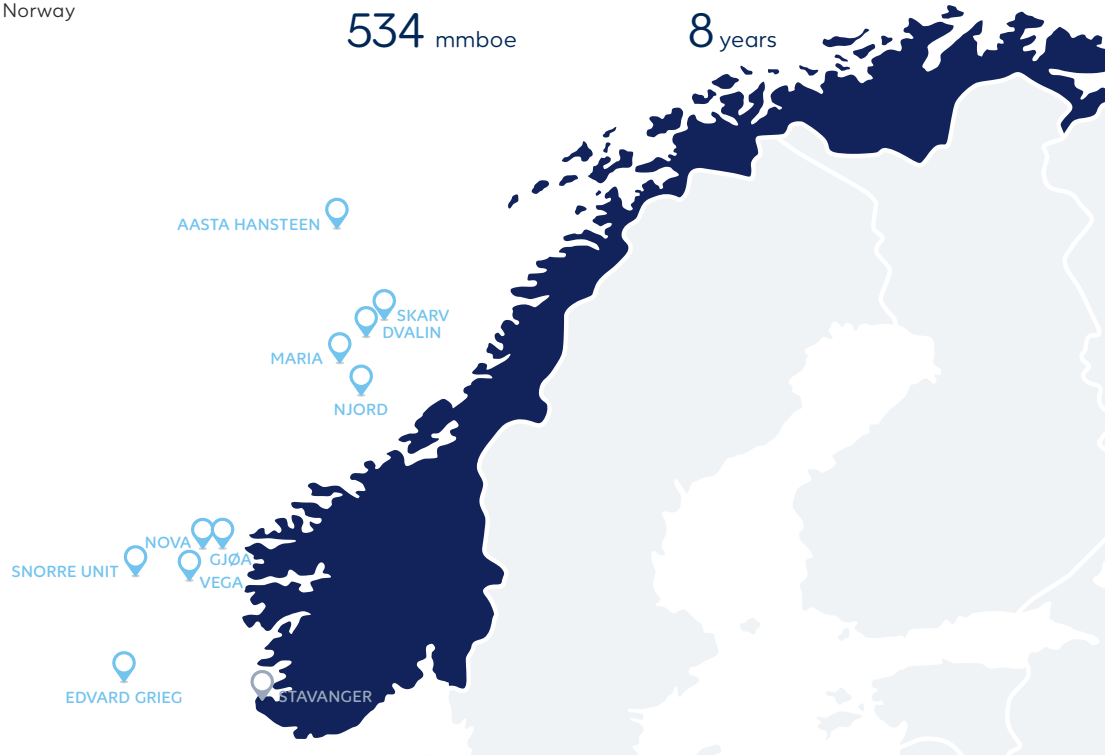
PRODUCTION



Gas Oil

2P reserves
534 mmboe

R/P
8 years



In the second quarter of 2023, Wintershall Dea and its partners received approval from the Norwegian Ministry of Petroleum and Energy (MPE) for plans to develop the Dvalin North field and the second phase of the Maria field in the Norwegian Sea. The MPE also approved six additional developments where Wintershall Dea is a partner: Irpa, Solveig Phase 2, Njord Electrification, Snøhvit Future and the Skarv field satellites Alve Nord and Idun Nord. All eight approved plans for development and operations (PDO) were applied for in Q4 2022. The respective fields are expected to go successively into operation from 2025 onwards.

In 2023, Wintershall Dea continued to realise its ambitions in Carbon Management & Hydrogen. We were awarded our second CO_2 storage licence in the Norwegian North Sea called "Havstjerne".

Operations

During 2023, we brought our Norwegian key development project Dvalin safely on stream, which delivers high-margin gas volumes to the European market. Furthermore, we progressed our own-operated development projects Dvalin North and Maria Phase 2.

Production

Vega (57% working interest)
Vega is an own-operated gas and condensate field located in the northern part of the North Sea, 28 kilometres west of the Gjøa facility. The production from six wells, which started in 2010, is transported to and processed at Gjøa. In order to increase production and recovery from the field, we finalised a three-well infill campaign in 2022 that contributed valuable low-carbon barrels. Vega is expected to produce beyond 2030.

Dvalin (55% working interest)
Dvalin is an own-operated gas field in the central part of the Norwegian Sea, which consists of a subsea installation with one template and four producers. The gas is processed at the Heidrun platform and exported to Nyhamna via the Polarled pipeline. Mercury removal units have been installed at the onshore processing plants Nyhamna and Tjeldbergodden to ensure that the gas from the field meets requirements from buyers in Europe. Production at Dvalin started in July 2023, providing significant new gas volumes to the European market. The nearby Dvalin North field, which is currently in development and expected to start up in late 2026, will be tied in to Dvalin, which is expected to produce until the late 2030s.

Maria (50% working interest)
Maria is an own-operated oil and gas field, located in the Norwegian Sea, which started production in 2017 from two subsea templates. The well stream is processed at the Kristin platform with injection water from Heidrun and gas lift from Åsgard B/Tyrihans. Additional wells are planned to further develop the undrained resources in the southern part of the Maria field. As a result, we received the requested authorisation to proceed with the Maria Phase 2 project from the Norwegian authorities in the second quarter of 2023. Phase 2 is expected to commence production in 2025. The Maria field is expected to produce until 2040.

Maria Phase 2, template transport, Kristiansund

Nova (39% working interest)
Nova is our own-operated oil and gas field in the northern part of the North Sea, close to the Gjøa field. The project consists of two four-slot subsea templates tied back to the Gjøa host platform, wherefrom Nova is provided with power from shore. In late July 2022, Nova came on stream to help support Europe's energy needs.

Njord (50% working interest)
The Njord Future project is a major re-development project that aims to add a further 20 years of production from the field. The field was shut in from 2016 to 2022 for extensive onshore upgrades and consists of Njord A, a floating integrated semi-submersible production and drilling platform, and Njord B, a floating oil storage vessel (FSU). Njord re-started production in late 2022. Njord Future comprises ten new wells, which are expected to be drilled in the period of 2023 to 2026. Njord is the host for three tie-in fields: Hyme, Bauge and Fenja, which started production in April 2023. Wintershall Dea holds equity in both Hyme and Bauge. The partners of Njord and the third-party fields have sanctioned a project to provide power from shore to partly electrify the facilities starting in 2027. The respective plan for development was submitted to the authorities in December 2022 and approved in December 2023. The operator expects to cut production related CO_2 emissions by about 130,000 tonnes per year.

Skarv (28% working interest)
The Skarv area comprises several gas and oil reservoirs, including the Skarv, Idun, Ærfugl and Gråsel deposits, located in the Norwegian Sea. Production started in December 2012 via a purpose-built floating production storage facility and offloading unit (FPSO). Since start-up, several additional fields have been tied-in to enhance production. Further infill wells are being matured in the Skarv area.

In 2022, additional investment decisions were taken for two subsea tie-back projects to the Skarv field, Idun Nord (40% working interest) and Alve Nord (20% working interest). Both projects have received approvals for the plans of development and operations (PDO) by the MPE in the second quarter of 2023.

Gjøa (28% working interest)
Gjøa is a gas and oil field located in the North Sea that began production in 2010. The Gjøa facility is mainly supplied with power from shore and therefore generates low emissions and has a small CO_2 footprint. Gjøa serves as a production hub for other fields as well, like our own-operated Vega and Nova fields. Additional tie-in prospects are being drilled in the vicinity of the Gjøa installation, which potentially will prolong field life for Gjøa and existing tie-ins.

Aasta Hansteen (24% working interest)
The Aasta Hansteen field has been producing gas since December 2018. The produced gas is transported from the subsea templates to a floating platform with a vertical cylindrical hull moored to the seabed (known as a "spar platform"). The field has delivered strong production with high production efficiency. The nearby Irpa subsea tie-back project (19% working interest) will be connected to Aasta Hansteen and is expected to prolong the lifetime of the Aasta Hansteen platform from 2032 to 2039.

Edvard Grieg (15% working interest)
Edvard Grieg is an oil field located in the central North Sea which started production in 2015. The field is developed through a fixed steel jacket installation with a full processing facility and is the first low-carbon oil field certified by Intertek under the "CarbonClear" certification. The field has received electric power from shore since December 2022, further reducing emissions and making the field one of the lowest CO_2 emitters on the Norwegian shelf.

After the successful start-up of the tie-in field Solveig (Phase 1) in 2021, the tie-in of Phase 2, which includes segments D and A, has progressed further and received approval for development and operations by the MPE in Q2 2023. Further infill wells are being matured in the Edvard Grieg area.

Snorre Unit (9% working interest)
The Snorre field was discovered in the northern part of the North Sea in 1979 and consists of Snorre A and B. In 2018, after decades of safe and reliable production, the field received consent to extend the lifetime of the facilities until 2040. In the same year, the Snorre Expansion Project (SEP), comprising six additional subsea templates, was approved and came into production with the first wells in late 2020. During 2021 and 2022, a total of 24 additional wells were brought on stream and completed the SEP development activities successfully. Additionally, the Hywind Tampen offshore floating wind project started operations and began supplying electricity to the Gullfaks field in November 2022. Snorre started receiving power from the offshore wind turbines in May 2023 as planned. The contribution of power from offshore wind is expected to reduce Snorre's CO_2 emissions by about 120,000 tonnes per year.

Development

Dvalin North (55% working interest)
Dvalin North is an own-operated gas field in the central part of the Norwegian Sea, located north of the Heidrun facility and 10 kilometres north of the Dvalin field. During 2021, significant gas volumes were discovered at Dvalin North and a development project was established in early 2022. In December 2022, the final investment decision was taken and the field development plan was approved by the MPE in Q2 2023. The field development consists of a subsea template with three gas producers, which will be tied-in via the Dvalin template to the Heidrun facilities to take advantage of existing infrastructure. First production is planned for late 2026. The utilisation of existing infrastructure in the region enables us to produce potential future volumes with low carbon intensity.

Maria Phase 2 (50% working interest)
Maria Phase 2 is an own-operated subsea tie-back to an existing template of the Maria field, located on Haltenbanken, 200 kilometres offshore Kristiansund. The scope of the development comprises the installation of a six-slot template with three oil producers and one water injector. The field development plan was submitted to the MPE for approval in November 2022 and was granted in Q2 2023. The new template was successfully installed in September 2023 and will be connected to the existing infrastructure of the Maria field. First production is planned for 2025.

Inspection of a subsea template

Irpa (19% working interest)
Irpa is a gas discovery, located approximately 80 kilometres west from Aasta Hansteen. A PDO for the field was submitted in 2022, which includes the installation of a subsea template with three production wells and the tie-back to the Aasta Hansteen platform. The MPE approved the PDO in the second quarter of 2023. The project is in execution with a target to achieve first gas production in late 2026. Irpa is expected to prolong the lifetime of the host platform from 2032 to 2039.

Skarv Satellites
The Skarv Satellites consist of the gas discoveries Ørn, Alve Nord (20% working interest) and Idun Nord (40% working interest), that will be developed as subsea tie-backs to the Skarv FPSO via a common central manifold. During 2022, development plans for the three fields were submitted to the MPE for approval, which was received in the second quarter of 2023. All projects are in execution with a target to achieve first production in H2 2027.

Decommissioning activities

During the first half of 2022, production ceased in the Shell-operated Knarr field (30% working interest) and in the Equinor-operated Veslefrikk field (18% working interest). Both of these decommissioning activities are currently under way.

Exploration

We currently hold stakes in 40 exploration licences in Norway (excluding production and development assets), thereof 13 own-operated. A total of eleven of these licences, including three as operator, were awarded in January 2023 by the MPE as part of the 2022 Awards in Predefined Areas (APA). Furthermore, we participated in the APA 2023 round and were awarded 13 new licences in January 2024, thereof five as operator, which will be effective as at March 2024.

In 2023, we have primarily focussed on appraisal drilling of material discoveries that were made between 2020 and 2022. The own-operated Bergknapp (PL836S) and Neptune's Ofelia (PL929) appraisal wells were both successfully completed in December 2023, whereas the Adriana / Sabina and Storjo appraisal wells are now expected to be completed in H1 2024. In addition to successfully appraising the main target of the Ofelia discovery the well discovered additional gas resources in the Cretaceous Kyrre formation.

In 2024, Wintershall Dea intends to drill two exploration wells in Norway as operator and participate in three additional wells operated by our partners.

LATIN AMERICA

- In Latin America, Wintershall Dea is active in Argentina and Mexico
- Combined production in 2023 was 69 mboe/d
- 2P reserves base is 317 million boe

Argentina

Overview

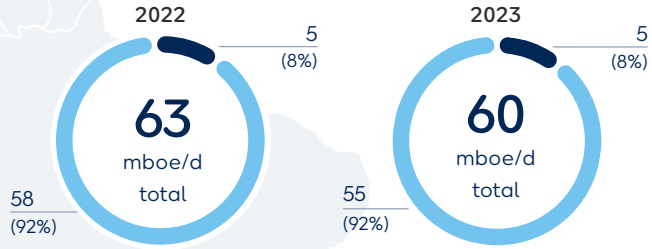
Wintershall Dea has been active in Argentina for 45 years and is one of the largest gas producers of the country, with non-operated acreage in the Neuquén, Austral and Malvinas basins. Today, our company has interests in around 20 onshore and offshore fields.

In the southern part of the country, we work successfully with our partners in the Cuenca Marina Austral 1 (CMA-1) concession, where we produce mainly gas from seven fields. Beyond the Vaca Muerta shale gas production in the Neuquén province, this region forms another back-bone of the country's energy supply and today the CMA-1 concession contributes approximately 16% of total domestic gas production in Argentina. As part of the CMA-1 concession development activities, Wintershall Dea and its partners TotalEnergies and Pan American Energy are currently developing the Fénix field, which is located offshore in Tierra del Fuego. Fénix is the latest incremental development project in the CMA-1 concession and is expected to deliver significant volumes of natural gas for more than 15 years, reinforcing the company's long-term commitment to domestic gas production in Argentina.

"We are setting the stage for steady, moderate growth in our long-term production: The Fénix project is on schedule and the Aguada Pichana Este shale gas wells are exceeding expectations."

Manfred Boeckmann
Business Unit Head
Argentina

PRODUCTION



Gas Oil

2P reserves
258 mmboe

R/P
12 years

In the Neuquén province, Wintershall Dea has been active for more than 25 years, with current conventional production from the Aguada Pichana Este and San Roque blocks. Building on that expertise, the company is currently developing the partner-operated and highly prolific Vaca Muerta shale formation in Aguada Pichane Este. Vaca Muerta in the Neuquén basin not only holds significantly low risk resources, but has also shown continuous productivity and unit cost improvements over time. On this basis, Wintershall Dea and its partners are considering further investments in the unconventional play in Aguada Pichana Este and also to commence the exploitation of the yet undeveloped shale resources in the large San Roque block, in sync with local and regional demand forecasts.

Production

Cuenca Marina Austral (38% working interest)
CMA-1 began production in 1989 and consists of seven fields (Antares-Ara-Cañadón Alfa, Hidra, Ara South, Kaus, Carina, Aries and Vega-Pléyade) and five offshore platforms. Two onshore processing plants (Cañadón Alfa and Rio Cullen) receive and process production from the seven fields. All fields are located offshore, except Antares-Ara-Cañadón Alfa, which produces from both on- and offshore reservoirs. During 2023, the production from the CMA-1 concession was stable and performed as planned. First gas from Fénix is expected in the fourth quarter of 2024 and is planned to reach peak gross production of around 10 million cubic metres of gas per day. The contribution from Fénix is expected to extend the plateau production of the CMA-1 concession of which Fénix will be a vital part. The project is tied-in to the existing offshore and onshore infrastructure, making it particularly efficient, integrated and value-adding, while minimizing environmental impacts. It will be the eighth field on production and the sixth offshore platform installed in the CMA-1 concession.

Aguada Pichana Este (23% working interest in Vaca Muerta and 27% working interest in conventional developments)
Aguada Pichana Este consists of two separate licences since 2017: the Residual licence, under which conventional gas has been produced since 1996, and the Vaca Muerta licence, for the production of dry and rich gas from the shale reservoir. Future development activities are focusing on the Vaca Muerta shale formation, which holds significant contingent resources and currently has 79 wells in production. 12 more wells are planned to be drilled and connected during 2024.

Vega Pléyade is connected to the onshore processing installations at Rio Cullen via a 77-kilometre gas exporting pipeline.

Mexico

Overview

Mexico stands out as an exceptionally attractive country for upstream activities, offering substantial potential for exploration, development, and production.

Resulting from a farm-out bid round issued by Mexico's National Hydrocarbons Commission (CNH) in 2017, Wintershall Dea was awarded the operatorship of the onshore Ogarrio oilfield.

In addition, Wintershall Dea has material interests in 8 offshore exploration blocks located in the Gulf of Mexico, where Wintershall Dea is the operator of three of these blocks.

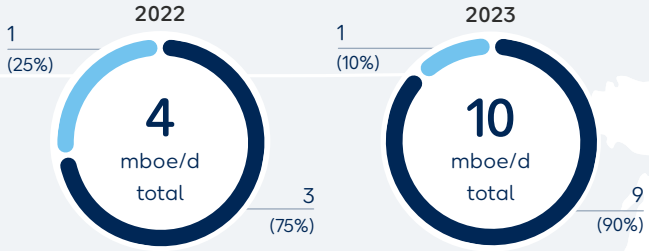
Wintershall Dea holds exploration acreages in both the Tampico-Misantla and the Sureste basins. In the Sureste Basin, the company has a participation in the particularly promising Block 7, which contains a considerable share of the Zama discovery – one of the world's largest shallow-water discoveries in recent times. It also has a participation in Block 29, which includes the Polok and Chinwol discoveries. Furthermore, the company is participating in Block 30, which comprises the most recent shallow water Kan discovery.

In March 2023, Wintershall Dea closed the acquisition of a 37% non-operated participating interest in the Hokchi Block from Hokchi Energy, the Mexican subsidiary of Pan American Energy. With this acquisition, we strengthened our commitment in Mexico and obtained a producing asset that fully meets our strategic requirements. The Hokchi Block is located near our Zama, Polok, Chinwol and Kan discoveries, complementing our outstanding license portfolio in the Sureste Basin.

"Investing in Mexico represents a strategic commitment to progress and sustainable growth, tapping into the country's vast development potential."

Martin Jungbluth
Business Unit Head Mexico

PRODUCTION



Gas Oil

2P reserves
59 mmboe

R/P
16 years

Production

Ogarrio (50% working interest)
In 2023, the production from our onshore Ogarrio field was not at the level expected. The main cause of production deferment has been the unusually high downtime of two compressors at a Pemex-operated facility. Many wells depend on a steady supply of compressed gas from this facility for gas lift production. As a result, the asset is transitioning suitable wells to mechanical artificial lift systems, enhancing compression capacity.

Based on the results of a water injection test conducted in the central southern area of the field, the Ogarrio waterflood project has been initiated and matured. The project is expected to improve the overall recovery of the Ogarrio field and primarily aims to utilise existing wells and plans to reinject produced water from the field. The team is targeting the start of front-end engineering design (FEED) studies in the first half of 2024.

Hokchi (37% working interest)
The Hokchi Block is located in the offshore Sureste Basin and produces mainly oil. The shallow-water block is developed via multiple wells on two offshore platforms, Satellite and Central, and was brought on stream in May 2020 following an appraisal campaign. The well stream is piped over a distance of 24 kilometres, from the two offshore platforms to an onshore processing facility where oil and gas are separated and treated for further sale to the Mexican state company Pemex. It currently produces around 24,500 barrels of oil equivalent per day.

Development

Our offshore Zama field development in Block 7 of the Sureste Basin is progressing after completing unitisation in March 2022. Intensive technical work took place in 2022 to finally align the development concept between the unit operator Pemex and the other unit partners. The Unit Development Plan (UDP) was submitted to the National Hydrocarbon Commission (CNH) in March 2023 and received approval in June 2023. In addition, the unit partners have decided to create an Integrated Project Team consisting of experts from all companies to develop the project. Front-End Engineering Design (FEED) studies are expected to take place in 2024 before a final investment decision can be made. The Zama field holds expected gross contingent resources between 600 and 800 million boe and is one of the largest discoveries in recent years.

The deepwater development project Polok, which is located in Block 29, is proceeding and will soon start the detailed engineering phase. Subsurface teams analysed all relevant data to optimise well trajectories and locations for maximum production output. All partners have aligned on the drilling and completion strategy within the Floating, Production, Storage and Offloading (FPSO) development concept. Main contracts were awarded within 2023, such as the pre-FEED for Subsea Umbilicals, Risers, and Flowlines (SURF) and Subsea Production Systems (SPS) as well as the FEED for the FPSO L&O part. The Block 29 consortium plans to reserve a suitable vessel to ensure FPSO availability for the execution phase and to allow early for thorough inspection and modification work.

Exploration

The exploration portfolio consists of five exploration blocks in the Sureste Basin and three blocks located in the Tampico-Misantla Basin. Wintershall Dea is the operator for three of those licences, including shallow-water Block 30, which contains the most recent Kan discovery expected to hold 200-300 million boe in place volumes. The Block 30 partnership is targeting to drill a Kan appraisal well in 2024, subject to final regulatory approvals.

MIDDLE EAST AND NORTH AFRICA

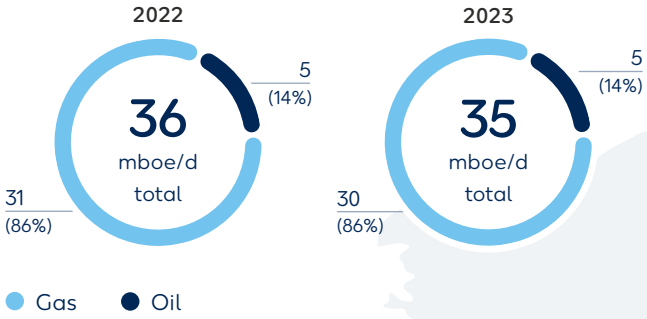
- In the MENA region, Wintershall Dea is active in Egypt, the United Arab Emirates, Algeria and Libya.
- Combined production in 2023 was 46 mboe/d
- 2P reserves base is 336 million boe

Egypt

Overview
Egypt is the second-largest natural gas producer in Africa, making it well-positioned to serve as an energy hub for the area. Wintershall Dea has been active in Egypt for 50 years. The company currently has stakes in concessions centred around the Nile Delta: West Nile Delta (offshore), Disouq (onshore) and East Damanhour (onshore). Wintershall Dea is also a partner to BP for exploring the North-West Abu Qir offshore block.

Production
Wintershall Dea's three producing natural gas assets, West Nile Delta, Disouq and East Damanhour, have shown consistent performance throughout the year. This further underlines Wintershall Dea's position as a key partner for Egypt's energy supply.

PRODUCTION



2P reserves
32 mmboe

R/P
3 years

"Our focus is to maintain production levels, to maximise the use of our existing infrastructure through the development of nearby fields and to implement emission reduction programmes in Egypt."

Sameh Sabry
Business Unit Head Egypt

West Nile Delta (17% working interest)
West Nile Delta (WND), located offshore the coast of Alexandria, is one of the largest projects in the Mediterranean Sea and provides critical gas supply to the domestic market. It consists of five fields with 25 production wells connected to the onshore processing plant via three long-distance subsea tiebacks. In April 2023, the Raven West development project received the Final Investment Decision (FID) and its execution was launched. The project consists of the drilling of two subsea wells in the West Nile Delta Block and the tie-back for production through existing Raven facilities.

Disouq (100% working interest)
The onshore gas concession Disouq is located in the gas-rich Nile Delta region of Egypt and has been in production since 2013. Currently, the entire project consists of 18 producing wells and is operated by DISOUCO, a joint venture between Wintershall Dea and the Egyptian Natural Gas Holding Company (EGAS).

The North West Sidi Ghazi (NWSG) development project is under execution near the current production area. First production from well NWSG 6-1 was achieved in November 2022. The project's focus is to expand the capacity of the Central Treatment Plant (CTP) to cater for extra volumes of condensate, with various project stages planned to be completed between end 2023 and mid 2024. The NWSG rich-gas production helps to enhance production from the Disouq fields and continue to maximise utilisation of gas ullage in CTP.

Exploration

East Damanhour (40% working interest)
In January 2023, the exploration well ED-2x discovered gas and the operator, Wintershall Dea, together with partners Cheiron and INA converted the exploration license in a development lease around the discovery. First gas was achieved in September 2023 with the well being tied-back to the Disouq facilities for production.

North West Abu Qir (17% working interest)
In November 2022, Wintershall Dea and operator BP were awarded the North West Abu Qir Offshore Block, located north of the Raven field. The concession covers an area of more than 1,000 square kilometres with water depths ranging between 600 metres and 1,600 metres. The area is granted for a maximum 8-year exploration period under a production-sharing regime. Any potential future production is planned to be tied back to the Raven facilities to benefit from existing infrastructure.

West Nile Delta Production Site, Egypt

Algeria

Overview

Algeria is the leading natural gas producer in Africa and a major gas exporter to Europe. The OPEC member is also one of the top three oil producers in Africa.

Wintershall Dea has been active in Algeria since 2002 and is currently producing from the Reggane Nord project.

Production

Reggane Nord (24% working interest)
The gas fields of the Reggane Nord project are located in south-western Algeria, one of the Earth's hottest regions: the Reggane Basin in the Sahara. It is located 1,500 kilometres from the capital, Algiers, and Algeria's Mediterranean coast. The project is operated by Groupement Reggane Nord (GRN). Following the completion of the transaction and regulatory approvals, Wintershall Dea has increased its participating interest in the Reggane Nord natural gas project by additional 4.5% through the acquisition of interest from the former project partner Edison. GRN now consists of Sonatrach (40%), Repsol (36%) and Wintershall Dea (24%).

Reggane Nord is characterised by a central processing facility and significant infrastructure to process the gas collected from the wells, including a 270-kilometre gas collecting system, more than 160 kilometres of roads, and a 74-kilometre pipeline connecting the project to Algeria's export facilities. Following an extensive development programme, GRN celebrated first gas in 2017. The Reggane Nord project is commercially attractive due to its low production costs and is expected to be in production until at least 2041.

In 2023, Wintershall Dea and Sonatrach have signed an agreement for a Scientific and Technical Cooperation. The two companies will initiate a joint, long-term programme to exchange knowledge and experience about topics associated with their core business and in the field of low-carbon energies.

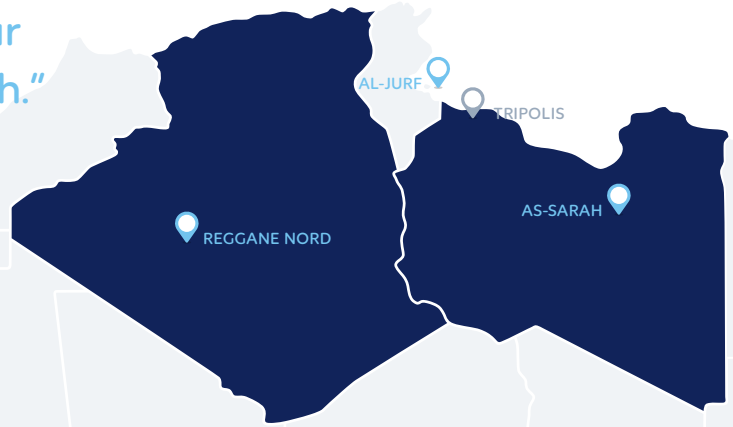
> "We have exciting prospects in Algeria. Our decision to grow our business in Algeria stands, and we are looking at promising potential projects to further deepen our relationship with Sonatrach."

Thomas Ruttmann
Business Unit Head Algeria/Libya

Libya

Wintershall Dea participates in crude oil production from nine onshore oil fields across contract areas 91 and 107 through its affiliate Wintershall Aktiengesellschaft (WIAG). Furthermore, Wintershall Dea operates the Area 58 exploration licence on the Cyrenaica Plateau, as well as areas 69, 70, 86 and 87 (formerly NC193), and 88 and 89 (formerly NC195) in the Sirte Basin. Since 2014, activities in these areas have been suspended due to the challenging security situation (force majeure).

Wintershall Dea also holds a 12.5% stake in the offshore oil production from the Al-Jurf platform in contract areas 15, 16, and 32 (formerly C137), located in the Mediterranean Sea and operated by Mabruk Oil Operations.



MIDSTREAM

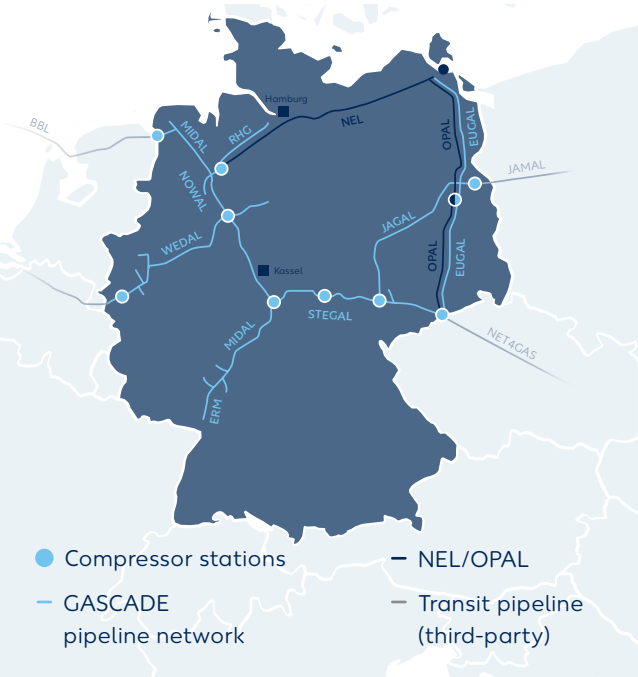
Overview

The reliable and efficient transport of gas via high-pressure pipelines will continue to be of crucial importance for securing the energy supply, achieving Europe's climate protection goals, and reducing emissions in the energy sector. Wintershall Dea is involved in midstream projects and companies with a long track record and solid outlook, which includes the transportation of decarbonised gases in the future.

Our independent subsidiaries operate state-of-the-art onshore networks, efficiently transporting gas within the European consumer market. These networks allow for flows from West to East and vice versa, strategically positioned in the heart of Europe with extensive connections to neighbouring countries and storage facilities. Their flexibility enables to adapt swiftly to market changes, exemplified in 2022 when, following the substantial increase of LNG demand, our German subsidiaries played a key role in changing flow patterns and urgently distributing re-gasified liquefied natural gas across Europe.

The gas midstream business provides us with price- and volume-independent earnings, complementing the cyclicity of the upstream business. This sector holds promise for contributing to European climate goals through future hydrogen transport and carbon management.

With a three-decade history of collaboration in creating and expanding European on- and offshore transport systems, we actively shape the future energy infrastructure. Our participation in the German-Norwegian energy cooperation extends to carbon management, hydrogen production, and the long-distance transport of H_2 and CO_2.



WIGA Group

Our participation in gas transport activities started in Germany in the early 1990s. Today, they are combined within the WIGA Transport Beteiligungs-GmbH & Co. KG (WIGA), a joint venture of Wintershall Dea and SEFE Securing Energy for Europe GmbH (SEFE), with equity interests of 50.02% and 49.98%, respectively. Pro-rata Net RAB[1] [2] of the WIGA Group amounts to approximately €3 billion.

WIGA's operationally independent subsidiaries - GASCADE Gastransport GmbH (GASCADE) and NEL Gastransport GmbH (NGT) – operate high-pressure pipeline networks, as part of the critical German infrastructure, including NEL[3], OPAL[4] as well as EUGAL, and other pipelines of the German transportation network.

GASCADE and NGT, being fully regulated Transmission System Operators on the basis of the German Energy Industry Act, offer their customers cutting-edge, competitive transport services over their own long-distance high-pressure pipeline network of approximately 4,150 kilometres in length in the heart of Europe. The transportation network serves not only as a backbone for Germany's energy supply but also as a link connecting several European countries.

In August 2023, a construction of the Ostseeanbindungsleitung (OAL) pipeline was started connecting the German onshore grid with the future LNG Terminal in the harbour of Mukran. The construction work is nearing completion and commissioning is planned for early 2024. Regasified LNG integration into the gas grid will enhance supply security in Germany and Central Europe, bolstering resilience during crises.

According to the recently presented draft German Hydrogen Network Plan, WIGA Group assets and projects dedicated substantially to the new hydrogen network are expected to be partially operational by 2030.

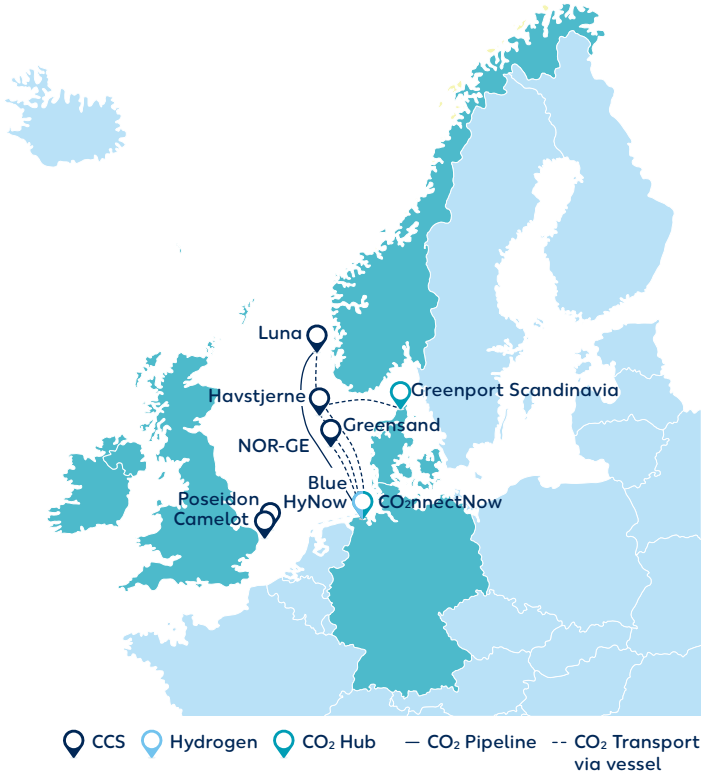
Wintershall Dea is continuing its preparations for a separate sale of its stake in WIGA, which is not part of the Harbour transaction.

[1] 100% WIGA Group RAB reflecting WIGA's interest in GASCADE and NGT, and in turn the interests of the TSOs in the respective pipeline assets.
[2] Net RAB corresponds to RAB excl. non-interest bearing liabilities and working capital.
[3] The North European Natural Gas Pipeline (NEL) operated by NEL Gastransport GmbH.
[4] Since its launch in 2011, the Ostsee-Pipeline-Anbindungsleitung (OPAL) was granted partial exemption from third-party access and tariff regulations. In July 2023, the German Federal Network Agency (BNetzA) approved the revocation of OPAL's exemption. Following full regulation, GASCADE now operates the OPAL pipeline.

CARBON MANAGEMENT & HYDROGEN

Overview

Since 2020, a dedicated Carbon Management & Hydrogen team at Wintershall Dea has been steadily developing a portfolio of projects that are expected to abate 20 to 30 million tonnes of CO_2 a year by 2040. This is equivalent to slashing the emissions of Germany's entire steel industry by nearly 60% or taking 20 million petrol-powered cars off the roads.



When it comes to CCS, Wintershall Dea has already accomplished a lot for a single company. Wintershall Dea's CCS-related activities in Europe are concentrated in the North Sea, where it has already acquired five offshore licences in three coastal countries. In terms of licences and projects, it is now one of the top five players in the North Sea.

Denmark

A key role is played by **Greensand**, a CCS project currently being advanced in a depleted Danish oil field called "Nini West". Greensand ranks among the most advanced CCS projects in Europe and is the first project in the EU, that successfully demonstrated full cross-border CCS value chain. This was enabled by bilateral agreements signed between Belgium and Denmark. Greensand is already operational in a monitoring phase.

As one of the leading members of the consortium, together with the operator INEOS Energy and other partners, Wintershall Dea was awarded a CO_2 storage licence for Greensand in early February 2023. This marked the start of a pioneering project that is sending signals far beyond Europe – comprising everything from technologically sophisticated capture to transport to storage.

Capture and Transport: The CO_2 for the pilot project in Greensand comes from the INEOS Oxide factory in Belgium, where CO_2 is being captured. It is liquidified and shipped in special containers to the Nini West platform in the North Sea. As the project expands, other sectors with hard-to-abate emissions will add to the stream of CO_2 stored in Greensand.

Storage: The depleted Nini West oil field in the Danish North Sea is a main storage reservoir for the project. Here, up to 1.5 mtpa CO_2 are expected to be stored each year starting in 2026 and the amount is planned to gradually increase to as much as 8 million tonnes by 2030 in further depleted fields in the Greensand Greater Expansion Area. This is equivalent to more than 13% of Denmark's total annual emissions.

The CO_2 will be injected about 1,800 metres below the seabed underneath a thick layer of cap rock. This will prevent the CO_2 from rising back up to the surface. Wintershall Dea benefits from the subsurface, petrotechnical and engineering knowledge that it has accumulated over more than a century of E&P experience. And since Wintershall Dea has many years of experience producing oil in the Nini West site, it also brings in-depth knowledge of the relevant reservoirs and their characteristics to the project.

Further, Wintershall Dea, with partners, is developing **Greenport Scandinavia** at the top of Denmark in Hirtshals, which is intended to become the largest CO_2 hub in North-West Europe. Late 2023, the project has received EU funding and is in a first step centred on collecting biogeneous CO_2 from local emitters and transporting it by ship to the storage site in the North Sea. In an extended phase, the hub is planned to be expanded as central collection point that will accept CO_2 transported through pipelines from emitters in continental Europe.

Norway

In 2022, Wintershall Dea and its partner CapeOmega were jointly awarded the **Luna** CO_2 storage licence in the Norwegian North Sea, with Wintershall Dea serving as the operator. The area's estimated storage potential is sufficient to annually store up to 5 million tonnes of CO_2. In 2023 CapeOmega sold its shares in Luna to Total Energies.

In March 2023, the Norwegian Ministry of Petroleum and Energy awarded Wintershall Dea and its partner Altera a second CO_2 storage licence, **Havstjerne**. The storage area will be operated by Wintershall Dea, which holds a 60% stake. The annual storage potential is estimated at up to 7 million tonnes of CO_2.

United Kingdom

In August 2023, Wintershall Dea together with partner Synergia Energy was granted its first CCS licence in the UK – **Camelot**. With annual storage potential of up to 6 million tonnes of CO_2, the licence will provide a significant and valuable contribution to the CO_2 abatement potential in the country.

In November 2023, Wintershall Dea joined its second CCS project in the UK, **Poseidon**, after acquiring a 10% stake in the licence from Carbon Catalyst. Perenco is the designated operator of the project, while Carbon Catalyst and Wintershall Dea will hold non-operated positions in it Poseidon is among the largest CO_2 transportation and storage projects in the country. It is scheduled to be operational by 2029, with a total annual storage potential of up to 40 million tonnes of CO_2 in its full development stage. It envisages the permanent geological storage of approx. 1 billion tonnes of CO_2.

Germany

Since 2022, politicians, administrators and companies have been working hand in hand in Wilhelmshaven to establish the ENERGY HUB, the new centre for climate-friendly energy supply in Germany. Featuring the only deep-water port in the country, connection to the long-distance hydrogen grid and existing cavern storage facilities that can be converted to hydrogen storage, the city on the North Sea coast is an ideal location for the hub. More than 20 companies are planning projects here. Wintershall Dea is part of the ENERGY HUB with its two projects BlueHyNow and CO_2nnectNow.

BlueHyNow: With BlueHyNow, Wintershall Dea aims to build a state-of-the-art plant for the production of hydrogen from natural gas.The targeted output is more than 200,000 cubic metres of hydrogen per hour. That corresponds to up to 5 TWh per year – or about three times as much energy as Volkswagen's car factory in Wolfsburg, Germany, consumed in full year 2019. The hydrogen-generation systems will run on green wind power from the North Sea. It is planned to supply the hydrogen to industrial companies in the surrounding area. Norway and Germany intend to secure a significant supply of hydrogen from Norwegian natural gas for Germany by 2030.

CO_2nnectNow: As part of the ENERGY HUB, CO_2nnectNow, a collection point and logistics hub for CO_2, will be established. The hard-to-abate CO_2 emissions from industrial sites as well as emissions from gas based-hydrogen production can be transported from all over the Germany to Wilhelmshaven. From there, they can be transported by ship or pipeline to CCS storage sites in Norwegian and Danish parts of the North Sea.

KEY E&P ASSETS OVERVIEW AS OF 31 DECEMBER 2023

Country	Asset	Wintershall Dea Share	Life cycle	Start of production	Operator	Partners
Algeria	Reggane Nord	24%	Production	2017	Groupement Reggane Nord	Sonatrach (40%), Repsol (36%)
Argentina	Aguada Pichana Este Residual	27.27%	Production	1996	TotalEnergies	TotalEnergies (27.27%), YPF (27.27%), Pan American Energy (18.19%)
	Aguada Pichana Este Vaca Muerta	22.50%	Production	2018	TotalEnergies	TotalEnergies (41%), YPF (22.50%), Pan American Energy (14%)
	CMA-1	37.50%	Production	1989	TotalEnergies	TotalEnergies (37.50%), Pan American Energy (25%)
	Fénix	37.50%	Development	-	TotalEnergies	TotalEnergies (37.50%), Pan American Energy (25%)
Egypt	Disouq	100%	Production	2013	DISOUCO	JV between Wintershall Dea (50%), EGAS (50%)
	West Nile Delta	17.25%	Production	2017	BP	BP (82.75%)
	East Damanhour	40%	Production	2023	DISOUCO	Cheiron (40%), INA Industrija Nafte (20%)
Germany	Emlichheim	90%	Production	1944	Wintershall Dea	MEEG (10%)
	Mittelplate	100%	Production	1987	Wintershall Dea	-
	Völkersen	100%	Production	1994	Wintershall Dea	-
Libya	Contract areas 15, 16, 32 (Al-Jurf)	12.50%	Production	2003	Mabruk Oil Operations	NOC (50%), TotalEnergies (37.50%)
	Contract areas 91, 107	25%	Production	1976	Sarir Oil Operations	JV between NOC (51%), Wintershall AG (49%)
Mexico	Hokchi	37%	Production	2020	Hokchi Energy	Hokchi Energy (55%), AINDA (8%)
	Ogarrio	50%	Production	1957	Wintershall Dea	PEMEX (50%)
	Zama	19.83%	Development	-	PEMEX	PEMEX (50.43%), Talos Energy (17.35%), Harbour Energy (12.39%)
	Polok (Block 29)	25%	Development	-	Repsol	Repsol (30%), PC Carigali/Petronas (28.33%), PTTEP Mexico (16.67%)
	Chinwol (Block 29)	25%	Exploration	-	Repsol	Repsol (30%), PC Carigali/Petronas (28.33%), PTTEP Mexico (16.67%)
	Kan (Block 30)	40%	Exploration	-	Wintershall Dea	Harbour Energy (30%), SapuraOMV (30%)

Country	Asset	Wintershall Dea Share	Life cycle	Start of production	Operator	Partners
Norway	Aasta Hansteen	24%	Production	2018	Equinor	Equinor (51%), OMV (15%), ConocoPhillips (10%)
	Ærfugl Nord	25%	Production	2021	Aker BP	Aker BP (30%), Equinor (30%), PGNiG (15%)
	Bauge	27.50%	Production	2023	Equinor	Equinor (42.50%), Vår Energi (17.5%), Neptune Energy (12.50%)
	Dvalin	55%	Production	2023	Wintershall Dea	Petoro (35%), Sval Energi (10%)
	Edvard Grieg	15%	Production	2015	Aker BP	Aker BP (65%), OMV (20%)
	Gjøa	28%	Production	2010	Neptune Energy	Neptune Energy (30%), Petoro (30%), OKEA (12%)
	Hyme	27.50%	Production	2023	Equinor	Equinor (42.50%), Vår Energi (17.50%), Neptune Energy (12.50%)
	Maria	50%	Production	2017	Wintershall Dea	Petoro (30%), Sval Energi (20%)
	Njord	50%	Production	1997 / 2022	Equinor	Equinor (27.50%), Neptune Energy (22.50%)
	Nova	39%	Production	2022	Wintershall Dea	Sval Energi (45%), Pandion Energy (10%), OKEA (6%)
	Skarv	28.08%	Production	2012	Aker BP	Equinor (36.17%), Aker BP (23.84%), PGNiG (11.92%)
	Snorre	8.57%	Production	1992	Equinor	Equinor (33.28%), Petoro (30%), Vår Energi (18.55%), Idemitsu (9.60%)
	Vega	56.70%	Production	2010	Wintershall Dea	Petoro (31.20%), Sval Energi (5.50%), Idemitsu (3.30%), Neptune Energy (3.30%)
	Dvalin North	55%	Development	-	Wintershall Dea	Petoro (35%), Sval Energi (10%)
	Maria Phase 2	50%	Development	-	Wintershall Dea	Petoro (30%), Sval Energi (20%)
	Irpa	19%	Development	-	Equinor	Equinor (51%), Petoro (20%), Shell (10%)
	Alve Nord	20%	Development	-	Aker BP	Aker BP (68.10%), PGNiG (11.90%)
	Idun Nord	40%	Development	-	Aker BP	Equinor (36.20%), Aker BP (23.80%)

B GOVERNANCE AND ESG

CORPORATE GOVERNANCE

STRONG GOVERNANCE STRUCTURE

Wintershall Dea AG is a joint-stock company (Aktiengesellschaft) with its registered seat in Celle, Germany, with corporate governance consistent with German laws.

Wintershall Dea AG is the ultimate parent company of various subsidiaries around the world that carry out the business of the Group.

In accordance with applicable German law, the fundamental elements of Wintershall Dea's corporate governance system are its two-tier board system with transparent, effective separation of the management of the company and supervision between the Management Board and the Supervisory Board; co-determination in the Supervisory Board by two-thirds of shareholder representatives and one-third of employee representatives; and the shareholders' rights in the General Meeting. The details of Wintershall Dea's corporate governance architecture are set out in the company's Articles of Association (Satzung), the Rules of Procedure (Geschäftsordnung) for the Management Board and Supervisory Board, as well as in a shareholders' agreement governing the legal relationship between BASF and LetterOne as shareholders that was entered into by the shareholders and the company.

SHAREHOLDER OVERVIEW

BASF holds 72.7% of the ordinary shares of Wintershall Dea AG and LetterOne holds 27.3%.

Headquartered in Ludwigshafen, Germany, BASF Group is a leading global producer of chemicals.

As one of the world's leading chemical companies, BASF combines economic success with environmental protection and social responsibility. BASF's portfolio is organised in eleven divisions grouped into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions.

More than 110,000 employees in the BASF Group contribute to BASF Group's success worldwide.

L1 Energy is part of LetterOne Holdings, a member of the LetterOne Group.

Founded in 2013, LetterOne is headquartered in Luxembourg. It is an international investment business led by successful entrepreneurs, former CEOs and international personnel. In 2015, LetterOne acquired DEA and E.ON Norge.

LetterOne Holdings' investments are focused on the energy industry; the LetterOne Investment Holdings group focusses its investments on the telecoms and technology, healthcare and retail industries.

LEGAL SEPARATION FROM THE RUSSIAN SHAREHOLDINGS

It is envisaged to legally separate Wintershall Dea's E&P business without Russian participation and its Carbon Management & Hydrogen business from the Russian related business and the midstream business of the company. As one step in the process we are currently undergoing an intra-group reorganisation to bundle the international shareholdings in our subsidiaries under the new legal entity Wintershall Dea Global Holding GmbH, which will be spun-off to a new entity owned by BASF with 72.7% and by LetterOne with 27.3%.

HARBOUR ENERGY TRANSACTION

On 21 December 2023, the shareholders of Wintershall Dea announced that they had signed a business combination agreement with Harbour Energy plc (Harbour) to transfer Wintershall Dea's E&P business consisting of its producing and development assets as well as exploration rights in Norway, Argentina, Germany, Mexico, Algeria, Libya (excluding Wintershall AG), Egypt and Denmark (excluding Ravn) as well as Wintershall Dea's carbon capture and storage (CCS) licences to Harbour.

Upon completion of the legal separation of the assets in scope from the remaining business of Wintershall Dea AG and subject to regulatory approvals, the closing of the transaction is targeted for the fourth quarter of 2024.

GENERAL MEETING

The company's corporate bodies include the General Meeting, through which the shareholders adopt resolutions pertaining to the company.

An ordinary General Meeting is to be held during the first eight months of each financial year of the company. In general, the General Meetings are chaired by the Chairman of the Supervisory Board or any other Supervisory Board member representing the shareholders to be determined by the Supervisory Board. Each ordinary share with a nominal value of €1 grants one vote. Unless the Articles of Association or mandatory statutory provisions require otherwise, resolutions are passed with a simple majority of the votes cast in the General Meeting.

The General Meeting shall resolve, inter alia, on the appropriation of the balance profit (Bilanzgewinn), the formal discharge (Entlastung) of the members of the Management Board and the members of the Supervisory Board, the appointment of an auditor of the annual accounts, and the election of members of the Supervisory Board.

SUPERVISORY BOARD

The Supervisory Board is responsible for oversight of the Management Board and shall act in the interest of the company. While the Supervisory Board is not permitted to exercise any management functions, the Management Board requires the consent of the Supervisory Board for certain important transactions and measures in accordance with the applicable law, the Articles of Association and the Rules of Procedure for the Management Board.

The Supervisory Board is composed of twelve members, who, according to the One-Third Participation Act, include four employee representatives and eight members to be appointed by the shareholders.

The following table sets out the current composition of the company's Supervisory Board.

Name	Position
Dr Hans-Ulrich Engel	Chairman of the Supervisory Board
Timothy Summers	First Deputy Chairman; Managing Partner, L1 New Energy
Michael Winkler	Second Deputy Chairman; Trade Union Secretary of IG BCE
Dr Dirk Elvermann	Member of the Board of Executive Directors of BASF SE
Michael Heinz	Member of the Board of Executive Directors of BASF SE
Dr Katja Scharpwinkel	Member of the Board of Executive Directors of BASF SE since 1 February 2024 (member of the Supervisory Board since 17 April 2023)
Francis Sommer	Partner, L1 Energy (member of the Supervisory Board since 17 April 2023)
Matti Lievonen	Board Professional
Scott Nyquist	Management Consultant
Birgit Böl	Chairwoman of the General Works Council of Wintershall Dea AG
Katharina Da Luz-Berlin	Chairwoman of the General Works Council of Wintershall Dea Deutschland GmbH (member of the Supervisory Board since 17 April 2023)
Günther Prien	Chairman of the Central Works Council Hamburg and member of the General Works Council of Wintershall Dea AG
Dmitry Avdeev	First Deputy Chairman; Senior Partner, L1 Energy (member of the Supervisory Board until 24 March 2023)
Saori Dubourg	Former member of the Board of Executive Directors of BASF SE (member of the Supervisory Board until 28 February 2023)
Heiko Rehder	Deputy Chairman of the Central Works Council Hamburg of Wintershall Dea Deutschland GmbH (member of the Supervisory Board until 17 April 2023)

MANAGEMENT BOARD

The Management Board is responsible for the strategy and ongoing operations. It consists of three members: the chairman and two additional members.

The members of the Management Board conduct the day-to-day operations of the company and are jointly responsible for the overall management of the Group. The Management Board decides on all matters in accordance with the applicable law, the Articles of Association and the Rules of Procedure for the Management Board.

Mario Mehren

Chief Executive Officer
Mario Mehren is responsible for Human Resources, Legal, Compliance, Corporate Communications, HSEQ, Strategy and M&A, and Investor Relations. After completing his studies in business administration at Saarland University in Saarbrücken, he began his professional career in 1998 as a specialist adviser in BASF's Group Accounting section. After various positions within the BASF Group, he moved to Wintershall in 2006 and joined its Board of Executive Directors in 2011. Since 2015 he was the CEO of Wintershall Holding before becoming the CEO of Wintershall Dea in 2019.

Paul Smith

Chief Financial Officer
Paul Smith is responsible for Accounting and Reporting, Corporate Finance and Treasury, Information Technology, Supply Chain, Corporate Audit, and Commercial & Sales. He studied business organisation at Heriot-Watt University in Edinburgh and began his career at BP in Aberdeen in 1993. During a 15-year career with BP, he held a number of management roles in the North Sea, Trinidad & Tobago and Russia. He spent ten years in Canada with Talisman Energy, first as executive vice president North America and finally as CFO.

Dawn Summers

Chief Operating Officer
Dawn Summers is responsible for Europe, Middle East and North Africa. She holds a degree in chemical engineering from Edinburgh University and executive operations leadership from MIT Sloane School of Management. During her more than 20 years with BP, she held various operations, project and leadership positions before moving to the Executive Leadership Team of Genel Energy and more recently as COO to Origin Energy and Beach Energy. In addition, she currently holds the position of president of Gas Naturally and president of IOGP Europe.

Thilo Wieland

Member of the Board, Region Russia, Latin America and Midstream (until 30 June 2023)
Thilo Wieland was responsible for Russia, Latin America and Midstream. After studying industrial engineering at the Technical University of Berlin, he joined Wintershall Erdgas Handelshaus in Berlin in 1999. He then held various posts at the Wintershall Group, including the role as head of Strategy & M&A and, among other responsibilities, was in charge of Nord Stream and other gas transport projects. From 2015, he served as a member of Wintershall Holding's Board of Executive Directors. On 30 June 2023, his responsibilities for Russia and Midstream were transferred to Mario Mehren and his responsibilities for Latin America were transferred to Hugo Dijkgraaf.

Hugo Dijkgraaf

Chief Technology Officer (until 30 November 2023)
Hugo Dijkgraaf was responsible for Carbon Management & Hydrogen, Digitalisation & Technology, Integrated Reservoir Management, Global Exploration, Global Development and Engineering, Global Production and Operational Excellence, and Major Capital Projects. Since 2019 he has been developing and implementing the operational GHG emission reduction programme as well as the company's CCS and gas-based hydrogen projects. He has a master's degree in petroleum engineering from Delft University of Technology, and he joined Wintershall in 2000. He held various technical, operational and management roles in five countries. In 2017, he took charge of the Norwegian activities as Managing Director. On 30 November 2023, all his responsibilities were transferred to Dawn Summers with the exception of his responsibilities for Carbon Management & Hydrogen, which were transferred to Paul Smith.

SUSTAINABILITY AT WINTERSHALL DEA

OUR SUSTAINABILITY STRATEGY

Our sustainability strategy encompasses environmental, social and governance (ESG) aspects and is an essential part of our corporate strategy. We address these issues across our activities globally. Building on an uncompromising approach to health, safety, environment and quality (HSEQ) management, our strategic sustainability priorities are climate and environmental protection, the promotion of responsible collaboration, and advanced sustainability management.

Our sustainability strategy describes the plan for achieving our ambitions and targets, which include the following:

- We produce gas and oil as efficiently and responsibly as possible
- We aim to minimise our environmental footprint and use resources efficiently
- We advocate for high social standards
- We collaborate extensively with a wide range of stakeholders
- We aim to create trust through transparency

OUR COMMITMENTS

Wintershall Dea has set internal standards based on international programmes and adheres to those as well as to country-specific legislation. We are acting responsibly and making a positive contribution to solving global challenges within our sphere of influence. We are a proud signatory of the United Nations Global Compact and thoroughly support its 10 principles for environmental protection, human and labour rights, and anti-corruption.

We also support the Sustainable Development Goals (SDGs), featuring 17 goals forming the blueprint to achieve a better and more sustainable future for all. The integrated and indivisible nature of the SDGs means our business activities directly and indirectly touch on many of them. We focus our efforts on those specific goals where we can make the greatest contribution: 6. Clean water and sanitation; 7. Affordable and clean energy; 8. Decent work and economic growth; and 13. Climate action.

Based on our values, we have formulated a globally binding ESG principle, which provides an overarching framework for our actions and activities. It includes company-wide commitments on material sustainability topics such as climate and energy, environmental protection, human rights, community involvement and engagement, as well as on political relations and advocacy.

Next to our Code of Conduct, HSEQ policy, Human Rights Policy Statement and Supplier Code of Conduct, the ESG principle provides us guidance and ensures that social and environmental aspects are taken into account in all our operations. The ESG principle supports our business decision-making process at all levels and provides a frame of reference for how we want to deal with business opportunities and risks in the context of direct and indirect ESG impacts.

SUSTAINABILITY MANAGEMENT AND TRANSPARENCY

Effective management of sustainability is vitally important for the status quo and the further development of our company. The implementation of the sustainability strategy is based on globally defined standards, such as the principles of the United Nations Global Compact, management processes, and an organisational structure with clearly defined responsibilities. We have established processes and targets across our business units and regularly monitor our progress, taking corrective measures if required.

The overarching responsibility for the topic of sustainability lies with the Chief Executive Officer and the Management Board. A sustainability unit is responsible for setting up the relevant policies and processes. It strategically coordinates company-wide activities to ensure the integration of sustainability into core business processes such as strategy, operations, planning, reporting and decision-making. The Sustainability team is supported by an internal interdisciplinary group of experts, referred to as the Sustainability Expert Community. Beyond the regular exchange with the Management Board, there are also frequent sessions with the Sustainability Board Committee, which is the central monitoring and steering committee for sustainability topics. In 2023, the focus was again on the energy transition, the implementation of enhanced human rights due diligence, sustainable finance, biodiversity and water and guidance on the course of action. The respective business and corporate units, who have the dedicated expertise and know-how in their specific areas and regions, are responsible for the implementation of regional and topic-related measures.

In order to meet the information needs of our stakeholders, we continuously disclose sustainability information, including our performance. We refer to different frameworks and reporting standards that guide our sustainability reporting, such as the Global Reporting Initiative (GRI), the IPIECA Reporting Guidance and the Task Force on Climate-related Financial Disclosures (TCFD).

OUR ESG FOCUS AREAS IN 2023

Environmental and climate protection

Wintershall Dea developed the Energy Transition Pathway (ETP) to contribute to responsible and profitable gas and oil production with the lowest greenhouse gas emissions possible. We have therefore set ourselves ambitious climate targets. We want to be net zero across our entire upstream operations – both operated and non-operated – by 2030. This includes Scope 1 (direct) and Scope 2 (indirect) greenhouse gas emissions on an equity share basis with an intermediary target of a 25% net reduction by 2025 compared to the 2020 baseline year. Among the greenhouse gases, the reduction of methane emissions plays a key role. We are committed to meeting our ambitious methane intensity target of below 0.1% by 2025 for own-operated assets and strive to further reduce it.

Four pillars were defined to achieve our targets and are firmly anchored in our corporate strategy. **First**, we focus on carbon-efficient portfolio opportunities, especially natural gas and crude oil reservoirs, which can be produced relatively CO_2-efficiently. **Second**, we are further expanding emissions management in our operations by increasing energy efficiency, introducing electrification and using other state-of-the-art technologies to improve the emission footprint of our assets and activities as far as reasonably possible. **Third**, we intend to invest in nature-based or natural climate solutions, such as afforestation and conservation projects, to compensate for emissions that cannot be reasonably reduced further. And **fourth**, we continue to concentrate on innovation and technologies such as carbon capture and storage (CCS) and hydrogen energy solutions to support global decarbonisation efforts.

As part of our ongoing efforts to avoid or reduce emissions, we commenced various projects during 2023. For example the joint venture DISOUCO, managing the onshore concession Disouq in the Nile Delta in Egypt, restarted the recovery gas compressor, leading to the elimination of flaring and a reduction of over 10,000 tonnes of CO_2e per year.

The Aguada Pichana Este reservoir in the Neuquén province in Argentina was connected to the power supply of a nearby electric grid, enabling the electrification of compressors previously powered by gas. The power supply from renewables will save 3,000 tonnes of CO_2e per year from 2024 onwards.

We also made progress in developing our own offsetting projects by investing in first pilots and research and development activities in Argentina, Ghana and Norway to successfully create our future nature-based offsetting portfolio.

Further, we made further progress with our CCS projects. In 2023, Wintershall Dea initiated the first cross-border CCS value chain in the Danish North Sea as part of Project Greensand. A portion of the residual emissions from a Belgian industrial plant were captured, transported via ship, and safely stored under the seabed during the de-risking phase. The field features an annual capacity of up to 8 million tonnes of CO_2.

In addition, Wintershall Dea was awarded the first CCS licence in the UK by the North Sea Transition Authority to store CO_2 under the seabed. Referred to as the "Camelot licence", it covers an annual storage potential of up to 6 million tonnes.

Wintershall Dea is member of the Oil and Gas Methane Partnership (OGMP) 2.0, and was again awarded the gold standard for methane emissions reporting in 2023 for the third time in a row. Further we actively engage in the "Methane guiding Principles" and the "Aiming for Zero Methane Emission Initiative" coordinated by the Oil and Gas Climate Initiative (OGCI) where signatories commit to developing tangible, ambitious measures to eliminate the industry's methane footprint. During 2023 we continually implemented comprehensive technical programmes involving leak detection and repair (LDAR) targeting fugitive emissions but also measurements on other sources of methane emissions such as incomplete combustion and inefficient flaring.

Health and Safety

Health and safety remains our priority. In 2023, our global annual health campaign, "Musculoskeletal disorders (MSDs) – Lighten the Load", focused on what MSDs are and how they can be promptly self-identified. The campaign offered advise with simple actions that could be implemented at workplace level by the individuals that can help to prevent MSDs. We also continued the "Safety Leadership Learning Journey," a global and comprehensive 12-month leadership training programme that includes raising awareness and topic-specific sessions, as well as processes and systems to further develop safety leadership and safety culture to enhance our safety performance. In 2023, we also defined and developed leading KPIs to strengthen and improve our safety performance.

Human Rights

As a globally operating company, we understand that our business can have both positive and negative impacts on stakeholders and rights holders. We are committed to conducting business in a manner that respects human rights. Our human rights due diligence process is the basis we use to address impacts on human rights. In 2023, we prioritized four main areas in order to anchor human rights more consciously in our corporate processes and culture: the development of our human rights policy statement, the adaption of our governance structure in line with the requirements of the German Supply Chain Act, the definition of a systematized risk analysis as well as offering training & awareness activities. We are also externally exchanging on corporate best practices for human rights due diligence. In 2023, we again participated in the Human Rights Working Group of the global IPIECA industry association and the Peer Learning group of the UN Global Compact Network.

Governance and Stakeholder Engagement

We work to continuously integrate sustainability aspects and processes into our existing governance elements such as risk management, compliance and internal audit. In line with our aim to support the recommendations of the Task Force on Climate-related Financial Disclosures, we utilise clear processes and policies in the Company to identify, assess, manage and report climate-related risks and opportunities. In 2023, we finalised and released our internal governance guideline documentation, defining roles and responsibilities and providing specific guidance on how to identify, assess, and report relevant climate-related risks and opportunities. The guidelines also describe how specific process steps are integrated into Wintershall Dea's existing risk management processes. To further develop our climate-related physical risk assessment, we selected a climate data provider to support us going forward in assessing exposures to different climate perils and upscale our physical risk assessment.

The external independent Stakeholder Advisory Panel, established in 2022 , provides an outside-in view on sustainability management to the Management Board of Wintershall Dea. The panel consists of all Board members and four independent external advisors with profound expertise in climate protection, biodiversity, human rights, sustainable finance and reporting and governance. It offers new perspectives on critical issues, advises on strategy, highlights emerging risks and raises early awareness. The Management Board met with the panel twice in 2023 and discussed opportunities and challenges related to the requirements of the Paris Agreement and human rights due diligence.

ESG TOP-RATED COMPANY

Due to its strong ESG performance, Wintershall Dea has once again been included in Sustainalytics' 2023 ESG Top-Rated Companies List as one of the top-performing companies in the industry. With Sustainalytics' recent announcement that Wintershall Dea is also included in the 2024 list, it is now the fourth time in a row (2021-2024) that Wintershall Dea has been recognised as one of the top-performing companies rated by Sustainalytics based on our ESG Risk Rating score.

https://www.sustainalytics.com/esg-ratings

A RESPONSIBLE EMPLOYER

Each Wintershall Dea employee has a role in safeguarding and growing the value of the company. Strong production performance – safe, efficient and reliable – is the foundation of our business. We continuously challenge ourselves to maximise the economic recovery of hydrocarbons through the active management of our assets, while operating at the highest environmental, health and safety standards.

Our human resources strategy is derived from our corporate strategy and values and sets three priorities: nurturing dedicated employees, developing capable executives and fostering a modern work environment. To promote employee performance and acquire new talent, Wintershall Dea actively encourages a culture of equality and inclusion that underlines the importance of equal opportunities and the company's global workforce.

COMPANY CULTURE

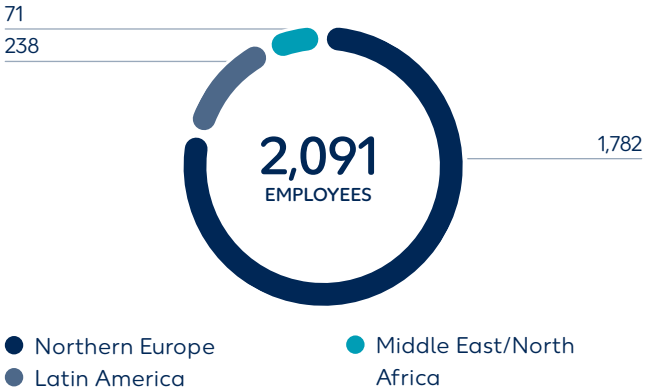
We attach great importance to a respectful and collaborative work environment. We believe that through our inclusive and diverse company culture, targeted and individualised support and facilitation of a good work-life balance, we offer our employees a positive perspective.

Our four corporate values of trust, care, open-mindedness and bravery guide our actions and define how we want to work together – as a team, with our stakeholders and partners. Therefore, these values are the basis of and pivotal in defining Wintershall Dea's culture.

EMPLOYMENT

We have a strong and established team of highly competent professionals in all relevant disciplines. Some of our employees in Germany and Norway are organised in unions. Wintershall Dea is confident of its good relationship overall with its employees and the unions involved. The number of employees (full-time equivalents) at Wintershall Dea, including all fully consolidated companies, increased by 66, from 2,025 as of 31 December 2022 to 2,091 as of 31 December 2023. The total number of employees includes 31 trainees and 47 apprentices. The main reasons for the increase were a new legislation in Norway to use fewer consultants (and instead hire permanent personnel) as well as the consolidation of new entities.

EMPLOYEES BY REGION 2023



COMPANY PENSION SCHEMES

Through our newly designed and, in future, uniform company pension schemes, we make a contribution to our employees' retirement provision – in addition to the closed pension schemes – and support them also in the event of disability or death. Within this framework, every employee of Wintershall Dea AG will continue to receive company pension benefits in future, which depend on the length of service and remuneration paid or contributions made.

In addition, our employees have the option to participate in an employee-financed pension scheme through deferred compensation, thus further securing their standard of living after retirement. At Wintershall Dea, employees can contribute components of their gross salary to a uniform capital market-oriented direct commitment in addition to existing, but closed deferred compensation options. Our employees also benefit from pension plans at a number of our foreign companies.

WELCOME DIVERSITY[1]

Differences make us stronger

We embrace Diversity, Equity & Inclusion because it enriches our organisation. Wintershall Dea is convinced that with inclusiveness of people with different backgrounds, perspectives and approaches, we will deliver better results. We seek to recruit people with both technical and non-technical expertise who can add value to Wintershall Dea, regardless of their nationality, ethnicity, gender, sexual orientation, age, disability or beliefs.

Diversity, Equity & Inclusion

The principles of Diversity, Equity & Inclusion are integrated into the Wintershall Dea Code of Conduct. By signing the Corporate Charter of Diversity in Germany in May 2019, we have also made our dedication to diversity visible to the outside world. By implication, this also means that we will not tolerate discrimination or exclusion of any sort due to people's personal characteristics or preferences. Training courses and other cultural initiatives for employees and executives help everyone to increase their awareness of the value of Diversity & Inclusion.

Gender equality

Traditionally, the oil and gas industry has been a sector with a male-dominated workforce. The proportion of women employed at Wintershall Dea is about 31% (31 December 2023). Our share of women in executive positions (top 2 levels below the Management Board) is 30% (31 December 2023) and we are planning to continuously increase this to over 30% by 2025. One out of three Management Board positions is held by a woman.

Equal salary

Wintershall Dea conducted an extensive equal salary analysis. The conclusion: there are no structural gender-specific differences in how employees are paid. The analysis was conducted by the independent partner PricewaterhouseCoopers (PwC) in compliance with the requirements of the Geneva-based EQUAL-SALARY Foundation. Continuous improvement based on outcomes brings us even further. Wintershall Dea is the first energy company worldwide to receive the globally valid EQUAL-SALARY certification and the third company to be globally certified.

Internationality

Our industry tends to be highly international. Opportunities for working in international teams or projects are possible in many positions and indispensable for the advancement of our company. Even today, our workforce comprises people from around 60 different countries. We aim for this diversity in nationalities to also be reflected in our leadership. The proportion of executives of varied nationalities on our leadership team is 39% (31 December 2023) and our goal is to maintain a level above 35%.

[1] Diversity data have been compiled globally for all locations of Wintershall Dea and its subsidiaries.

COMPLIANCE

COMPLIANCE MANAGEMENT

The primary objective of our compliance management system is to ensure that the executives, employees and members of corporate bodies of Wintershall Dea, including third parties, if applicable, conduct themselves in compliance with all legal, internal and external regulations affecting the company by taking appropriate measures. This includes not only rule-compliant behaviour per se, but also the formal and informal internal organisation to achieve rule-compliant conduct through the implementation of appropriate measures. For this reason, all employees are required to participate in training courses shortly after joining the company and on a regular basis thereafter.

COMPLIANCE PROGRAMME

The compliance programme includes both preventive and detective measures and also covers action to be taken in the event of identified compliance violations. A key element of the programme is our group-wide Code of Conduct which is based on our company values and international standards and governs our conduct towards people, the environment, assets, information, business partners and third parties.

CODE OF CONDUCT

Wintershall Dea has a long tradition and, as a responsible company, has played a substantial part in shaping today's energy industry. We can only maintain this reputation on a lasting basis when we adhere to and are willing to be measured in our business activities by the standards defined in the Code of Conduct.

The Code of Conduct is the basis for all our business activities. Wintershall Dea demands the highest standards of its business partners and expects them to abide by the company's corporate and similar principles. When a business partner fails to meet these requirements, we are prepared to take appropriate action, which may even include terminating the relationship.

COMPLIANCE COMMITMENT

Wintershall Dea does not tolerate any form of corruption, whether active or passive, direct or indirect. We are committed to our strict zero tolerance policy. Wintershall Dea's zero tolerance attitude is clearly communicated to all business partners at the outset of business relations and as appropriate thereafter.

COMPLIANCE ORGANISATION

Our group-wide compliance function comprises the Chief Compliance Officer and the Department of Compliance and Data Protection, acting as global compliance managers, as well as local compliance managers in all business units. The Chief Compliance Officer reports directly to the CEO and the Management Board on a regular basis about the implementation status of compliance initiatives and training courses, as well as compliance incidents and key insights, as required.

The Department of Compliance and Data Protection is responsible for the compliance management system, including the internal regulations which are applicable group-wide, the handling of compliance complaints and the administration and implementation of compliance training. Local compliance managers in the various business units are responsible for ensuring compliance with our regulations and standards on-site and in alignment with the global compliance function, as well as for local training and the handling of local compliance complaints.

DEALING WITH VIOLATIONS

If in doubt, employees are encouraged to take action and seek advice at an early stage. They can turn to their supervisors, the legal department and the company compliance managers for assistance. Employees and third parties can use our digital whistle-blower system to report potential compliance violations, and they can do so anonymously if desired. Our "SpeakUP" whistle-blower portal is available in all of the languages of the countries in which Wintershall Dea operates. In line with our non-retaliation policy, no employee or third party will face any disciplinary sanctions or any other detrimental treatment for raising genuine concerns in good faith, even if they turn out to be mistaken.

HUMAN RIGHTS

Wintershall Dea respects internationally recognised human rights, as well as key labour and social standards. These include in particular the human rights set out in the International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO core labour standards as well as the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Moreover, we are a signatory of the United Nations Global Compact.

Respecting human rights in our business relationships is an important basis for how we assume our social responsibility. Our standards comply with existing laws and regulations and are guided by internationally recognised principles. Our human rights due diligence process is the foundation for addressing human rights impacts.

DATA AND INFORMATION SECURITY

Wintershall Dea places very high importance on the protection of information and data. Today more than ever, the value of a company is determined by its knowledge base and expertise.

We have established a global cyber security awareness programme to educate all employees and selected partners on conscientious behaviour when working with data and information technology. We constantly monitor our IT and OT environments for known and unknown cyber threats with the help of a competent security operations centre (SOC). We leverage up-to-date cloud and on-premise security technologies to manage our information technology landscape as securely as possible. On top of that, we constantly adapt our processes and policies to fulfil the evolving legal and regulatory requirements and to tackle newly discovered external threats to our security.

SUPPLIER PARTNERSHIPS

We drive our business forward using a partnership-based approach, including with our contractors. We pursue long-term business relationships and have a vital interest in continuously improving our performance through cooperation. Suppliers and contractors are not chosen merely on the basis of economic criteria; environmental protection, occupational safety and social standards also play a role in how we evaluate new and existing supplier relationships. When it comes to compliance with such standards, Wintershall Dea places equally high demands on its contractors as it does on its own employees. The qualification of each supplier is, among other things, based on the supplier's acceptance of our Supplier Code of Conduct.

C GROUP MANAGEMENT REPORT

1. CORPORATE PROFILE

1.1 BUSINESS MODEL AND STRUCTURE

Wintershall Dea is a leading European independent gas and oil company and is transforming to become a leading European independent gas and carbon management company. We develop carbon management and low carbon hydrogen projects to contribute to climate goals and secure energy supplies. The Group comprises Wintershall Dea AG as the parent company and its subsidiaries (WD Group).

On 21 December 2023, the shareholders of Wintershall Dea, BASF and LetterOne announced that they had signed a business combination agreement with Harbour Energy plc for the sale of the majority of Wintershall Dea's E&P business, consisting of its producing and development assets as well as exploration rights in Norway, Argentina, Germany, Mexico, Algeria, Libya (excluding Wintershall AG), Egypt and Denmark, and Wintershall Dea's carbon capture and storage (CCS) licences ("Target E&P and CMH Business"). The transaction is expected to close in Q4 2024.

Before completion of the transaction, the shares in Wintershall Dea Global Holding GmbH, comprising the Target E&P and CMH Business, will be spun off and distributed to the shareholders BASF and LetterOne.

The Target E&P and CMH Business is shown as discontinued operations in the consolidated statement of income and the consolidated statement of cash flows, whereas the assets and liabilities associated with the Target E&P and CMH Business are presented as assets and liabilities held for distribution in the consolidated balance sheet (in line with IFRS 5). The continuing operations comprise Wintershall Dea AG, the participations in Wintershall Noordzee B.V. and Wintershall AG, the Transportation business (segment Midstream), the Russian participations as well as certain holding companies. Since the Target E&P and CMH Business represents the majority of the business of WD Group, the presentation as discontinued operations may not facilitate a meaningful comparison and analysis of the actual development of WD Group in the reporting period. This management report provides the management discussion and analysis (MD&A) of the operational and financial performance without presenting the Target E&P and CMH Business as discontinued operations. In addition, the comparison period 2022 is shown excluding the Russian business, which was deconsolidated in the fourth quarter 2022, to make the comparison meaningful.

In addition, Wintershall Dea is continuing its preparations for a separate sale of its stake in WIGA Transport Beteiligungs-GmbH & Co. KG (WIGA), which is not part of the Target E&P and CMH Business. WIGA is shown as an asset held for sale according to IFRS 5 as part of continuing operations.

Until the completion of the transactions, the Group will steer its business in five segments (combining continuing and discontinued operations):

- Northern Europe
- Latin America
- Middle East/North Africa
- Midstream
- Headquarter and Other

In the previous year, Russia was reported as an additional segment.

The segments Northern Europe, Latin America and Middle East/North Africa comprise the E&P business and are further divided into divisions based on countries in the respective region. The E&P segments comprise exploration, appraisal, field development and production activities in the following divisions:

- **Northern Europe:** Germany, Norway, the Netherlands, United Kingdom and Denmark
- **Latin America:** Argentina and Mexico
- **Middle East/North Africa:** Egypt, Libya, Algeria and United Arab Emirates

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

The segment Headquarter and Other (HQ and Other) includes the Management Board and corporate functions, such as the trading activities managed by the headquarters, Global Exploration and Carbon Management and Hydrogen (CMH), as well as the holding companies.

After completion of the transactions, the continuing operations will encompass the following: the segment Northern Europe, comprising the participation in Wintershall Noordzee B.V.; the segment Middle East/North Africa, comprising the participation in Wintershall AG (Libya onshore); the segment Midstream, comprising the offshore gas transportation activities; and the segment HQ and Other, comprising HQ, the trading activities managed by the headquarters, and some holding companies.

Digitalisation and Technology

Digitalisation & Technology at Wintershall Dea improves business performance today while preparing us for the future at the same time. It introduces new solutions to change processes and human behaviour by introducing technology that makes implementation less complex, faster and more economical. Wintershall Dea prioritises digital and technology efforts along five focus areas: Subsurface and Reservoir Solutions, Drilling and Wells, Sustainable Assets of the Future, Digital Workforce, and Capability Development. In addition, our own advanced Technology and Service Centre provides a centre of competence for production and reservoir services such as the Digital Rocks data portal. Our aim is that the results provided will unlock benefits making Wintershall Dea more productive and sustainable.

1.2 MANAGEMENT SYSTEM

The Group uses various key performance indicators to actively manage and steer its performance and achieve sustainable value creation.

- **Adjusted EBITDAX (EBITDAX)**
- **Free cash flow**
- **Capex**
- **Production**

"Adjusted EBITDAX" (EBITDAX) is a non-GAAP financial measure used for internal management control within Wintershall Dea. It is the primary key indicator derived from the consolidated statement of income and is defined as revenues and other income less production and operating expenses, less production and similar taxes and less general and administrative expenses, adjusted for special items.

Further information on the EBITDAX reconciliation is provided in the section Earnings performance.

Free cash flow is a non-GAAP financial measure and comprises cash flow from operating activities and cash flow from investing activities but excludes the items net payments for acquisitions, proceeds from the disposal of non-current assets/divestitures and disposed cash Russia due to loss of control as shown in the Group's consolidated statement of cash flows.

The financial measure **capex** consists of payments for intangible assets and property, plant and equipment, as shown in the Group's consolidated statement of cash flows, less capitalised exploration.

The main non-financial measure **production** shows the quantities of gas and oil (including oil, condensate and NGL) produced in thousand barrels of oil equivalent per day on a working-interest basis for the Group's segments, including the proportion from equity-accounted companies (except Libya onshore).

Further non-financial performance indicators are presented in detail in the separate sustainability report (unaudited) to be published on the company's website.

Wintershall Dea is also committed to promoting the participation of women in management positions. The Act on the Equal Participation of Women and Men in Management Positions in the Private and Public Sector has been implemented at Wintershall Dea as follows: In accordance with Section 111 (5) of the German Stock Companies Act (AktG), the target set for the proportion of women on the Supervisory Board is 2 out of 12 members, and the target set for the proportion of women on the Management Board is 1 out of 5 members. In addition, in accordance with Section 76 (4) AktG, the target set for the proportion of women at the two management levels below the Management Board in percentage terms is >30%. The deadline for achieving the targets set for Wintershall Dea's Supervisory Board and Management Board and the two management levels below the Management Board is 31 December 2025.

In order to ensure the value-oriented management of the Group, we use planning and control processes to make key figures and information available to the decision-making bodies throughout the Group. Based on long-term planning, the relevant budgets are defined and tracked during the year using a rigorous performance management process. This approach allows any deviations from the budget to be detected promptly, analysed and, in the event of negative developments, corrected to the greatest extent possible by taking suitable countermeasures.

2. BUSINESS REPORT

2.1 INTRODUCTION

The reporting period for the Group management report comprises the period from 1 January 2023 through 31 December 2023, and the comparison period comprises the period from 1 January 2022 through 31 December 2022.

As the presentation of large parts of the activities as discontinued operations may not be adequate to facilitate a meaningful comparison and analysis of the actual development of WD Group, this management report provides additional information for the consolidated statement of income, consolidated balance sheet and consolidated statement of cash flows, showing a combination of continuing and discontinued operations (full WD Group) for the respective periods.

All Russian entities were deconsolidated in the fourth quarter of 2022 and recognised as other financial assets according to IFRS 9. To make the comparison of the business development of WD Group meaningful, the consolidated statement of income and the consolidated statement of cash flows for the comparison period 2022 are shown excluding the Russian business.

The management report has been prepared in euros (€). All amounts, including the figures for prior years, are generally reported in millions of euros (€ million). The subtotals and totals in millions may not equal the sum of the amounts shown due to rounding.

Furthermore, the term "oil" as used in the management report, refers to oil, condensate and NGL.

2.2 BUSINESS ENVIRONMENT

Economic development

According to the current estimates of the International Monetary Fund, global economic growth slowed from 3.5% in 2022 to 3.1% in 2023. The European Central Bank expects gross domestic product growth in the eurozone to have slowed from 3.4% in 2022 to 0.6% in 2023 on the back of tighter financing conditions, weak trade growth and lower business and consumer confidence.

Risks to the near-term outlook remain tilted to the downside and include heightened geopolitical tensions and a larger-than-expected impact of monetary policy tightening. And while some of the tensions in energy markets have receded in 2023 after a period of extended and extreme turbulence since 2020, numerous risks remain. Following Russia's invasion of Ukraine, instability in the Middle East could lead to further fragmentation of trade flows, causing further disruption to energy markets and prices.

Macro fundamentals

Gas prices

Average TTF prices decreased from $36.97/mscf in 2022 to $12.85/mscf during the reporting period.

On the back of lower demand, high storage overhang from last winter, and ample supplies of LNG and pipeline gas from Norway and northern Africa, European natural gas prices continued to normalise within the upper range of long-term historical prices. However, prices remain sensitive to external events, keeping volatility elevated.

$/mscf	2023	2022
Average TTF price for the period[1]	12.85	36.97

[1] Source: Heren/Argus; FX conversion according to ECB

Oil prices

Average Brent crude oil prices decreased from $101.2/bbl in 2022 to $82.6/bbl in the reporting period.

Average Brent crude oil prices were 18% lower in 2023 compared to the previous year, as supply-side concerns from OPEC+ voluntary production cuts, reduced production quotas and the Israel-Hamas conflict gave way to demand-side worries that 'higher for longer' interest rates could slow global economic growth and demand.

$/bbl	2023	2022
Average Brent price for the period[1]	82.6	101.2

[1] Source: Platts

Foreign currencies

Closing rates €1 =	31 Dec 2023	31 Dec 2022
Argentinian peso (ARS)	894.85	189.15
Egyptian pound (EGP)	34.24	26.44
Mexican peso (MXN)	18.72	20.86
Norwegian krone (NOK)	11.24	10.51
US dollar (USD)	1.11	1.07
Average rates €1 =	**2023**	**2022**
Argentinian peso (ARS)	315.26	137.07
Egyptian pound (EGP)	33.18	20.17
Mexican peso (MXN)	19.18	21.19
Norwegian krone (NOK)	11.43	10.10
US dollar (USD)	1.08	1.05

Realised prices

	2023[1]	2022[2]
Average realised gas price[3] (in $/mscf)	**7.74**	**10.97**
Northern Europe	11.11	17.32
Latin America	3.55	3.45
Middle East/North Africa[4]	3.83	4.32
Average realised oil price[3] (in $/bbl)	**68.6**	**76.9**
Northern Europe	69.0	76.7
Latin America	58.4	66.7
Middle East/North Africa	77.5	93.2

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.
[3] Includes commodity hedge result
[4] Includes the deduction of applicable taxes for Algeria

In 2023, our realised gas price decreased by 29% from $10.97/mscf in 2022 to $7.74/mscf. This decline is lower than the 65% year-over-year decrease in TTF prices primarily due to the existence of hedges, the existence of domestic gas prices in certain of our jurisdictions and formula price contracts. During 2023, gas hedges with a total volume of 350 mmscf/d were realised at an average price of $8.77/mscf (2022: $5.73/mscf).

Our realised oil price decreased by 11% from $76.9/bbl to $68.6/bbl. The decline was lower than the decline in Brent prices (18%), mainly due to the existence of hedges. During 2023, crude oil hedges with a total volume of 19 mboe/d (2022: 21 mboe/d) were realised at an average price of $66.3/bbl (2022: $58.2/bbl).

2.3 MAJOR BUSINESS ACTIVITIES IN THE REPORTING PERIOD

Business Combination Agreement with Harbour Energy plc

On 21 December 2023, the shareholders of Wintershall Dea, BASF and LetterOne, announced the signing of a business combination agreement with Harbour Energy plc ("Harbour") to transfer the majority of Wintershall Dea's E&P business, consisting of Wintershall Dea's producing and development assets and exploration rights in Norway, Argentina, Germany, Mexico, Algeria, Libya (excluding Wintershall AG), Egypt and Denmark (excluding Ravn), as well as Wintershall Dea's carbon capture and storage (CCS) licences, to Harbour. Wintershall Dea's outstanding senior unsecured and subordinated bonds will be assumed by Harbour. The transaction is subject to regulatory approvals and is expected to close in Q4 2024.

Wintershall Dea's remaining portfolio after completion of both transactions is expected to consist of the Russia-related business interests in the joint ventures in Russia, in Wintershall AG in Libya (51%), in Wintershall Noordzee B.V. (50%), in the entity holding the loan to Nord Stream 2, and the interest in Nord Stream AG (15.5%). In addition, the headquarter units are intended to remain with Wintershall Dea AG.

The major business activities comprise both the continuing and the discontinued operations.

General

In January 2023, Wintershall Dea announced its intention to fully exit Russia in an orderly manner, complying with all applicable laws and regulations. This decision followed the deconsolidation of Wintershall Dea's Russian participations in the fourth quarter of 2022 due to the loss of control or significant influence over all its Russian joint ventures as defined by IFRS. As a consequence, the company started the process of legally separating its E&P business outside Russia and its carbon management and hydrogen activities from all joint ventures with Russian participation, which is intended to be completed prior to the close of the Harbour transaction.

Wintershall Dea adjusted the structure of the company and reduced the number of members of the Management Board from five to three during the course of 2023. Thilo Wieland, responsible for the region Russia, Latin America and Midstream, resigned from his position as of 30 June 2023, and Hugo Dijkgraaf stepped down from his role as Chief Technology Officer (CTO) as of 30 November 2023. Both Board functions were dissolved upon their resignation and their responsibilities were distributed among the remaining three Board members.

On 19 December 2023, the President of the Russian Federation signed two decrees (Decrees No. 965 and 966), based on which Wintershall Dea as shareholder in the Russian joint venture companies with Gazprom will be formally expropriated. Pursuant to the decrees, Russian limited liability companies will be established as successors for taking all assets, rights, and liabilities of the five joint venture companies. Both decrees are subject to implementing decisions that have not yet been published.

On 29 December 2023, the rating agency Fitch placed Wintershall Dea's credit rating of "BBB" and its instrument ratings on "Rating Watch Negative". This follows the announcement that substantially all of Wintershall Dea's upstream assets will be sold to Harbour and that its senior unsecured and subordinated bonds will effectively be assumed by Harbour. The rating agency Moody's affirmed Wintershall Dea's Baa2 rating with a stable outlook in an issuer comment on 22 December 2023 following the announced Harbour transaction. Moody's expects the bonds to be transferred to Harbour to benefit from the increased scale of the business and does not expect any material re-leveraging of the combined entity as a result of the announced financing structure. In the previous reviews of both Fitch and Moody's during Q1 2023, the credit ratings were maintained at BBB and Baa2 with stable outlooks, respectively.

Wintershall Dea AG paid a common dividend for the year 2022 to its shareholders BASF and LetterOne in the second quarter of 2023 in the amount of €400 million.

Furthermore, Wintershall Dea repaid the €900.6 million outstanding aggregate principal amount of its 0.452% notes due in September 2023 (ISIN: XS2054209320) to its principals at the maturity date to strengthen its credit ratios.

Northern Europe – Germany

Our producing assets in Germany performed as planned during the reporting period. The produced volumes amounted to 31 mboe/d on average in 2023.

In the Emlichheim field, Wintershall Dea is preparing to revise the production technology from steam injection to hot water injection for the recovery of oil. Through this project, the company will reduce both energy consumption and CO_2 emissions at the site by around three-quarters from 2025 onwards, leading to the continued sustainable development of oil production in the region of Emlichheim in Germany.

Northern Europe – Norway

Our main producing assets in Norway were affected by start-up challenges in the Njord field, delayed start-up of the Dvalin field and unplanned maintenance extensions. The produced volumes amounted to 175 mboe/d on average in 2023, a moderate increase compared to 2022 production of 170 mboe/d.

In early April 2023, production commenced at the Hyme and Bauge fields in the Norwegian Sea. Both are connected to the upgraded and recommissioned Njord field, which came on stream again in late 2022 following extensive upgrade activities.

In May 2023, the Snorre field started receiving first power from the offshore floating wind farm Hywind Tampen in the North Sea as planned. The contribution of power from offshore wind is expected to reduce CO_2 emissions from Snorre by about 120,000 tonnes per year.

On 28 June 2023, Wintershall Dea and its partners received approval from the Norwegian Ministry of Petroleum and Energy (MPE) for their plans to develop the Dvalin North field and the second phase of the Maria field in the Norwegian Sea. Thereafter, the MPE also approved six additional developments where Wintershall Dea is a partner: Irpa, Solveig Phase 2, Njord Electrification, Snøhvit Future and the Skarv field satellites Alve Nord and Idun Nord. All eight approved plans for development and operations (PDO) were applied for in Q4 2022. The respective fields are expected to go successively into operation from 2025 onwards.

In July 2023, Wintershall Dea's own-operated Dvalin field came on stream, providing significant additional gas volumes to the European market. The Dvalin field has an estimated lifetime until the late 2030s, including the Dvalin North field, which is currently being developed and expected to be onstream in late 2026.

Wintershall Dea and its partners Petoro and Sval Energi achieved a major milestone for the second phase of the operated Maria field with the safe installation of an additional subsea template on the seabed at Haltenbanken on the west coast of Norway in late August 2023. The production start of this next phase of the Maria project is planned for 2025. The Maria field is expected to produce until 2040.

In December 2023, Wintershall Dea, in collaboration with its partners DNO Norge and Equinor, successfully completed the drilling of an appraisal well at the Bergknapp discovery in the Norwegian Sea. Bergknapp is situated in close proximity to several producing fields. Wintershall Dea initially discovered oil in the Bergknapp prospect in 2020, followed by a gas discovery in the deeper Åre Formation during a successful re-entry and sidetrack in 2021.

In December 2023, the partners in the Neptune-operated Ofelia oil discovery in the Norwegian North Sea successfully completed an appraisal well. In addition, a new gas discovery was made via a sidetrack to the appraisal well. The Ofelia discoveries are located close to the producing Gjøa field, where Wintershall Dea is a partner as well.

In 2023, Wintershall Dea Norge paid €2.3 billion in taxes in Norway, thereof €1.6 billion in H1 2023, reflecting the remaining tax liabilities of 2022, and €0.7 billion in prepaid tax instalments in H2 2023 related to the tax obligations for 2023.

The Company continued to apply for new exploration acreage through its participation in the annual Awards in Predefined Areas (APA) licencing rounds. In January 2023, Wintershall Dea was awarded eleven new exploration licences (three as operator) following the APA 2022 licensing round, which was closed in August 2022. Furthermore, we participated in the APA 2023 round in August 2023 and were awarded 13 new licences in January 2024, thereof five as operator. The licence applications are located in Wintershall Dea's core areas in the North Sea and Norwegian Sea, and within tie-back distance of existing infrastructure.

Latin America – Argentina

The production performance of our partner-operated fields in Cuenca Marina Austral 1 (CMA-1), Aguada Pichana Este and San Roque remains stable with average produced volumes of 60 mboe/d in 2023.

The development of the Fénix Phase 1 gas project is on track. The required subsea pipeline connecting the Fénix offshore wellhead platform with the existing Vega Pléyade platform has been successfully laid. The construction of the production platform was completed, while the jacket structure was installed in the fourth quarter. First gas from Fénix is expected in Q4 2024 and is planned to reach peak gross production of around ten million cubic metres of gas per day. Wintershall Dea holds a participating interest of 37.5%. Fénix is expected to extend the plateau production of the CMA-1 concession, of which Fénix is a vital part.

Latin America – Mexico

In late March 2023, Wintershall Dea completed the acquisition of a 37% non-operated participating interest in the oil-producing Hokchi Block offshore Mexico, which further enhances Wintershall Dea's presence in Mexico.

In April 2023, Wintershall Dea announced a discovery with its first own-operated offshore exploration well in Block 30 of the Sureste Basin in the Gulf of Mexico. The well named "Kan", where Wintershall Dea holds a 40% interest, was successful and discovered oil of high quality. Preliminary estimates indicate that the discovery contains 200 to 300 million barrels of oil equivalent in place. The Block 30 partnership intends to drill an appraisal well to the Kan discovery in 2024, subject to final regulatory approvals.

The Zama offshore field development in Block 7 of the Sureste Basin passed another important milestone. Following the submission of the Unit Development Plan to the authorities in March 2023, the governing body of the National Hydrocarbons Commission (CNH) authorised the development plan, the work programme and associated budget in June 2023. The Final Investment Decision (FID) is expected to be taken in early 2025.

Middle East/North Africa – Algeria

On 16 October 2023, Wintershall Dea announced the successful expansion of its presence in Algeria. Following completion of the transaction and regulatory approvals, the company increased its interest in the Reggane Nord natural gas project by 4.5% through the acquisition of interest from former project partner Edison. Groupement Reggane Nord, operator of the project, is a consortium consisting of Sonatrach (40%), Repsol (36%) and Wintershall Dea (24%).

Middle East/North Africa – Egypt

Our producing assets in West Nile Delta (WND), Disouq and East Damanhour showed good performance during the year and delivered production levels slightly above expectations. The average production in 2023 amounted to 35 mboe/d.

In the middle of April 2023, the Final Investment Decision for the Raven West development project was taken and its execution was launched. The project consists of the drilling of two subsea wells in the WND Block and the tie-back for production through existing Raven facilities. BP is the operator of WND with Wintershall Dea as the sole partner holding a participating interest of 17.25%.

In September 2023, Wintershall Dea and its partners produced first gas at the East Damanhour Block in the onshore Nile Delta. The licencees, operator Wintershall Dea (40%) and partners Cheiron Energy (40%) and INA (20%), as well as the Egyptian Gas Holding Company (EGAS), started exploring at East Damanhour in 2021 and announced a gas discovery in January 2023. The well location, near the existing infrastructure at Disouq, enabled a safe and rapid tie-back and production start-up with an expected gross production of around ten million standard cubic feet of gas per day.

Midstream

The OPAL gas pipeline started operations in 2011 and is part of an onshore pipeline system operated by a subsidiary of WIGA, a joint venture between Wintershall Dea (50.02%) and SEFE (49.98%). In early July 2023, the German Federal Network Agency (BNetzA) approved OPAL Gastransport GmbH and Co. KG's request to revoke the OPAL exemption from regulation with effect from 30 June 2023. The revocation of exemption allows for more flexibility to market the OPAL capacities for LNG transportation, and creates flexibility for repurposing the network for hydrogen. Following the transition to full regulation, OPAL was transferred to and operated by the duly certified transmission system operator GASCADE Gastransport GmbH.

In August 2023, construction of the Ostseeanbindungsleitung (OAL) pipeline was started by GASCADE Gastransport GmbH to connect the German onshore pipeline grid with the future LNG Terminal in the harbour of Mukran. The construction work is nearing completion and commissioning is planned for early 2024. The integration of regasified LNG into the gas grid will enhance supply security in Germany and Central Europe, bolstering resilience during crises.

Carbon Management and Hydrogen (CMH)

Wintershall Dea continued to make good progress in its Carbon Management and Hydrogen ambitions, achieving several significant milestones during the year.

In February 2023, Wintershall Dea and INEOS, as the operator, were granted the first CO_2 storage licence named "Greensand" in the Danish North Sea by the Danish Ministry of Climate, Energy and Utilities. Alongside INEOS, Wintershall Dea is the leading member of the project Greensand consortium, where both companies have a 40% share, with the remaining 20% held by the state-owned company Nordsøfonden. It is expected that by 2026 up to 1.5 million tonnes of CO_2 could be stored in the reservoir annually. By the end of 2030, this figure is projected to increase to up to 8 million tonnes of CO_2 per year – or more than 13% of Denmark's total annual emissions. First pilot injection at Greensand was successful in March 2023. In June 2023, it was announced that DNV, an independent expert in assurance and risk management, has verified the safety of all aspects of the pilot phase of the Greensand CO_2 storage project. The project complies with the Offshore Safety Directive, which sets the highest safety standards in connection with the storage of CO_2 in the North Sea. Greensand is the first project worldwide to demonstrate that CO_2 can be transported across national borders and stored offshore to mitigate climate change.

On 31 March 2023, Wintershall Dea and its partner Altera were awarded the "Havstjerne" CO_2 storage licence in the Norwegian North Sea by the Norwegian Ministry of Petroleum and Energy. The licence is located 135 kilometres southwest of Stavanger and will be operated by Wintershall Dea, holding 60% of the shares. Havstjerne is expected to have the potential to store up to 7 million tonnes of CO_2 annually. The partnership intends to develop a system for transporting CO_2 by ship to the Havstjerne licence and thus provide a flexible and scalable CCS solution to emitters from around Europe. Havstjerne is the second own-operated CO_2-storage licence awarded to Wintershall Dea in Norway after the Luna licence granted in 2022.

In August 2023, Wintershall Dea and Synergia, which is the operator in the appraisal phase, were granted the "Camelot" carbon storage licence in the Southern North Sea by the British North Sea Transition Authority. Wintershall Dea and Synergia each hold a 50% interest in the licence, which is expected to have an annual storage potential of up to 6 million tonnes of CO_2.

In November 2023, Wintershall Dea entered a second carbon capture and storage (CCS) project in the United Kingdom by joining the "Poseidon" CCS project, after acquiring a 10% stake in the licence from Carbon Catalyst. The licence was awarded to Perenco and Carbon Catalyst as part of the UK's first CO_2 storage licensing round and is expected to hold a total CO_2 storage potential of one gigatonne. Perenco is the designated operator of the project, while Carbon Catalyst and Wintershall Dea will now hold non-operated positions.

2.4 OPERATIONAL PERFORMANCE

The reporting period and the comparison period in the tables in this section comprise both the continuing and discontinued operations. In addition, the comparison period excludes the Russian business.

Production

Natural gas (mboe/d)[1]	2023[2]	2022[3]
Northern Europe	115	111
Latin America	56	59
Middle East/North Africa	39	40
	210	210

Oil (mboe/d)[1]	2023[2]	2022[3]
Northern Europe	93	96
Latin America	13	8
Middle East/North Africa[4]	7	7
	113	111

Total production (mboe/d)[1]	2023[2]	2022[3]
Northern Europe	208	207
Latin America	69	67
Middle East/North Africa[4]	46	47
	323	321

[1] Mboe/d – thousand barrels of oil equivalent per day on a working-interest basis, including proportional production from at equity-accounted companies
[2] FY 2023 combining continuing and discontinued operations.
[3] FY 2022 combining continuing and discontinued operations and excluding the production of the deconsolidated Russian business.
[4] Excludes Libya onshore

The Group's daily production averaged 323 mboe/d in 2023, consisting of 210 mboe/d of gas and 113 mboe/d of oil. The daily production marginally increased by 2 mboe/d.

The gas and oil production in Northern Europe remained stable at 208 mboe/d. The unplanned shutdown at Aasta Hansteen and the natural decline of our German and Norwegian producing assets were fully offset by the start of production in Dvalin, Hyme and Bauge.

In Latin America, gas production decreased slightly whereas oil production increased due to the acquisition of a 37% non-operated participating interest in the oil-producing Hokchi Block offshore Mexico at the end of March. Overall, the gas and oil production in Latin America increased by 2 mboe/d to 69 mboe/d.

The gas and oil production in Middle East/North Africa remained stable at 46 mboe/d.

The production from continuing operations relates to Northern Europe and remained stable compared to the prior year at an average of 3 mboe/d.

Additional information regarding reserves and resources (unaudited)

The Wintershall Dea Group provides updates on the Group's reserves and resources once a year. Reserves as at 31 December 2021, 31 December 2022 and 31 December 2023 were internally estimated by professionally educated and trained Wintershall Dea engineers and geoscientists. These estimates are subject to an annual internal reserves control process carried out by an internal corporate team of experts. Nearly 100% of our total reserves and potentially economically viable contingent resources are regularly reviewed by internal or independent external auditors at least every third year. The volumes of reserves and contingent resources are reported on a working-interest basis. The net entitlement to assets with production sharing agreements may be lower. Reserves and contingent resources are evaluated and classified in accordance with the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC) and others, which Wintershall Dea applies, as follows:

1P reserves, or "proved reserves", are those quantities of hydrocarbons that, from the analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods and government regulations. If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

2P reserves, or "proved plus probable reserves", are 1P reserves plus those additional reserves that the analysis of geoscience and engineering data indicate are less likely to be recovered than 1P reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the estimated 2P reserves. In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will be equal to or exceed the 2P reserves estimate.

2C resources or "contingent resources" are those quantities of hydrocarbons that have been estimated as of a given date to be potentially recoverable from known accumulations by application of development projects. They are not however currently considered to be commercially recoverable owing to one or more contingencies. 2C resources are of the same technical confidence as proved plus probable but not commercially matured to reserves. It is equally likely that the actual remaining quantities to be recovered will be greater or less than the estimated 2C resources. In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will be equal to or exceed the 2C resources estimate.

As at 31 December 2023, Wintershall Dea had 2P reserves of 1,333 million barrels of oil equivalent, which corresponds to c. 95% of the reserves reported as at 31 December 2022. The undeveloped reserves base amounted to 547 million barrels of oil equivalent (41%).

In Northern Europe, the decrease in reserves was driven by production and could not be fully compensated by the maturation of development projects from contingent resources. The reserves accounted for c. 91% compared to the previous year. Contingent resources in this region increased slightly, mainly due to revisions of future development projects in our producing assets.

In Latin America, the reserves base increased to c. 104% compared to the volumes as at 31 December 2022, mainly due to the acquisition of shares in the Hokchi Block in Mexico, with a parallel effect on contingent resources. Additionally, the Kan discovery in Mexico, as well as positive revisions in our Zama project (Mexico) and our unconventional resources assets in Argentina, led to increased 2C contingent resources in the region.

In the MENA region, our 2P reserves decreased to c. 97% compared to the volumes as at 31 December 2022, mainly due to production that could not be fully compensated by our share increase in the Reggane Nord project in Algeria or by the maturation of development projects in Egypt.

In 2023, the Group's increase in reserves due to the maturation of development projects and acquisitions could not fully compensate for produced volumes. The reserve replacement ratio was therefore 43% for 2P reserves and -4% for 1P reserves.

The Group's 1P reserves life is c. 7 years, and 2P reserves life is c. 11 years.

Our potentially economically viable 2C resources as at 31 December 2023 amounted to 1,415 million barrels of oil equivalent.

The combined 2P and 2C reserves life amounted to 23 years.

Nearly all of the reserves are related to the discontinued operations. 2P reserves as at 31 December 2023 related to continuing operations amounted to 4 million barrels of oil equivalent for equity-accounted companies, as shown in the following table.

2P RESERVES[1]

Gas in million boe	Northern Europe	Latin America	Middle East/ North Africa[2]	Total	Thereof developed	Thereof undeveloped
2P reserves as at 31 Dec 2023	368	245	171	784	474	310
Thereof equity-accounted companies	4	—	—	4	3	—
Revisions and other changes	-1	-5	-5	-12	—	—
Maturation and discoveries	5	—	4	8	—	—
Purchase/sale of reserves	—	3	6	9	—	—
Production	-42	-21	-14	-77	—	—
2P reserves as at 31 Dec 2022	407	268	181	855	532	323
Thereof equity-accounted companies	4	—	—	4	4	—
Revisions and other changes	7	9	8	25	—	—
Maturation and discoveries	78	123	—	201	—	—
Purchase/sale of reserves	1	—	—	1	—	—
Production	-41	-22	-15	-77	—	—
2P reserves as at 31 Dec 2021	361	157	187	705	475	230
Thereof equity-accounted companies	5	—	—	5	5	—
Revisions and other changes	1	-3	-2	-4	—	—
Maturation and discoveries	3	—	—	3	—	—
Purchase/sale of reserves	-10	—	—	-11	—	—
Production	-39	-23	-16	-77	—	—

[1] 2P reserves (proved plus probable reserves) are inclusive of 1P reserves (proved reserves); some figures might not sum up due to rounding
[2] Excludes Libya onshore

Oil in million boe	Northern Europe	Latin America	Middle East/ North Africa[1]	Total	Thereof developed	Thereof undeveloped
2P reserves as at 31 Dec 2023	312	72	165	549	312	237
Thereof equity-accounted companies	—	—	—	—	—	—
Revisions and other changes	-4	—	1	-3	—	—
Maturation and discoveries	8	—	—	8	—	—
Purchase/sale of reserves	—	40	—	40	—	—
Production	-34	-5	-3	-41	—	—
2P reserves as at 31 Dec 2022	342	36	166	544	329	215
Thereof equity-accounted companies	—	—	—	—	—	—
Revisions and other changes	9	—	-1	9	—	—
Maturation and discoveries	21	11	—	33	—	—
Purchase/sale of reserves	-9	—	—	-9	—	—
Production	-35	-3	-2	-40	—	—
2P reserves as at 31 Dec 2021	355	27	169	551	271	280
Thereof equity-accounted companies	—	—	—	—	—	—
Revisions and other changes	-16	—	12	-4	—	—
Maturation and discoveries	1	3	—	4	—	—
Purchase/sale of reserves	-7	-3	—	-10	—	—
Production	-37	-3	-5	-44	—	—

[1] Excludes Libya onshore

Total in million boe	Northern Europe	Latin America	Middle East/ North Africa[1]	Total	Thereof developed	Thereof undeveloped
2P reserves as at 31 Dec 2023	681	317	336	1,333	786	547
Thereof equity-accounted companies	4	—	—	4	3	—
Revisions and other changes	-5	-5	-5	-15	—	—
Maturation and discoveries	13	—	4	16	—	—
Purchase/sale of reserves	—	43	6	49	—	—
Production	-76	-25	-17	-118	—	—
2P reserves as at 31 Dec 2022	749	304	347	1,400	861	539
Thereof equity-accounted companies	4	—	—	4	4	—
Revisions and other changes	17	10	7	34	—	—
Maturation and discoveries	99	134	—	234	—	—
Purchase/sale of reserves	-8	—	—	-8	—	—
Production	-75	-24	-17	-117	—	—
2P reserves as at 31 Dec 2021	716	184	357	1,257	746	511
Thereof equity-accounted companies	5	—	—	5	5	—
Revisions and other changes	-15	-3	10	-8	—	—
Maturation and discoveries	4	3	—	7	—	—
Purchase/sale of reserves	-18	-3	—	-21	—	—
Production	-75	-25	-20	-121	—	—

[1] Excludes Libya onshore

Capex

€ million	2023[1]	2022[2]
Northern Europe	614	645
Latin America	219	75
Middle East/North Africa	281	128
HQ and Other	38	15
Total	**1,152**	**863**

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

In 2023, capital expenditures amounted to €1,152 million compared with €863 million in 2022. The increase in Latin America and the Middle East/North Africa region was attributable to our ongoing investment in projects in these regions, e.g. the Fénix gas project offshore Tierra del Fuego, and the Ghasha field in the United Arab Emirates.

A total of €13 million in capital expenditures in the segment HQ and Other were related to continuing operations.

Net exploration expenditures

€ million	2023[1]	2022[2]
Exploration capex	102	100
Northern Europe	55	67
Latin America	47	31
Middle East/North Africa	—	3
Exploration expenses	147	102
Northern Europe	48	55
Latin America	94	40
Middle East/North Africa	10	5
HQ and Other	-5	2
Adjusted for dry well costs from prior periods	-39	-2
Adjusted for gains/losses from disposal of exploration assets	—	1
Proceeds from disposal of exploration assets and acquisitions	—	-2
Adjusted for changes in provisions	23	6
Total	**233**	**205**

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

In 2023, exploration expenditures totalling €102 million were capitalised. The expenditures declined in Northern Europe due to lower exploration activities in the reporting period. The higher expenditures in Latin America related to rising investment activities mainly in Mexico.

The period under review comprised five successful wells in Norway and Mexico and one yet-to-be-completed well drilled in Norway.

Exploration expenses included expenses for the acquisition of seismic data, licence fees and expenses for dry well costs. In 2023, exploration expenses included two dry wells in Mexico, one dry well in Norway and one in Egypt.

All exploration expenditures were related to discontinued operations.

2.5 FINANCIAL PERFORMANCE

The consolidated statement of income includes additional information for the reporting and comparison periods, excluding the disclosure of the Target E&P and CMH Business as discontinued operations (and thus combining continuing and discontinued operations) to ensure a meaningful comparison. The components of the result from discontinued operations are shown as part of the respective line items in the consolidated statement of income in a way that the net result is the same for both presentation formats.

The consolidated statement of cash flows includes additional information for the reporting and comparison periods, excluding the disclosure of the Target E&P and CMH Business as discontinued operations (and thus combining continuing and discontinued operations) to ensure a meaningful comparison.

In addition, the consolidated statement of income and the consolidated statement of cash flows for the comparison period are shown excluding the Russian business to make the comparison meaningful.

The consolidated balance sheet includes additional information for the reporting period, excluding the disclosure of the Target E&P and CMH Business as assets and liabilities held for distribution (and thus combining continuing and discontinued operations). WIGA is shown as an asset held for sale.

The other tables in this section for the non-GAAP measures comprise both the continuing and discontinued operations; in addition, the comparison period excludes the Russian business.

The management discussion and analysis is based on the comparison of the combined business of both continuing and discontinued operations (as shown in the columns labelled "additional information").

Earnings performance

Consolidated statement of income

€ million	2023	2022	Additional information 2023[1]	Additional information 2022[2]
Revenues gas and oil	3,202	11,068	8,971	16,829
Revenues other	2	61	93	107
Net income from equity-accounted investments: gas and oil	-17	101	-17	-1
Net income from equity-accounted investments: midstream	104	-8	104	-8
Other operating income	1	2	39	58
	3,292	**11,223**	**9,189**	**16,985**
Production and operating expenses	-3,159	-9,326	-4,677	-10,515
Production and similar taxes	—	—	-157	-221
Depreciation and amortisation	-6	-40	-1,298	-1,392
Net impairment on assets	541	-1,480	198	-1,311
Loss from deconsolidation Russia	—	-4,514	—	—
Exploration expenses	—	-3	-147	-102
General and administrative expenses	-357	-267	-716	-405
	311	**-4,407**	**2,392**	**3,039**
Financial income	124	219	291	274
Financial expenses	-135	-1,095	-655	-1,478
	-11	**-875**	**-364**	**-1,205**
Income/loss (-) before taxes from continuing operations / Income/loss (-) before taxes	**300**	**-5,282**	**2,028**	**1,834**
Income taxes	-200	-310	-2,037	-3,120
Net income/loss (-) from continuing operations	**100**	**-5,592**	**—**	**—**
Net income/loss (-) from discontinued operations	**-109**	**788**	**—**	**—**
Net income/loss (-)	**-9**	**-4,803**	**-9**	**-1,286**
Net income/loss (-) attributable to shareholders	-51	-4,845	-51	-1,327
Net income/loss (-) attributable to subordinated notes investors	42	42	42	42

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

Revenues and other operating income
Revenues gas and oil, which comprise revenues from own production, from trading activities as well as unrealised changes in fair values of gas derivatives, showed a decrease in 2023, falling by €7,858 million, or 47%, to €8,971 million, compared with €16,829 million in 2022. Revenues from own production, amounting to €5,272 million, decreased by 29%, primarily due to lower commodity prices: the realised gas price decreased by 29%, and the realised price for oil decreased by 11%. Unrealised changes in fair values of gas derivatives measured through profit or loss led to a loss of €47 million compared to a gain of €118 million in 2022.

Revenues from trading activities (which mainly relate to continuing operations) amounted to €3,699 million, a decrease of 61% compared to 2022, mainly driven by lower prices and volumes. These revenues are largely offset by the cost of trade goods included in production and operating expenses.

Revenues other mainly comprise revenues from marketing of unused pipeline capacities in Norway and revenues from profit tax in the MENA region, amounting to €93 million in the reporting period. The decrease (13%) was primarily due to lower revenues from the marketing of unused pipeline capacity, partially offset by higher profit tax.

Net income from equity-accounted investments went up from €-9 million in 2022 to €86 million in the reporting period, mainly driven by a higher proportionate net income from the equity-accounted investments: midstream, where impairments on sales-related receivables and on fixed assets negatively affected the net income 2022 of the respective entity.

Other operating income, comprising mainly subsidies and gains from the sale of fixed assets, decreased by €19 million to €39 million compared to €58 million in 2022, mainly due to lower government grants in Argentina.

Production and operating expenses
Production costs amounted to €782 million compared with €667 million in 2022. This increase was primarily driven by the acquisition of a 37% non-operated participating interest in the oil-producing Hokchi (segment Latin America), a one-off effect from a provision for a pre-merger commercial settlement in Germany with a third party, inflationary pressures as well as higher allocations.

	Production costs in € million		Production costs in €/boe	
	2023[1]	2022[2]	2023[1]	2022[2]
Northern Europe	600	523	8.0	7.0
Latin America	127	97	5.0	4.0
Middle East/North Africa	58	50	3.5	3.0
HQ and Other/ Consolidation	-3	-2	—	—
Total	**782**	**667**	**6.7**	**5.8**

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

Excluding the one-off effect in Germany, the underlying production costs would have been €6.1/boe in the period being reviewed.

In addition to production costs, the production and operating expenses were impacted by the following items:

Sales volumes in Latin America and Northern Europe not corresponding to the respective production volumes resulted in income from the change in over-/underlift of €57 million in the reporting period (2022: expense of €19 million), leading to a decrease of production and operating expenses.

Cost of trade goods (which mainly relate to continuing operations) went down significantly and in line with the trading revenues, amounting to €3,589 million in the reporting period (-62%).

Other costs declined by €101 million compared to 2022. This was principally attributable to higher losses from the disposal of assets in the comparison period (€128 million, mainly relating to the disposal of the Brage field in 2022), partially offset by higher net impairments (€42 million) on sales-related receivables primarily in Egypt.

General and administrative expenses
General and administrative expenses (€716 million) were 77% higher than in the comparison period (€405 million). The increase was mainly attributable to restructuring provisions (€386 million) associated with the intended closure of the headquarters in Kassel and Hamburg, as well as the implementation of a restructuring programme within the business units. This was partly offset by higher allocations to operations.

RECONCILIATION OF EBITDAX

€ million	2023[1]	2022[2]
Revenues gas and oil	8,971	16,829
adjusted for unrealised changes in fair value of commodity derivatives	47	-118
Revenues other	93	107
Net income from equity-accounted investments: gas and oil	-17	-1
adjusted for net impairments on assets included in the net income of equity-accounted investments	—	16
Net income from equity-accounted investments: midstream	104	-8
adjusted for net impairments on assets included in the net income of equity-accounted investments	—	31
Other operating income	39	58
adjusted for gains from sale of assets/changes in consolidation scope	-5	-11
Production and operating expenses	-4,677	-10,515
adjusted for net impairments and write-offs on/from operating receivables	42	-2
adjusted for losses from disposal of assets	14	132
Production and similar taxes	-157	-221
General and administrative expenses	-716	-405
adjusted for net impairments and write-offs on/from operating receivables	—	-1
adjusted for losses from sale of assets/changes in consolidation scope	—	14
adjusted for non-recurring items[3]	453	19
EBITDAX	**4,190**	**5,924**

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.
[3] 2023: included restructuring and transformation costs of €426 million and integration costs of €27 million; 2022: included integration costs of €20 million and restructuring costs of €-1 million

Totalling €4,190 million in the period under review, EBITDAX was €1,734 million lower than the prior-year figure (€5,924 million), mainly because of the decreased commodity prices.

EBITDAX relating to continuing operations amounted to €140 million.

EBITDAX PER SEGMENT

€ million	2023[1]	2022[2]
Northern Europe	3,406	5,300
Latin America	310	353
Middle East/North Africa	341	362
Midstream	105	21
HQ and Other	28	-111
Total	**4,190**	**5,924**

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

RECONCILIATION OF ADJUSTED NET INCOME

€ million	2023[1]	2022[2]
EBITDAX	4,190	5,924
Depreciation and amortisation	-1,298	-1,392
Exploration expenses	-147	-102
adjusted for gains and losses from sale of assets	—	-1
adjusted for non-recurring items (merger-related costs, acquisition costs, etc.)	-1	—
Financial income	291	274
adjusted for gains from disposal of other financial assets	-3	—
Financial expenses	-655	-1,478
adjusted for net impairments on financial receivables, bank balances and other financial assets	—	1,009
Income taxes	-2,037	-3,120
adjusted for taxes on adjusted and disregarded items	-29	-185
adjusted for non-recurring items	203	—
Adjusted net income	**513**	**928**

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

Adjusted net income is a non-GAAP financial measure which represents an additional performance indicator and, as such, is disclosed as a measure of profit or loss in the segment reporting. Adjusted net income is derived from EBITDAX less depreciation and amortisation, less exploration expenses, plus financial income, less financial expenses and less income taxes, adjusted for special items and tax effects on adjusted special items and disregarded items (e.g. net impairments on assets) as well as impairments on deferred tax assets for tax loss carryforwards.

Exploration expenses
In the reporting period, exploration expenses increased by €45 million or 44%, to €147 million compared to €102 million in 2022 (further information is provided in section Net exploration expenditures).

Financial income and expenses
The financial result improved by €840 million to €-364 million in the reporting period (2022: €-1,204 million). This was attributable to lower losses from financial derivatives (€+329 million), a higher net interest result (€+122 million) and no impairment on financial receivables (the comparison period was impacted by the full impairment on financial receivables from the financing of the Nord Stream 2 pipeline project of €1,003 million). This was partially offset by a downside turn of the net result of foreign currency exchange

(€-571 million), mainly due to the steep devaluation of the Argentinian Peso, as well as an increase in the interest from addition to provisions (€-52 million).

Income taxes
The income before taxes amounted to €2,028 million in the reporting period, compared to €1,834 million in 2022. In the period being reviewed, Wintershall Dea incurred a total tax expense of €-2,037 million (comparison period €-3,120 million).

The effective tax rate in the reporting period amounted to 100% (comparison period: 170%) and was significantly impacted by the impairment on deferred tax assets for tax loss carryforwards in Germany in connection with the intended transaction with Harbour as well as certain impairments on assets recorded without a tax effect.

Adjusted net income
Adjusted net income amounted to €513 million in 2023, compared to €928 million in 2022. The decrease in EBITDAX and the adverse effect from the devaluation of the Argentinian Peso was partly offset by significantly lower income taxes.

Net impairments on assets are part of the net income/loss as reported in the consolidated statement of income but not included in the calculation of the adjusted net income.

In the reporting period, net reversal of impairments amounted to €198 million (2022: impairment losses of €-1,311 million). They related to the segments Northern Europe (€58 million), Latin America (€156 million), Middle East/North Africa (€-499 million) and Midstream (€483 million).

Net income/loss from continuing operations amounted to €100 million in 2023, and adjusted net income from continuing operations amounted to €108 million in 2023.

Financial position

Consolidated statement of cash flows

€ million	2023	2022	Additional information 2023[1]	Additional information 2022[2]
Net income/loss (-) from continuing operations / Net income/loss (-)	**100**	**-5,592**	**-9**	**-1,286**
Amortisation/depreciation/impairment losses/reversal of impairment losses	-535	1,553	1,106	2,714
Changes in provisions	281	3	340	-38
Changes in deferred taxes	221	-55	181	-59
Gains (-)/losses from disposal of non-current assets	—	—	51	136
Gains (-)/losses from deconsolidation	—	4,527	—	13
Other non-cash income/expenses and finance costs	-55	556	94	700
Changes in working capital	-75	390	214	9
Changes in income tax assets and liabilities	-21	-74	-514	1,209
Changes in other balance sheet items	-68	80	-227	50
Cash flow from operating activities – continuing operations	**-152**	**1,389**	—	—
Cash flow from operating activities – discontinued operations	**1,388**	**3,450**	—	—
Cash flow from operating activities	**1,236**	**4,839**	**1,236**	**3,448**
Payments for intangible assets and property, plant and equipment	-13	-15	-1,254	-964
Net payments for acquisitions	—	-6	-342	-60
Net proceeds from the disposal of non-current assets/divestitures	3	-5	34	211
Disposed cash Russia due to loss of control	—	-2,011	—	—
Changes in financial receivables from cash pooling	-10	—	-10	—
Cash flow from investing activities – continuing operations	**-19**	**-2,038**	—	—
Cash flow from investing activities – discontinued operations	**-1,551**	**-793**	—	—
Cash flow from investing activities	**-1,571**	**-2,831**	**-1,571**	**-814**
Capital contribution into capital reserves	—	224	—	224
Dividend payments to shareholders	-400	-1,316	-400	-1,316
Distributions paid to subordinated notes investors	-42	-42	-42	-42
Proceeds from debt to banks	—	—	—	12
Repayments of debt to banks	—	-3	—	-14
Repayments/buybacks of bonds	—	—	-901	-98
Changes in financial liabilities to related parties (cash pooling)	82	-115	82	-114
Repayment of lease liabilities	—	—	-26	-34

Cash flow from financing activities – continuing operations	-360	-1,251	—	—
Cash flow from financing activities – discontinued operations	-927	-131	—	—
Cash flow from financing activities	-1,287	-1,382	-1,287	-1,382
Change in cash and cash equivalents	-1,621	626	-1,621	1,252
Effects of foreign exchange rate changes and other non-cash changes	-260	357	-260	2
Cash and cash equivalents at the beginning of the reporting period	3,089	2,106	3,089	1,835
Cash and cash equivalents at the end of the reporting period	1,208	3,089	1,208	3,089
less cash and cash equivalents of discontinued operations	-221	-304	—	—
Cash and cash equivalents of continuing operations at the end of the reporting period	987	2,785	—	—

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

Cash flow from operating activities
Cash flow from operating activities decreased by €-2,212 million from €3,448 million in 2022 to €1,236 million in 2023. The decrease was primarily due to lower commodity prices. In addition, income tax payments, which totalled €-2,325 million, increased significantly compared to the previous year (2022: €-1,908 million), mainly due to the tax payment schedule in Norway. An offsetting effect resulted from higher net interest payments in the period under review (€+165 million).

Cash flow from operating activities - continuing operations amounted to €-152 million in 2023.

Cash flow from investing activities
Cash flow from investing activities amounted to €-1,571 million in 2023 compared to €-814 million in 2022. The reporting period included higher capital expenditures (€-290 million) due to the rising investment activities in Latin America and the Middle East/North Africa region, an increase in net payments for acquisitions (€-282 million), mainly in Latin America relating to the Hokchi acquisition, as well as a decrease in proceeds from divestitures (€-177 million), which mainly related to our divestments in Argentina and Norway in the comparison period.

Cash flow from investing activities - continuing operations amounted to €-19 million in 2023.

Cash flow from financing activities
Cash flow from financing activities amounted to €-1,287 million compared to €-1,382 million in the comparison period. The reporting period was impacted by the repayment of the €-901 million in outstanding aggregate principal amount of the bond due in September 2023 and the ordinary dividend payment to shareholders (€-400 million). The comparison period was determined by payments to shareholders for ordinary dividend and preferred dividend as well as bond buybacks on the open market (€-98 million).

Cash flow from financing activities – continuing operations amounted to €-360 million in 2023.

€ million	2023[1]	2022[2]
Cash flow from operating activities	1,236	3,448
Cash flow from investing activities	-1,571	-814
less net payments for acquisitions	342	60
less proceeds from the disposal of non-current assets/divestitures	-34	-211
Free cash flow	**-27**	**2,484**

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

Wintershall Dea believes the Group has sufficient funds available to meet its liquidity needs, including working capital, based on its current liquidity reserves, which included €1,208 million in cash and cash equivalents at the end of the reporting period (down from €3,089 million as at 31 December 2022) and an undrawn committed revolving credit facility of €900 million.

Net assets

Consolidated balance sheet

€ million	31 Dec 2023	Additional information 31 Dec 2023[1]	31 Dec 2022
Assets			
Non-current assets			
Goodwill	—	2,087	2,156
Exploration assets	—	343	298
Other intangible assets	15	1,874	1,912
Property, plant and equipment	39	7,867	8,245
Equity-accounted investments	157	157	599
Other financial assets	—	12	261
Financial receivables	10	10	212
Derivative assets	15	135	26
Other receivables	1	19	14
Deferred tax assets	—	138	189
	236	**12,641**	**13,912**
Current assets			
Inventories	—	162	215
Financial receivables	23	25	19
Trade and other receivables	102	1,162	1,937
Derivative assets	85	296	405
Income tax assets	2	11	24
Cash and cash equivalents	987	1,208	3,089
Assets held for sale	1,251	1,251	—
Assets held for distribution	14,070	—	—
	16,519	**4,115**	**5,690**
Total assets	**16,756**	**16,756**	**19,601**

[1] 31 December 2023 combining continuing and discontinued operations.

Non-current assets equalled €12,641 million as at 31 December 2023, amounting to 75% of total assets.

Compared to €13,912 million as at 31 December 2022, non-current assets decreased by €1,271 million or 9%.

Intangible assets of €4,303 million were €63 million below the prior-year figure (€4,366 million). The decrease due to amortisation (€-199 million) and foreign currency translation effects (€-135 million) was partly offset by additions (€188 million) related to the Hokchi acquisition and to exploration assets as well as by the net reversal of impairments (€124 million).

Tangible assets amounted to €7,867 million, a decrease of €378 million (31 December 2022: €8,245 million). The main factors for the decrease were depreciation (€-1,105 million), net impairments (€-467 million) and foreign currency translation effects (€-226 million). Opposing effects were mainly felt from additions (€1,580 million), driven by the Hokchi acquisition, our Norwegian development projects as well as rising investment activities in Latin America and the region Middle East/North Africa.

Compared to year-end 2022, equity-accounted investments went down by €442 million and amounted to €157 million (31 December 2022: €599 million). The decrease was mainly driven by the reclassification of one of the equity-accounted investments to assets held for sale (€-1,050 million). This was partially offset by the reversal of impairments (€541 million) as well as the proportionate net income of the participations (€86 million).

Other financial assets decreased by €249 million, amounting to €12 million (31 December 2022: €261 million). After the issuance of two new decrees in Russia, our Russian participations are expropriated; the respective adverse change in fair value of €-248 million is recorded in OCI, leading to a fair value of zero.

Non-current financial receivables amounted to €10 million, a decrease of €-202 million due to the reclassification of a loan into assets held for sale.

Current assets decreased by 28% compared to 31 December 2022 and amounted to €4,115 million as at 31 December 2023.

The price-related decrease in inventories of €53 million was primarily attributable to our share in a gas storage in Germany.

Trade and other receivables amounted to €1,162 million, compared with €1,937 million as at 31 December 2022. Trade accounts receivables decreased significantly in line with declined revenues.

The decrease in current derivative assets (€-109 million) was primarily attributable to lower fair values of commodity derivatives measured through profit and loss.

Cash and cash equivalents decreased from €3,089 million to €1,208 million, mainly due to the bond repayment, the dividend payment, the payment of the purchase price for Hokchi and adverse foreign currency exchange effects on cash mainly in Argentina.

Assets held for sale comprise the equity-accounted investment in WIGA as well as a loan to the company.

€ million	31 Dec 2023	Additional information 31 Dec 2023[1]	31 Dec 2022
Equity and liabilities			
Equity attributable to shareholders and subordinated notes investors			
Subscribed capital	189	189	189
Capital reserves	1,186	1,186	1,386
Retained earnings and other comprehensive income	634	634	441
Equity attributable to subordinated notes investors	1,525	1,525	1,525
	3,534	**3,534**	**3,541**
Non-current liabilities			
Pension provisions	333	405	371
Decommissioning provisions	1	1,797	1,954
Other provisions	98	257	124
Financial debt	26	3,115	3,067
Derivative liabilities	3	41	1,220
Income tax liabilities	12	15	36
Other liabilities	—	21	19
Deferred tax liabilities	—	4,084	1,713
	473	**9,736**	**8,504**
Current liabilities			
Decommissioning provisions	—	197	133
Other provisions	276	490	299
Financial debt	176	213	1,356
Trade and other payables	55	820	1,528
Derivative liabilities	63	297	2,491
Income tax liabilities	4	1,153	1,750
Liabilities directly associated with assets classified as held for sale	317	317	—
Liabilities held for distribution	11,859	—	—
	12,749	**3,486**	**7,557**
Total equity and liabilities	**16,756**	**16,756**	**19,601**

[1] 31 December 2023 combining continuing and discontinued operations.

Equity decreased by €7 million to €3,534 million compared with 31 December 2022. This development was driven by the distribution of common dividends to shareholders (€-400 million), the negative fair value changes in other financial assets (€-248 million), the net result (€-9 million), distributions to subordinated notes investors (€-42 million) as well as negative effects from foreign currency translation (€-128 million). This was nearly completely offset by positive fair value changes in cash flow hedges (€844 million).

The equity attributable to subordinated notes investors qualifies as equity according to IAS 32 until the intended spin-off of the Target E&P and CMH Business.

Compared with 31 December 2022, non-current liabilities increased by €1,232 million to €9,736 million as at 31 December 2023.

Non-current decommissioning provisions went down by €-157 million, mainly driven by reduced cost estimates as well as the timing of the abandonment.

Other non-current provisions increased by €133 million, mainly attributable to additions to the restructuring provision associated with the intended closure of the headquarters in Kassel and Hamburg.

The decrease in non-current derivative liabilities (€-1,179 million) was attributable primarily to lower negative fair values of commodity derivatives in hedge relationships measured at fair value through other comprehensive income.

Deferred tax liabilities increased by €2,371 million to €4,084 million, mainly due to a lower netting with decreased deferred tax assets in Norway resulting from a positive development of gas hedges recognised in other comprehensive income.

Current liabilities decreased by 54% compared to 31 December 2022 and amounted to €3,486 million as at 31 December 2023.

Other current provisions increased by €191 million, mainly attributable to the provision for the planned restructuring measures both in headquarters and in the business units.

Compared with 31 December 2022, current financial debt decreased by €1,143 million and amounted to €213 million. The decrease was primarily due to the bond repayment (€901 million) and the reclassification of cash pooling liabilities into liabilities directly associated with assets classified as held for sale (€317 million). This was partially compensated by an increase in cash pooling liabilities (€82 million).

Trade and other payables decreased by €708 million to €820 million compared to €1,528 million as at 31 December 2022, mostly attributable to a decrease in liabilities from gas trading.

The decrease in current derivative liabilities (€-2,194 million) was attributable primarily to lower negative fair values of commodity derivatives in hedge relationships measured at fair value through other comprehensive income.

Income tax liabilities decreased to €1,153 million (31 December 2022: €1,750 million). The increase resulting from accrued tax expenses for the current period was overcompensated by significant tax payments related to the previous year in Norway.

Liabilities directly associated with assets classified as held for sale are related to cash pooling liabilities towards WIGA.

Net debt/EBITDAX ratio

€ million	31 Dec 2023[1]	31 Dec 2022[2]
Bonds	3,003	3,903
Financial liabilities from cash pooling	481[3]	410
Lease liabilities	153	93
Total debt	**3,637**	**4,406**
Financial receivables from cash pooling	-23	-13
Cash and cash equivalents	-1,208	-3,089
Net debt	**2,407**	**1,303**
EBITDAX (LTM)[4]	**4,190**	**5,924**
Net debt/EBITDAX ratio	**0.6**	**0.2**

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.
[3] Although reported as held for sale, the cash pool liabilities to WIGA are still shown as net debt, as a repayment would lead to a reduction in cash and cash equivalents in the same amount.
[4] LTM = Last 12 months

Net debt as at 31 December 2023 amounted to €2,407 million compared to €1,303 million as at 31 December 2022. The increase of net debt, coupled with the decrease in EBITDAX for the last 12-month period, led to a net debt to EBITDAX (LTM) ratio of 0.6x. Although this is higher than in the comparison period, it is well below the target of less than 1.5x through the cycle.

Overall statement

Wintershall Dea can look back on satisfactory underlying business development in the 2023 reporting year, as it not only brought a third of the major development projects on stream in Norway, thereby maintaining production, but also drove forward the additional existing development project pipeline. Adverse effects resulted from the weaker commodity price environment: net of special items, key operational and financial figures decreased in 2023. Wintershall Dea started a restructuring programme in the second half of 2023 to adapt the organisational structure in line with the strategy to strengthen its competitiveness, reduce the cost base and focus even more on the strategic priorities. With the announced intention of our shareholders to sell the majority of Wintershall Dea's business, the in-year focus will be centred around safe business continuity, integration and closing activities. Overall, underlying business performance was slightly below management's expectations. Production was slightly lower than planned, primarily due to later than planned commissioning of the Dvalin field. Information on the outlook for 2024 is provided in the Outlook, Risks and Opportunities Report.

2.6 VOLUNTARY DISCLOSURE (UNAUDITED)

Quarterly information

The tables in this section comprise both the continuing and discontinued operations; in addition, the comparison period excludes the Russian business.

CONSOLIDATED STATEMENT OF INCOME

€ million	Q4 2023[1]	Q4 2022[2]
Revenues gas and oil	1,526	4,233
Revenues other	59	78
Net income from equity-accounted investments: gas and oil	-50	-99
Net income from equity-accounted investments: midstream	15	-160
Other operating income	12	8
	1,562	**4,061**
Production and operating expenses	-471	-2,809
Production and similar taxes	-37	-56
Depreciation and amortisation	-361	-371
Net impairment on assets	643	-927
Exploration expenses	-55	-39
General and administrative expenses	-183	-94
	1,099	**-235**
Financial income	206	365
Financial expenses	-442	-424
	-236	**-59**
Income/loss (-) before taxes	**863**	**-294**
Income taxes	-784	-547
Net income/loss (-)	**79**	**-841**
Net income/loss (-) attributable to shareholders	68	-852
Net income/loss (-) attributable to subordinated notes investors	11	11

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	Q4 2023[1]	Q4 2022[2]
Net income/loss (-)	**79**	**-841**
Amortisation/depreciation/impairment losses/reversal of impairment losses	-280	1,297
Changes in provisions	165	9
Changes in deferred taxes	295	-298
Gains (-)/losses from disposal of non-current assets	43	123
Other non-cash income/expenses and finance costs	206	144
Changes in working capital	156	192
Changes in income tax assets and liabilities	7	-21
Changes in other balance sheet items	6	-309
Cash flow from operating activities	**677**	**298**
Payments for intangible assets and property, plant and equipment	-471	-261
Net payments for acquisitions	-19	-51
Net proceeds from the disposal of non-current assets/divestitures	6	106
Payments for financial receivables	—	2
Changes in financial receivables from cash pooling	-9	-4
Cash flow from investing activities	**-493**	**-208**
Dividend payments to shareholders	—	-1,002
Changes in financial liabilities to related parties (cash pooling)	-284	—
Repayment of lease liabilities	-7	-4
Cash flow from financing activities	**-291**	**-1,006**
Change in cash and cash equivalents	**-107**	**-915**
Effects of foreign exchange rate changes and other non-cash changes	-226	-241
Cash and cash equivalents at the beginning of the reporting period	**1,540**	**4,246**
Cash and cash equivalents at the end of the reporting period	**1,208**	**3,089**

[1] FY 2023 combining continuing and discontinued operations.
[2] FY 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.

SELECTED PERFORMANCE INDICATORS BY SEGMENT

	Q4 2023[1]					
€ million	Northern Europe	Latin America	Middle East/ North Africa	Midstream	HQ and Other	**Total**
Realised prices						
Average realised gas price (in $/mscf)[2]	11.57	3.00	3.81[3]	—	—	**8.39**
Average realised oil price (in $/bbl)[2]	72.6	64.0	80.8	—	—	**72.0**
External revenues	636	135	152	—	662[4]	**1,585**
Production						
Natural gas (mboe/d)[5]	130	49	38	—	—	**217**
Oil (mboe/d)[5]	91	15	6[6]	—	—	**112**
Total production (mboe/d)[5]	221	64	44[6]	—	—	**329**
Production costs in €/boe[7]	11.8	6.1	5.1	—	—	**9.8**
EBITDAX	860	66	48	18	118	**1,110**
Adjusted net income	58	-130	-98	17	103	**-48**
Exploration						
Exploration capex	41	3	—	—	—	**44**
Exploration expenses	13	46	4	—	-8	**55**
Net exploration expenditures	54	22	7	—	-8	**74**
Capex	163	90	160	—	15	**427**
Free cash flow	205	99	-115	2	6	**197**

[1] Q4 2023 combining continuing and discontinued operations.
[2] Includes commodity hedge result
[3] Includes the deduction of applicable taxes for Algeria
[4] The segment revenues are exclusively related to trading activities managed by the headquarters (€662 million including trading activities for the Group's own production)
[5] Mboe/d – thousand barrels of oil equivalent per day/on a working-interest basis, including proportional production from at equity-accounted companies
[6] Excludes Libya onshore
[7] Excluding the one-off effect, the specific production costs would have been 8.6 €/boe in Northern Europe and 7.6 €/boe in total.

	Q4 2022[1]					
€ million	Northern Europe	Latin America	Middle East/ North Africa	Midstream	HQ and Other	**Total**
Realised prices						
Average realised gas price (in $/mscf)[2]	16.72	3.22	4.23[3]	—	—	**10.48**
Average realised oil price (in $/bbl)[2]	69.6	58.6	79.3	—	—	**69.4**
External revenues	689	130	126	—	3,366[4]	**4,311**
Production						
Natural gas (mboe/d)	114	60	40	—	—	**214**
Oil (mboe/d)	95	7	7[6]	—	—	**109**
Total production (mboe/d)	209	67	47[6]	—	—	**323**
Production costs in €/boe	6.9	4.9	3.3	—	—	**6.0**
EBITDAX	1,295	48	12	-130	33	**1,258**
Adjusted net income	158	-60	-76	-125	176	**73**
Exploration						
Exploration capex	16	16	3	—	—	**34**
Exploration expenses	19	22	2	—	-3	**39**
Net exploration expenditures	34	40	5	—	-3	**76**
Capex	155	28	32	—	11	**226**
Free cash flow	103	22	23	—	4	**151**

[1] Q4 2022 combining continuing and discontinued operations; in addition, the previously published figures have been adjusted for segment Russia due to the deconsolidation of Russia.
[2] Includes commodity hedge result
[3] Includes the deduction of applicable taxes for Algeria
[4] The segment revenues are exclusively related to trading activities managed by the headquarters (€3,366 million including trading activities for the Group's own production)
[5] Mboe/d – thousand barrels of oil equivalent per day/on a working-interest basis, including proportional production from at equity-accounted companies
[6] Excludes Libya onshore

3. OUTLOOK, RISKS AND OPPORTUNITIES REPORT

3.1 OUTLOOK

Underlying assumptions/developments

Our guidance is based on the underlying assumption that the global economy experiences suppressed growth due to higher interest rates and geopolitical conflicts. Inflation is expected to normalise further, with commodity demand and supply to grow continuously.

For 2024, we assume the following commodity prices and exchange rates:

- Brent prices in the range of $70-85/bbl
- TTF gas prices in the range of $14-18/mmbtu
- $/€ exchange rate in the range of 1.05-1.10

During the year, we provided updates to the initial guidance. According to the requirements of GAS 20, the actual performance in the 2023 fiscal year should be compared to the original 2023 guidance.

During the year, Brent was about 4% above and TTF about 13% below our underlying assumptions, reflecting lower demand, high storage overhang from last winter, and ample supplies of LNG and pipeline gas from Norway and northern Africa. After a period of prolonged and extreme turbulence since 2020, some of the tensions in the energy markets have eased in 2023. However, global energy markets are still adjusting to ever-changing geopolitical and monetary conditions. The dollar versus the euro in the reporting year was 8% above the average of our underlying assumptions in last year's guidance.

Production[1] for 2023 was slightly below the original guidance and the latest revised guidance in the second quarter of 2023. The difference resulted mainly from extended turnarounds in Norway and longer than planned commissioning of the Dvalin field, which came fully on stream at the end of 2023.

Capex in 2023 was below the original guidance and in line with the latest revised guidance in the second quarter of 2023.

In 2023, both EBITDAX and free cash flow were slightly below our original target range for the year, mainly due to lower-than-expected production volumes and lower gas prices.

Outlook

The Wintershall Dea Group's new medium-term planning (MTP) was adopted in December 2023. Our guidance is based on this MTP and concerns only the continuing operations, consisting of the assets other than the Target E&P and CMH Business. Following the spin-off of the Target E&P and CMH Business, Wintershall Dea AG will focus on reducing the HQ personnel to the minimum required to operate the remaining business and monetise the remaining assets followed by the eventual closing of the headquarters in Hamburg and Kassel.

In 2024, for the continuing operations, we expect the following:

- Production in the range of 2 thousand to 5 thousand boe per day
- Capex to be significantly lower than capex in 2023 for Wintershall Dea Group (continuing and discontinued operations)
- EBITDAX to be significantly lower than EBITDAX in 2023 for Wintershall Dea Group (continuing and discontinued operations)
- Free cash flow (FCF) to be significantly lower than FCF in 2023 for Wintershall Dea Group (continuing and discontinued operations).

[1] Excludes Libya onshore

3.2 OPPORTUNITIES AND RISKS

Until the completion of the spin-off of the Target E&P and CMH Business, the Group will manage its business in an unchanged manner. Therefore, the opportunities and risks are valid both for continuing and discontinued operations.

The goal of Wintershall Dea's risk management is to identify and evaluate opportunities and risks as early as possible and take appropriate measures in order to seize opportunities and avoid harm to the Company, people, the environment, business partners and third parties. The aim is to avoid risks that pose a threat to Wintershall Dea's continued existence and make optimal managerial decisions to create value. There can be no assurance, however, that Wintershall Dea will be able to meet its strategic goals on time or at all.

We define opportunities as events that positively affect the achievement of our strategy and business goals. We understand risk to be any event that negatively affects the achievement of our strategy and business goals.

In order to effectively measure and manage the identified opportunities and risks, we quantify these where appropriate in terms of their probability and impact in the event they occur. Where possible, we use statistical methods to aggregate opportunities and risks into risk factors. This provides an overall view of the opportunities and risks at portfolio level, allowing us to take effective action to manage risks.

Risk management process

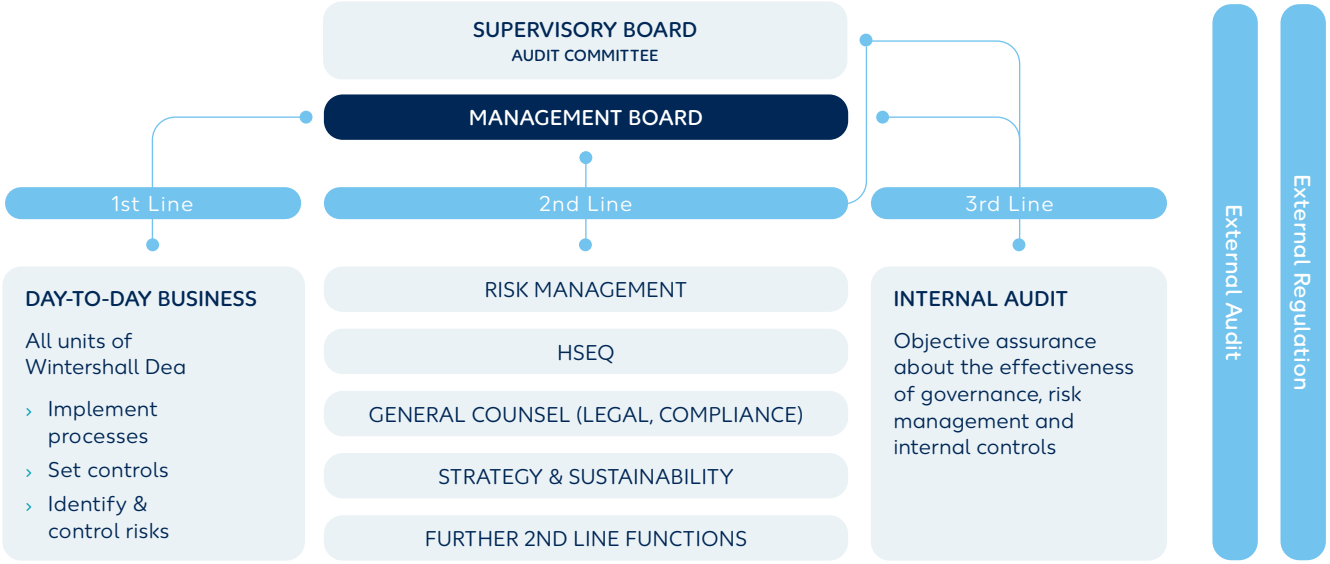
Wintershall Dea's risk management process is based on the international risk management standard COSO Enterprise Risk Management – Integrating with Strategy and Performance (2017) and has the following key features:

Organisation and responsibilities

Ensuring the risk awareness of each employee at Wintershall Dea is an integral part of the Company's day-to-day risk culture.

- The organisation of risk management within Wintershall Dea follows the principles of the "Three Lines Model".
- Risk management is the responsibility of the Management Board, which also determines the processes for approving investments, acquisitions and divestitures.
- The Management Board is supported by Group Risk Management, which coordinates the risk management process at company level, examines quantitative and qualitative opportunities and risks and provides the structure and appropriate methodology. This ensures that opportunity and risk management is integrated into the strategy, planning and decision-making processes.
- A network of local risk managers from international business units advances the implementation of appropriate risk management practices in daily operations.
- Market risks, including commodity and currency risks, are centrally evaluated and actively hedged at Group level. Hedging activities are governed by the Group's hedging policy. The management of operational opportunities and risks is largely delegated to the business and corporate units at a regional or local level.
- The primary goal of our compliance management system is to ensure Wintershall Dea, its executive bodies, employees, and third parties, if applicable, comply with all legal, internal and external regulations affecting the Company using appropriate measures.
- The internal auditing unit (Corporate Audit) is responsible for regularly auditing the risk management system established by the Management Board in accordance with Section 91 (2) of the German Stock Corporation Act. Furthermore, as part of its monitoring of the Management Board, the Audit Committee of the Supervisory Board reflects on the effectiveness of the risk management system.
- The Sustainability unit is responsible for the integration of sustainability into our core business and the coordination of company-wide measures. To ensure the alignment of operational activities with the corporate sustainability strategy, relevant projects such as country entries and investments with potential meaningful sustainability impacts undergo a dedicated sustainability assessment.

RISK MANAGEMENT ORGANISATION



Process

- The Risk Management Policy, applicable throughout the Company, forms the framework for risk management and is implemented by the business units and corporate units in accordance with their specific circumstances.
- A catalogue of opportunity and risk factors helps to identify all relevant quantitative and qualitative opportunities and risks as comprehensively as possible.
- Wintershall Dea has established a bottom-up risk management process that involves all levels within the organisation through regular risk dialogues. As part of this process, Group Risk Management aggregates and reports opportunities and risks to the Management Board and the Audit Committee at least twice a year.
- Furthermore, updates on the risk portfolio are provided for all quantitative risks and opportunities during the regular planning cycles. If new significant risks are identified, they must be immediately reported.
- Probability of occurrence and potential impact are quantitatively and qualitatively evaluated for all opportunities and risks where applicable. Evaluation criteria are defined as quantitative and qualitative KPIs and refer to the actual risk, taking into consideration the effective response measures in place.
- The quantification is based on the probability of occurrence and the potential impact on the planned FCF and EBITDAX, which also include potential impacts on the major KPIs of production per day and capex. The quantified risks and opportunities are simulated and aggregated to provide risk-based information using a 98% confidence interval. Long-term quantitative opportunities and risks that affect the FCF and/or EBITDAX in later years are considered separately by the net present value (NPV) of projects and assets. Additionally, as GHG emissions became one of the Company's important metrics and part of internal processes, we also quantify risks and opportunities related to the forecasted Scope 1 and 2 emissions.
- The qualitative assessment considers the potential impact on the environmental, safety and security situations as well as legal and reputational consequences.

ENTERPRISE RISK MANAGEMENT PROCESS

Overall assessment

- Significant opportunities and risks arise from changes in market prices for commodities
- No threat to the continued existence of Wintershall Dea

For 2024, we are assuming continued elevated uncertainty surrounding geopolitical tensions, sustained global supply chain disruptions, high commodity prices or further geopolitical conflicts could dampen growth momentum substantially. Although price pressures can be expected to subside globally in 2024, the prospect of inflation remains uncertain.

According to our assessment, there are no significant individual risks that pose a threat to the continued existence of Wintershall Dea. The same applies for the sum of individual risks, even in the case of a global economic crisis. Ultimately, however, all entrepreneurial activities retain some level of risk that cannot be ruled out, even with comprehensive risk management.

The aggregated potential short-term effects on FCF, as set out below, provide a holistic view of Wintershall Dea's quantitative opportunities and risks in 2024. Risks with probabilities below or equal to 2% (tail events) are not depicted in the aggregation table, as a 98% confidence interval is applied for each risk factor based on planned values.

OUTLOOK FOR KEY OPPORTUNITY AND RISK FACTORS WITH POTENTIAL SHORT-TERM EFFECTS ON FCF 2024

Categories	Outlook Effects on free cash flow 2024 – +
Financial and Market	
Hydrocarbon prices	●●●●●●●●●●
Foreign exchange	○○●●●●●○○○
Credit / Counterparty	○○●●●○○○○○
Tax	○○○○●●●●○○
Regulatory / Political	○○○○●●●○○○
Operational	
Third party influence	○○○●●○○○○○
Facilities / Wells	○○●●●●●●○○
Subsurface	○○○○●●○○○○
Legal / Contracts	○○●●●●○○○○
Human Resources	○○○○●●○○○○

Categories from	Effects on free cash flow from	to	Outlook –+
Very low		< €50 m	○○○○●●○○○○
Low	€50 m	€150 m	○○○●●●●○○○
Moderate	€150 m	€500 m	○○●●●●●●○○
High	€500 m	€750 m	○●●●●●●●●○
Very high	> €750 m		●●●●●●●●●●

KEY OPPORTUNITY AND RISK FACTORS

Hydrocarbon prices

› The Group's business depends significantly on hydrocarbon prices, which are impacted by global economic conditions and can be volatile

The Group's estimated revenues, cash flow, reserves and resources, as well as profitability and growth, depend substantially on the prevailing international and local prices of the hydrocarbons that the Group produces. Hydrocarbon prices are volatile and depend on factors beyond the Group's control. Prices are currently driven and expected to be driven in the future largely by general uncertainty about the recovery in global economic activity and the developments of geopolitical conflicts.

Continued price volatility for oil and/or gas, an escalation of geopolitical conflicts, a downturn in global economic conditions, and the speed of the energy transition could all have a material adverse effect on the Group's business, financial condition and results of operations.

Risk management

The Group manages short to mid-term hydrocarbon price risk by systematically hedging portions of its oil and gas price risk to protect its investment-grade rating and increase dividend predictability. This risk management serves to ensure sufficient liquidity and to provide the management with the flexibility it needs to adapt its strategy in the event of critically low commodity prices.

The volumes to be hedged depend on the Group's commodity price exposure after tax and the current level of oil and gas prices. The target hedge volumes are 50% and 25% of economic exposure after tax, capped by 75% and 37.5% of effectively hedgeable volumes for a one-year and two-year horizon, respectively. Hedges are established using linear contracts and zero cost collars.

Furthermore, the Group's long-term strategy is designed to withstand changing market conditions with a relentless focus on maintaining and increasing the resilience of the existing portfolio and investment decisions.

Foreign exchange

› Changes in foreign exchange rates may affect the Group's results of operations and financial position

The Group is exposed to market fluctuations in foreign exchange rates. Its reporting currency is the euro. Revenues are generated in several currencies, including the US dollar, while operating expenses and investments may be denominated in other currencies, such as the Norwegian krone. Significant fluctuations in exchange rates between the US dollar and the euro or the Group's other operational currencies could materially and adversely affect its reported results.

Risk management
The Group monitors and manages foreign currency exposure on a weekly basis in an effort to eliminate the effect of currency fluctuations on the income statement.

Currency risks are monitored at the Group and entity levels, and the Group's net foreign currency exposure (after natural hedges) is actively hedged, where feasible, with linear contracts.

Credit/Counterparty

› The Group is subject to credit risks

The Group's business is exposed to the risk that the amounts owed by its customers for products sold or services rendered will not be paid when due and that some customers may not be able to meet their obligations fully or on a timely basis due to insolvency or other issues. In such cases, the Group seeks to resolve any disputes and recover the amounts owed to it in conformity with the laws of the jurisdictions where the Group operates and established business practices. The Group is also exposed to credit risks through its arrangements with suppliers, joint ventures and other partners. As a result of the uncertainty regarding the amount and date at which the Group will recover overdue debts from its customers, the Group may need substantial financial resources to maintain its financial stability.

The majority of the Group's gas sales agreements are based on standard European trading terms and conditions. In the case of a significant downgrade in the Group's credit rating, some counterparties may have the right to demand credit support as a guarantee for committed supplies. The Group itself may also have the right to demand credit support from its customers and partners in specific cases which significantly lowers the credit default risks.

Risk management
Credit risks are managed on a Group basis. Group-wide procedures cover applications for credit approval, the granting and renewal of counterparty credit limits, the proactive monitoring of exposures with respect to these limits and the requirements triggering secured payment terms. As part of these processes, the solvency of and credit exposures with all counterparties are regularly monitored and assessed on a timely basis.

Tax

› The Group is exposed to tax environment risks

The Group operates and owns interests in assets in a number of countries. It is therefore exposed to a wide range of tax environments that are subject to change in a manner that may be materially adverse for the Group, which can include changes and uncertainty surrounding subsidies, royalties or taxation (including policies relating to the granting of advance rulings on taxation matters), for example, excess profit taxes in EU countries to absorb windfall profits generated from high prices. Favourable changes to subsidies, royalties or taxes may also serve as an opportunity.

Risk management
Tax risks and opportunities are managed within the Group's tax risk management system. They are coordinated with the Group's tax department to ensure a uniform risk assessment. Relevant tax risks and opportunities are transferred to enterprise risk management. Furthermore, appropriate provisions are accrued in the consolidated and statutory financial statements in accordance with IFRIC 23. The Group's tax compliance management system further includes measures to secure the correctness of tax bookkeeping and filing of tax declarations.

Regulatory/Political

› The Group is exposed to significant political risks

The Group operates and owns interests in assets in a number of geographic regions and countries, some of which are complex or have unstable political or social climates. As a result, the Group is exposed to a wide range of political, economic, regulatory, social and tax environments. These environments are subject to change in a manner that may be materially adverse for the Group. Examples include uncertainties and changes involving government policies or industrial production regulations; changes in areas such as foreign investment, inflation, capital and price controls, import and export controls, tariffs, subsidies, income and other forms of taxation (including policies related to granting advance rulings on taxation matters); the nationalisation or expropriation of property and repatriation of income and royalties; as well as changes in the areas of environment, labour, health and safety.

The Group has also seen significant growth in the opposition to oil and gas development. Despite improvements in their climate and industry policies, companies in the oil and gas industry can become the target of opposition to hydrocarbon development from stakeholder groups, including national, state and local governments, regulatory agencies, non-governmental organisations, local communities and public citizens. This opposition may attempt to limit or stop hydrocarbon development, extraction activities or transportation in or from certain areas.

The Group is committed to complying with all applicable sanctions in its business and taking all of the measures necessary to mitigate risks to its business resulting from the imposition of or changes in applicable sanctions regimes. There can be no assurance that compliance with applicable sanctions will not impose material costs on the Group.

Risk management
We continuously monitor geopolitical and societal developments to the extent of their importance to our interests. The results of this monitoring are taken into consideration when defining our strategy and respective actions.

The Group's material existing investments in its assets in developing and emerging countries benefit from investment guarantees provided by the Federal Republic of Germany. These guarantees offer protection for direct investments of German companies in specific circumstances against certain political risks, including expropriation, nationalisation, wars (including civil wars and other armed conflicts), payment embargoes and moratoria.

Third-party influence

› The Group's influence on its joint venture partners may be limited

To the extent that the Group is not the operator of its gas and oil assets, the Group is dependent on its commercial partners acting as operators. In this context, the underperformance of any commercial partner may result in losses, delays and/or increased costs.

Risk management
Wintershall Dea's non-operated joint ventures represent a large portion of the Group's business. While we fully respect the role of the operator, we believe that we also share responsibility for the success or failure of our joint ventures. We perform our see-to-it duty independently of authorities' requirements.

The business units track the performance of the assets and their respective operator. We have established a workflow to secure a consistent approach to joint venture influencing. This approach includes operator assessments, stakeholder analyses, opportunities and risks and their mitigation. On this basis, the responsible asset team determines key focus areas that are deemed significant and can be influenced by Wintershall Dea. These areas are followed up regularly. Our corporate unit "Joint Venture Influencing" supports the asset teams to drive performance. It connects all of the Groups' joint venture influencing activities by providing guidance, service, support, consultation and quality assurance.

Facilities/Wells

› The Group is exposed to financial risks related to its exploration, development and production activities

Some of the development projects have required and will require significant investment due to the complexity, scale and/or harsh environmental conditions. The Group's assets also require substantial ongoing expenditures for their operation, optimisation, inspection, maintenance and repair.

There is significant risk involved in estimating the expenditures for the above-mentioned exploration, development and production activities due to the inherent uncertainties involved in areas such as drilling operations in new formations, encountered fluid compositions, and technical complexities related to the construction and operation of wells and facilities. Additionally, planned production targets might not be met due to events such as a temporary cessation or curtailment in production.

Risk management
We apply defined corporate processes to ensure company-wide quality standards throughout the E&P value chain.

We utilise available technologies that economically increase and enhance production, reduce costs and mitigate risks. Our digital team co-develops IT solutions where required. Further on, our Technology Service Centre is our competence centre for reservoir and production services all over the E&P value chain. We provide a portfolio of analyses and solutions that support, above all, the assessment of reservoirs and equipment installed as well as the optimisation of operations and recovery.

Subsurface

› The Group may fail to properly estimate reserves and resources

Reserves are those quantities of oil and natural gas anticipated to be commercially recoverable from known accumulations of hydrocarbons. Reserve estimates may undergo positive or negative changes over time and exert an influence on current depreciation and amortisation, as well as on the value of the Company's assets. In general, estimates of economically recoverable oil and gas reserves are based on a number of factors and assumptions made as at the date on which the reserve estimates are determined, such as geological and engineering estimates, production from the fields, the assumed effects of regulation by governmental agencies, and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results.

The uncertainties described may result in either an overestimation or underestimation of the production realised in the future.

It may also be required to scale down, delay or cancel drilling operations or surface construction, or respectively reduce or stop production due to different factors. This can include unexpected drilling conditions, adverse reservoir characteristics, such as pressure regimes or unforeseen production behaviour, e.g. water breakthrough.

Risk management

The quality of bookings of reserves and resources at the company level is assured by an independent corporate team of experts and based on defined business processes. As part of this assurance process, our reserves and contingent resources are also evaluated by independent external reserves auditors.

Legal/Contracts

› The Group is exposed to risks from existing and future contracts

The Group is a party to various contracts, including production sharing contracts, joint operating agreements, sales contracts, and sales and purchase agreements. These contracts carry several risks that could have an adverse effect on the Group's business, such as hidden disadvantages, contingent liabilities, price revision or compensation clauses, and disputes over specific contract terms. The Group may also fail to fulfil commitments or could violate defined covenants resulting from those contracts.

Disputes may arise over specific contract clauses that could ultimately lead to litigation. The damages claimed may be material and significant expenses may be incurred for legal defence.

Risk management

Management of contractual risks involves all necessary steps to comply with contractual obligations and enforce contractual rights. Contracts may also serve to mitigate risks associated with reimbursement and compensation clauses.

Human resources

› The Group relies on skilled people to effectively run its business and to successfully contribute to the energy transition.

Retaining existing skilled personnel and attracting new recruits are fundamental to the growth of the Group's business. Skilled personnel are required in both the technical and non-technical business areas. The Group needs to ensure that it will be able to attract new personnel or retain the existing personnel required to continue its business expansion and successfully execute and implement its business strategy. Against the background of the ongoing transformation and workforce restructuring it is important to keep the key talents and to ensure a know-how transfer between employees.

Risk management

We continuously assess and develop our workforce in alignment with our business needs. Our proactive diversity and inclusion philosophy, combined with our attractive compensation and benefits strategy, makes us a sought-after employer.

Our hybrid workplace model Flex Forward allows our employees to have high flexibility and shape their work-life balance, taking into account the needs and requirements of the individual, the team and the company.

OTHER OPPORTUNITY AND RISK FACTORS

Health, Safety and Environment (HSE)

› The Group is exposed to HSE risks inherent to its international activities

The geographical distribution of our operating units, in combination with the technical and operational complexity of our activities, exposes us to a wide range of HSE risks that could potentially result in a major accident. In addition, the effects of natural disasters, social unrest and global pandemics form a potential threat to our operational continuity and could have an adverse impact on our financial results.

Furthermore, there is an increased focus on the risk of sabotage due to recent events, such as the damage to infrastructure in the Baltic Sea. The Group is only responsible for its own property dispersed in the countries where it operates and does not hold direct control of critical offshore pipeline infrastructure. Nonetheless, the risk of damage to central energy infrastructure through sabotage could limit or stop the export of gas through certain pipelines. The risks to critical infrastructure are identified and assessed, and measures are evaluated to reduce the impact of disruption.

Risk management

Wintershall Dea is strongly committed to health, safety, environment and quality (HSEQ) leadership. We care about the health, safety, security and environment of those who work for and with us, as well as about the communities we work in. Our global HSEQ framework helps to protect our employees, business activities and reputation from potential and existing risks. Our goal is always to maintain a proactive and strategic approach that aligns with Wintershall Dea's global risk profile and supports our operational activities.

In addition to an overarching Group HSEQ policy, we have functional requirements in place that apply across the Company and clearly require compliance with laws and regulations at local, regional and global levels.

We believe our trusting working environment, shaped by open and transparent communication and a positive failure-culture, sets the right tone for our HSEQ culture. Our leaders are trained to understand their role in HSEQ and act in accordance with our HSEQ principles.

HSEQ risk management: We actively manage the safety of all personnel working in our operations by applying health and safety standards, implementing security measures and conducting internal and external audits of health and safety risks and other measures.

For the assets, activities and sites over which we do not exercise control, we seek to promote our HSEQ expectations and endeavour to have similar expectations adopted. We actively engage with HSEQ topics at our joint ventures through broadly established practices such as knowledge sharing, partner audits, and follow-ups on results.

Major accident prevention: We commit to active barrier management to ensure asset integrity (including well, plant and pipeline integrity) and process safety throughout all phases of the life cycle in compliance with relevant regulations, codes, standards and industry best practices. We employ effective integrity management systems to ensure that integrity is maintained throughout the entire life cycle by applying multiple independent technical, operational and organisational barriers. A continuous improvement process is carried out to ensure that the information and knowledge gained are communicated to those responsible for the phase of the life cycle in which the improvement can be implemented.

Incident response and business continuity: While we continuously aim to protect people, the environment and our assets, we acknowledge that exceptional events can still occur and are committed to minimising any potential impact by implementing clearly defined crisis management and emergency response throughout the global organisation.

Company-wide crisis management tools and processes ensure a systematic approach and assist in the effective collaboration across the organisation. Training is regularly conducted to raise employees' awareness of risks and prepare them for emergency situations.

Our business continuity management helps us to identify time-critical processes and prepare scenario-specific response plans to ensure a timely recovery in our operations and the continued delivery of products and services during a disruption.

Climate change and energy transition

› The Group's activities may be exposed to climate-related risks.

The categorisation of climate-related risks and opportunities is based on the methodology of the Task Force on Climate-related Financial Disclosures (TCFD) and differentiates risks primarily between transition and physical risks (more about our TCFD commitment and reporting can be found in the chapter "Climate & Energy" in our 2023 Sustainability Report [unaudited]).

› Transition risks are divided into three sub-categories (1) Market/Technology, (2) Policy and Regulation and (3) Reputation. Within the sub-category Market/Technology risks are related to changing long-term hydrocarbon demand and prices, emission risks, decreasing financial results and shareholder returns, as well as the risk of "stranded" assets. The sub-category Policy and Regulation is related to the risk of evolving carbon regulation, higher CO_2 prices and taxes, legislative changes, exposure to litigation, stricter or prohibitive regulations and increasing costs. Various claims have been filed in different countries to increase pressure on legislators and the industry. Wintershall Dea AG has been sued in Germany, and the case is still pending. Risks in the sub-category Reputation are related to increased stakeholder concerns and loss of credibility.
› Physical risks are related to the damage of facilities, infrastructure and equipment through extreme weather events such as extreme heat, severe flooding, storms, cyclones and wildfires. Physical risks may also result in the disruption of operations, loss of production or environmental impacts.

Risk management

Depending on the potential specific risk event, Wintershall Dea seeks the appropriate risk and opportunity management and mitigation measures. Examples of this include our declared support for the European Union's 2050 climate neutrality target. We also adhere to applicable international and internal standards, laws and regulations as well as country-specific legislation. We have developed our Energy Transition Pathway and have set measurable targets to thrive in the energy transition. We are targeting a reduction in the Scope 1 and 2 greenhouse gas emissions of our upstream activities - operated and non-operated at equity share basis - to net zero by 2030 with an intermediate goal of a 25% net reduction by 2025 compared to the 2020 baseline year. We intend to bring our methane emission intensity to below 0.1% by 2025, and we endorsed the World Bank's "Zero Routine Flaring by 2030" initiative. Beyond 2030, our ambition is to manage and reduce net carbon intensity, including Scope 1, 2 and 3 greenhouse gas emissions. Our approach to reaching these targets and ambitions is based on four pillars: portfolio optimisation, emissions management, innovative technologies and offsetting. We support global decarbonisation efforts by building up a CCS and hydrogen business to potentially abate 20-30 million tonnes of CO_2 per annum by 2040. At the same time, GHG emissions have become one of the Company's performance indicators in the strategy, business planning, target setting, decision-making and balance scorecards. Our focus is on natural gas and low-cost and low-carbon assets along with the implementation of energy and emission efficiency programmes as well as emission reduction projects (see chapter 'Sustainability at Wintershall Dea' in the Annual Report [unaudited]). We apply internal carbon pricing, scenario analysis and sensitivity testing and consider financial and climate-related aspects in our investment decisions to ensure the resilience of our portfolio. In the area of physical risks, we assess the potential impact on assets with a focus on the corresponding design of facilities, the implementation of HSE campaigns and protective measures and the coverage of insurance policies. Wintershall Dea has solid governance and management attention and support to climate-related and energy transition topics, including its participation in a wide variety of sustainability initiatives and associations. In addition, we strive for a high level of transparency and the implementation of leading reporting and governance systems.

Reserves replacement and development

› The Group may be unsuccessful in finding, acquiring, developing and producing gas and oil reserves and resources that are economically recoverable

The Group's future success depends on its ability to find and develop or acquire additional gas and oil reserves and resources that are economically recoverable.

Risk management

Wintershall Dea intends to build its business through both organic and inorganic growth. Organic growth refers to successful exploration activities such as the regional analysis of reservoirs, the acquisition of licences and the drilling of exploration wells to formations that may potentially bear hydrocarbons and result in field developments and production. Inorganic reserves replenishment also remains an important element of our strategy, supported by our solid financial position and cash flow generative asset portfolio. We remain focused on creating and capturing value for our shareholders and strive to pick up on opportunities early and identify regions with above-average attractiveness. We also use active portfolio management to continuously optimise our licence portfolio and increase the probability of exploration success with the funds available.

The Group seeks to maintain and grow its operating capabilities in countries where it can add value through its knowledge and experience in exploration, engineering, project execution, reservoir management and operational excellence.

Regarding inorganic growth, we pursue value-accretive acquisitions as they arise, with a focus on production and reserves rather than undeveloped resources. In parallel, we continue to seek opportunities to optimise our portfolio and enhance our strategic and financial flexibility through divestments.

Additionally, through strategic partnerships and cooperation with renowned partners, we strive to get access to new projects and benefit from regional expertise and influence, as well as to implement joint projects.

Liquidity

› The Group's ability to generate sufficient cash flow to fund its operations depends on many factors beyond its control

The Group requires, and expects to continue to require, substantial capital expenditures in its business, including in the areas of exploration, development, production, decommissioning, transportation and acquisition of oil and natural gas reserves and resources, for example, to offset declines in its key production assets and to meet its obligations under changing environmental laws and regulations.

In recent years, there has been a shift in investor sentiment away from extractive industries, including oil and gas production. If this trend continues, it could lead to reduced or less favourable access to capital markets and other sources of funding for companies in these industries, including the Group.

Risk management

Materialising risks that cause cash flow fluctuations are recognised promptly as part of our liquidity planning. Foreseen and unforeseen short-term liquidity needs can be covered using our cash position, our syndicated revolving credit facility of up to €900 million, and uncommitted working capital lines.

Additionally, the Group focuses on maintaining and increasing the resilience of the existing portfolio and making investment decisions to achieve its overall strategic goals.

Our investment-grade rating gives us access to debt capital markets, and we mitigate our refinancing risks by maintaining a balanced debt maturity profile.

Information technology

› The Group's IT systems may be subject to unauthorised access to data

With the mobile workplace and the introduction of modern communication and collaboration applications, there is an inherent risk to information protection.

Implementation of our new ERP system is nearing completion and will lead to further changes to processes, systems and responsibilities. Additionally, the transformation of the Wintershall Dea organisation increases the risks of dissatisfied employees, unclear responsibilities and new or provisional processes. To ensure uninterrupted business operations, controls must be quickly adapted to the new circumstances in order to remain effective. Such changes pose the risk of unauthorised persons gaining access to confidential Wintershall Dea data through physical, social or digital attacks. This could allow external third parties to gain

a competitive advantage or lead to interruptions or delays in Wintershall Dea's operations.

Fine-tuning technology and organisational alignment, especially with regard to the competent use of these technologies by our staff and partners are necessary to achieve the desired level of protection.

The still ongoing geopolitical conflicts represent a higher threat situation and the risk of unauthorised physical and logical access to Wintershall Dea data and information systems is increased.

Risk management

Wintershall Dea set up a new modern IT infrastructure with high security standards to ensure the confidentiality, availability and integrity of the Company's data. The global Information Technology unit and its dedicated Cyber and Information Security team ensure a high level of cybersecurity for the internal organisation, service providers and our partners, with the support of external information security service provider. Comprehensive and mandatory awareness campaigns sensitise all Wintershall Dea employees and partners to potential threats to our IT systems and confidential information.

As working practices have changed, IT staff and users at Wintershall Dea have become aware of the need to address cybersecurity threats. Together with newly implemented countermeasures, this has raised awareness and could considerably reduce the potential long-term damage from cyber attacks.

The Group has implemented an information risk management approach with the objective of introducing an information security management system (ISMS).

Wintershall Dea is constantly monitoring and assessing the current threat situation and its impact on Wintershall Dea information systems. Risk reduction measures are implemented.

Supply chain

› The Group is exposed to supply shortages and cost increases

The Group may face supply shortages impacting its operations and financial results. The supply of material and equipment depends on the development of the broader regional and global economic as well as geopolitical climate. Furthermore, labour supply is still influenced by challenging demographics in developed economies that rely on productivity gains to support positive economic growth rates. One of the most affected areas in the energy services sector is the maintenance and operations segment due to its labour intensive tasks. The availability of qualified labour could become one of the energy sector's potential bottlenecks.

Risk management

The Group increased its monitoring of market trends and put long-term framework agreements in place where possible. It has identified which purchases are most critical for its continued operations, and sourcing strategies are reviewed regularly. For some of the larger project-related contracts, the Group established an active dialogue with its main suppliers on the status and risks in their own supply chains. The Group works closely together with labour agencies to mitigate the risk of labour supply shortages and to maintain its high HSEQ standards.

Compliance

› The Group is exposed to corruption risks

The Group is exposed to the risk of violating anti-corruption laws and regulations that are applicable in those countries where the Group and its business partners do business. Some of the international locations in which the Group operates may lack a developed legal system and have high levels of corruption.

Risk management

Wintershall Dea does not tolerate any form of corruption, whether active or passive, direct, or indirect. We are committed to our strict zero tolerance policy. Our zero tolerance attitude is clearly communicated to all business partners at the outset of the business relationship, as well as during the relationship, as appropriate.

The Group has regulations and procedures designed to ensure that Wintershall Dea, its executive bodies, employees and third parties, if applicable, comply with all legal, internal and external regulations affecting the Company using appropriate measures. The Group has also trained its employees to comply with such laws and regulations and to consider the regulations and compliance of its business partners when choosing entities with whom to do business. Regulations covering areas such as internal approval processes for gifts and invitations must be followed, and business partner due diligence must also be performed. Contracts are worded appropriately to make contractors aware of the Group's supplier code of conduct and the expectation that they comply. The Compliance department performs an annual legal and compliance risk assessment covering all fields of risks relevant to the Company. The risk assessment consists of interviews with all business and corporate unit managers concerning relevant topics. In many cases, other local functions, such as Legal and Finance, join in on these interviews. The objective is to identify new risks and update existing risk assessments in order to monitor existing mitigation measures and further develop the compliance management system. All of the findings made within the scope of monitoring, especially those related to the results of the Group Risk Management and Corporate Audit departments, are included in the risk evaluation and vice versa. Employees, as well as third parties, can report potential compliance violations via a whistle-blower system available on the Company's intranet and homepage. Reports can be submitted in different languages and in total anonymity by telephone or via a secure website. The Department of Compliance and Data Protection verifies each report received and strives to take action where appropriate. Employees and third parties will not face any disciplinary measures or other negative repercussions for raising genuine concerns in good faith, even if they turn out to be mistaken (non-retaliation).

DISPUTES AND PROCEEDINGS

Financing Nord Stream 2 AG

On 7 October 2020, the Polish Competition Authority (PCA), in connection with the Nord Stream 2 AG financing arrangements, imposed fines on all lenders, as well as on the sole owner of Nord Stream 2 AG (corresponding to 10% of their previous year's turnover), and demanded the termination of the financing agreements. On 21 November 2022, the Competition Court in Warsaw, Poland, annulled the decision of the PCA in its entirety. On 16. October 2023, the Court of Appeals in Warsaw dismissed PCA's appeals which were filed against verdicts of the first instance Antimonopoly Court. The decision on fines and contract termination imposed on all lenders of Nord Stream 2 is entirely revoked.

Further proceedings

In addition, Wintershall Dea AG and its participating interests are regularly involved as defendants or other parties in judicial and arbitration proceedings, as well as in official proceedings. On the basis of the knowledge available at present, these proceedings have no significant impact on Wintershall Dea's economic situation.

Provisions for legal risks and trial costs are included in other provisions and amounted to €5 million in 2023 (previous year: €5 million). Further provisions for legal risks were not to be considered.

D CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

€ million	Note	2023	2022[1]
Revenues gas and oil	5	3,202	11,068
Revenues other	5	2	61
Net income from equity-accounted investments: gas and oil	2	-17	101
Net income from equity-accounted investments: midstream	2	104	-8
Other operating income	5	1	2
		3,292	**11,223**
Production and operating expenses	6	-3,159	-9,326
Depreciation and amortisation	13	-6	-40
Net impairment on assets	7,13	541	-1,480
Loss from deconsolidation Russia		—	-4,514
Exploration expenses		—	-3
General and administrative expenses	8	-357	-267
		311	**-4,407**
Financial income	10	124	219
Financial expenses	10	-135	-1,095
		-11	**-875**
Income/loss (-) before taxes from continuing operations		**300**	**-5,282**
Income taxes	11	-200	-310
Net income/loss (-) from continuing operations		**100**	**-5,592**
Net income/loss (-) from discontinued operations	4	**-109**	**788**
Net income/loss (-)		**-9**	**-4,803**
Net income/loss (-) attributable to shareholders		-51	-4,845
Net income/loss (-) attributable to subordinated notes investors		42	42

[1] The comparative prior-year figures have been adjusted due to the reporting of discontinued operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	2023	2022
Net income/loss (-)	**-9**	**-4,803**
Actuarial gains/losses	-30	121
Actuarial gains/losses from equity-accounted investments	-1	—
Fair value changes in other financial assets	-248	—
Income and expenses that will not be reclassified to the statement of income at a later date, recognised directly in equity	**-279**	**120**
Unrealised gains/losses on currency translation	-128	1,349
Unrealised gains/losses on currency translation from equity-accounted investments	—	228
Fair value changes in derivatives designated in cash flow hedges	862	-126
Fair value changes in derivatives designated in cash flow hedges from equity-accounted investments	-18	55
Income and expenses that will be reclassified to the statement of income at a later date, recognised directly in equity	**716**	**1,506**
Other comprehensive income (net of tax)	**437**	**1,626**
Total comprehensive income	**428**	**-3,177**
Total comprehensive income attributable to shareholders	387	-3,219
Total comprehensive income attributable to subordinated notes investors	42	42

CONSOLIDATED BALANCE SHEET

€ million	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Goodwill	13	—	2,156
Exploration assets	13	—	298
Other intangible assets	13	15	1,912
Property, plant and equipment	13	39	8,245
Equity-accounted investments	14	157	599
Other financial assets	15	—	261
Financial receivables	17	10	212
Derivative assets	27	15	26
Other receivables	18	1	14
Deferred tax assets	11	—	189
		236	**13,912**
Current assets			
Inventories	16	—	215
Financial receivables	17	23	19
Trade and other receivables	18	102	1,937
Derivative assets	27	85	405
Income tax assets	11	2	24
Cash and cash equivalents	19	987	3,089
Assets held for sale	4	1,251	—
Assets held for distribution	4	14,070	—
		16,519	**5,690**
Total assets		**16,756**	**19,601**

€ million	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity attributable to shareholders and subordinated notes investors	20		
Subscribed capital		189	189
Capital reserves		1,186	1,386
Retained earnings and other comprehensive income		634	441
Equity attributable to subordinated notes investors		1,525	1,525
		3,534	**3,541**
Non-current liabilities			
Pension provisions	21	333	371
Decommissioning provisions	22	1	1,954
Other provisions	22	98	124
Financial debt	23	26	3,067
Derivative liabilities	27	3	1,220
Income tax liabilities	11	12	36
Other liabilities	24	—	19
Deferred tax liabilities	11	—	1,713
		473	**8,504**
Current liabilities			
Decommissioning provisions	22	—	133
Other provisions	22	276	299
Financial debt	23	176	1,356
Trade and other payables	24	55	1,528
Derivative liabilities	27	63	2,491
Income tax liabilities	11	4	1,750
Liabilities directly associated with assets classified as held for sale	4	317	—
Liabilities held for distribution	4	11,859	—
		12,749	**7,557**
Total equity and liabilities		**16,756**	**19,601**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[1]

				Other comprehensive income						
€ million	Subscribed capital of Wintershall Dea AG	Capital reserves of Wintershall Dea AG	Retained earnings and net retained profit	Actuarial gains and losses	Foreign currency translation	Cash flow hedges	Other financial assets	Shareholder's equity	Equity attributable to subordinated notes investors[2]	**Total**
As at 1 Jan 2023	189	1,386	749	-52	588	-844	—	2,016	1,525	**3,541**
Other comprehensive income	—	—	—	-31	-128	844	-248	437	—	**437**
Net income/loss (-)	—	—	-51	—	—	—	—	-51	42	**-9**
Total comprehensive income	—	—	-51	-31	-128	844	-248	387	42	**428**
Change in scope of consolidation	—	—	6	—	—	—	—	6	—	**6**
Dividends/distributions	—	—	-400	—	—	—	—	-400	-42	**-442**
Other changes	—	-200	200	—	—	—	—	—	—	**—**
As at 31 Dec 2023	**189**	**1,186**	**505**	**-83**	**459**	**1**	**-248**	**2,010**	**1,525**	**3,534**

[1] For further information refer to Note 20
[2] Will be disposed of as part of the Target E&P and CMH Business (see Note 4)

				Other comprehensive income						
€ million	Subscribed capital of Wintershall Dea AG	Capital reserves of Wintershall Dea AG	Retained earnings and net retained profit	Actuarial gains and losses	Foreign currency translation	Cash flow hedges	Other financial assets	Shareholder's equity	Equity attributable to subordinated notes investors	**Total**
As at 1 Jan 2022	189	1,161	6,910	-172	-989	-773	—	6,327	1,525	**7,852**
Other comprehensive income	—	—	—	120	1,577	-71	—	1,626	—	**1,626**
Net income/loss (-)	—	—	-4,845	—	—	—	—	-4,845	42	**-4,803**
Total comprehensive income	—	—	-4,845	120	1,577	-71	—	-3,219	42	**-3,177**
Capital increase/decrease (-)	—	224	—	—	—	—	—	224	—	**224**
Dividends/distributions	—	—	-1,316	—	—	—	—	-1,316	-42	**-1,358**
Other changes	—	—	1	-1	—	—	—	—	—	—
As at 31 Dec 2022	**189**	**1,386**	**749**	**-52**	**588**	**-844**	**—**	**2,016**	**1,525**	**3,541**

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	2023	2022[1]
Net income/loss (-) from continuing operations	**100**	**-5,592**
Amortisation/depreciation/impairment losses/reversal of impairment losses	-535	1,553
Changes in provisions	281	3
Changes in deferred taxes	221	-55
Gains (-)/losses from deconsolidation	—	4,527
Other non-cash income/expenses and finance costs	-55	556
Changes in working capital	-75	390
Changes in income tax assets and liabilities	-21	-74
Changes in other balance sheet items	-68	80
Cash flow from operating activities – continuing operations	**-152**	**1,389**
Cash flow from operating activities – discontinued operations	**1,388**	**3,450**
Cash flow from operating activities	**1,236**	**4,839**
Payments for intangible assets and property, plant and equipment	-13	-15
Net payments for acquisitions	—	-6
Net proceeds from the disposal of non-current assets/divestitures	3	-5
Disposed cash Russia due to loss of control	—	-2,011
Changes in financial receivables from cash pooling	-10	—
Cash flow from investing activities – continuing operations	**-19**	**-2,038**
Cash flow from investing activities – discontinued operations	**-1,551**	**-793**
Cash flow from investing activities	**-1,571**	**-2,831**
Capital contribution into capital reserves	—	224
Dividend payments to shareholders	-400	-1,316
Distributions paid to subordinated notes investors	-42	-42
Repayments of debt to banks	—	-3
Changes in financial liabilities to related parties (cash pooling)	82	-115
Cash flow from financing activities – continuing operations	**-360**	**-1,251**
Cash flow from financing activities – discontinued operations	**-927**	**-131**
Cash flow from financing activities	**-1,287**	**-1,382**

€ million	2023	2022[1]
Change in cash and cash equivalents	**-1,621**	**626**
Effects of foreign exchange rate changes and other non-cash changes	-260	357
Cash and cash equivalents at the beginning of the reporting period	**3,089**	**2,106**
Cash and cash equivalents at the end of the reporting period	**1,208**	**3,089**
less cash and cash equivalents of discontinued operations	-221	-304
Cash and cash equivalents of continuing operations at the end of the reporting period	**987**	**2,785**

Supplementary information on cash flow from operating activities – continuing operations		
Income taxes paid (less refunds)	1	-439
Interest paid	-23	-3
Interest received	103	121
Dividends received midstream	—	92

[1] The comparative prior-year figures have been adjusted due to the reporting of discontinued operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

General information

Wintershall Dea AG is a joint stock company registered at the District Court (Amtsgericht) of Lüneburg under entry no. HRB 209823.

The company's registered office is located in Celle, Lower Saxony, Germany, and it is dual-headquartered in Kassel (Friedrich-Ebert-Straße 160 in 34119 Kassel) and Hamburg (Am Lohsepark 8 in 20457 Hamburg), Germany. Its operations and principal activities are the exploration and production of natural gas, oil and other resources and resulting products and co-products, trading in all of the resources and commodities, as well as the operation of natural gas pipeline systems. The presented consolidated financial statements were approved for publication by the Management Board of Wintershall Dea AG on 19 February 2024. They are filed electronically with the operator of the Company Register and subsequently published therein.

The consolidated financial statements of Wintershall Dea AG comprise the period from 1 January until 31 December 2023.

Basis of presentation

The consolidated financial statements of Wintershall Dea AG and its subsidiaries ("Wintershall Dea" or the "Group") have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) applicable in the European Union (EU), and in accordance with the supplementary accounting regulations pursuant to Section 315e (1) of the German Commercial Code (HGB). IFRSs are applied only after their adoption by the EU. All IFRSs and pronouncements of the International Financial Reporting Interpretations Committee (IFRIC) that are binding for the 2023 fiscal year have been applied.

The consolidated financial statements have been prepared in euros (€). All amounts, including the figures for prior years, are generally reported in millions of euros (€ million). Exceptions to this rule are explicitly marked in the text (individual figures are shown in thousands of euros: € thousand). The presentation in millions of euros does not result in any loss of information. Due to rounding, the subtotals and totals in millions may not equal the sum of the amounts shown. The statement of income is prepared in accordance with a modified cost-of-sales method which also considers certain items based on the nature of expenses (e.g. depreciation and amortisation). Various items of the consolidated statement of income and the consolidated balance sheet are combined to improve the transparency of presentation. These items are presented and explained separately in the notes.

The consolidated financial statements have been prepared on a historical cost basis with the exception of certain items that have been measured at fair value as described in "Significant accounting and measurement policies".

The financial statements of the consolidated companies were prepared as at the balance sheet date of the consolidated financial statements. The accounting policies applied generally correspond to those applied in the prior year. This does not apply to changes resulting from the application of new or revised accounting standards.

On 21 December 2023, the shareholders of Wintershall Dea, BASF and LetterOne, announced that they had signed a business combination agreement with Harbour Energy plc for the majority of Wintershall Dea's E&P business, consisting of its producing and development assets as well as exploration rights in Norway, Argentina, Germany, Mexico, Algeria, Libya (excluding Wintershall AG), Egypt and Denmark, and Wintershall Dea's carbon capture and storage (CCS) licences ("Target E&P and CMH Business"). The transaction is expected to close in Q4 2024. Following the announcement, IFRS 5 is applied and the Target E&P and CMH Business is shown as discontinued operations. For further details see Note 4.

In addition, Wintershall Dea is continuing its preparations for a separate sale of its stake in WIGA Transport Beteiligungs-GmbH & Co. KG (WIGA), which is not part of the Target E&P and CMH Business. WIGA is shown as asset held for sale according to IFRS 5 as part of continuing operations.

Consolidation principles

The consolidated financial statements include the accounts of Wintershall Dea AG and its subsidiaries over which the company has control. The scope of consolidation is based on the application of IFRS 10 and IFRS 11. According to IFRS 10, a group consists of a parent company and its subsidiaries, which are controlled by the parent company. Wintershall Dea controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee. A subsidiary is deconsolidated as from the date that control is lost.

According to IFRS 11, which regulates the accounting of joint arrangements, a distinction must be made between joint ventures and joint operations. In the case of a joint venture, the parties that have joint control of the arrangement have rights to the net assets of that arrangement. In joint operations, the parties that have joint control have direct rights to the assets and obligations for the liabilities relating to the arrangement. Companies whose corporate governance structures classify them as joint arrangements are analysed to determine if they meet the criteria for joint ventures or joint operations in accordance with IFRS 11. Should the arrangement be structured through a separate vehicle, its legal form, contractual arrangements and all other facts and circumstances are reviewed. There are joint arrangements in the course of development and production activities and for the CMH business and midstream business.

Associated companies are entities that are not subsidiaries, joint ventures or joint operations but over whose operating and financial policies significant influence can be exercised. In general, this applies to companies in which Wintershall Dea has an investment of between 20% and 50%. Such investments are accounted for in the consolidated financial statements in accordance with the equity method and are initially recognised at cost. Subsequently, the carrying amounts of equity-accounted investments are increased/reduced based on the proportional net income and other comprehensive income of the period as well as dividends received. The proportional net income is recognised in separate line items in the statement of income subdivided into gas and oil as well as midstream.

The consolidated financial statements include Wintershall Dea AG and all material subsidiaries in full. Companies whose business is dormant or of low volume and 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, instead, reported under "Other financial assets". These companies are carried at amortised cost and written down in the event of an impairment. The aggregated assets and equity of these companies amount to less than 2.5% of both corresponding values at Group level.

The financial statements of the domestic and foreign companies included in the consolidated financial statements are uniformly recognised and measured in accordance with the principles described herein. For companies accounted for using the equity method, adjustments have been made for material deviations in measurement resulting from the application of other accounting principles.

Expenses and income, as well as receivables and liabilities between the consolidated subsidiaries, are eliminated in full and proportionally eliminated for joint operations. Intercompany gains or losses are eliminated unless they are negligible. Capital consolidation is performed by offsetting the carrying amounts of subsidiaries against their equity.

In accordance with IFRS 3, the cost of acquisition is measured at the fair value of the assets acquired and liabilities assumed at the date of acquisition. Identifiable assets acquired and liabilities assumed in a business combination (including contingent liabilities) are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Finally, the acquisition cost is compared with the proportional share of the net assets acquired at fair value. The resulting positive differences are capitalised as goodwill. Negative differences are recognised directly in profit or loss.

The incidental acquisition costs of a business combination are recognised in the consolidated statement of income under general and administrative expenses. The results of the subsidiaries acquired or disposed of during the year are included in the consolidated statement of income from the date of acquisition or until their disposal, respectively.

Foreign currency translation

In the companies' individual financial statements, foreign currency transactions are translated at the exchange rates prevailing at the date of the transaction. Monetary foreign currency items are measured at the current exchange rate at each balance sheet date. Exchange rate gains and losses incurred by the balance sheet date are recognised in the statement of income under financial result.

The financial statements of Group companies with functional currencies other than the Group's presentation currency (euro) are translated using the closing rate method. All balance sheet items are translated at the balance sheet date at the prevailing period-end exchange rates (daily average rate). Translation differences compared with the previous year's translation are recognised in other comprehensive income without impact on profit or loss. Statement of income items are translated generally at the average exchange rate for the year. Differences between average exchange rates and closing exchange rates are also recognised in other comprehensive income.

SELECTED EXCHANGE RATES

	Closing rates €1 =		Average rates €1 =	
	31 Dec 2023	31 Dec 2022	2023	2022
Argentinian peso (ARS)	894.85	189.15	315.26	137.07
Egyptian pound (EGP)	34.24	26.44	33.18	20.17
Mexican peso (MXN)	18.72	20.86	19.18	21.19
Norwegian krone (NOK)	11.24	10.51	11.43	10.10
US dollar (USD)	1.11	1.07	1.08	1.05

Changes in accounting policies

The International Accounting Standards Board (IASB) has adopted changes in existing International Financial Reporting Standards (IFRS), which became effective as at 1 January 2023.

IFRS 17 (2017) "Insurance Contracts" including Amendments to IFRS 17 (2020)
Amendments to IAS 1 (2021) "Disclosure of Accounting Policies"
Amendments to IAS 8 (2021) "Definition of Accounting Estimates"
Amendments to IAS 12 (2021) "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
Amendments to IFRS 17 (2021) "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"
Amendments to IAS 12 (2023) "International Tax Reform - Pillar Two Model Rules"

The amendments had no material impact on Wintershall Dea's consolidated financial statements.

New accounting policies

The IASB has adopted further standards and amendments to standards, which are not yet mandatory in the European Union for the fiscal year beginning on 1 January 2023. EU endorsement is still pending in some cases.

	Effective date (IASB)
Amendments to IAS 1 (2020) "Classification of Liabilities as Current or Non-current"	1 January 2024
Amendments to IFRS 16 (2022) "Lease Liability in a Sale and Leaseback"	1 January 2024
Amendments to IAS 7 and IFRS 7 (2023) "Supplier Finance Arrangements"	1 January 2024
Amendments to IAS 21 (2023) "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"	1 January 2025

The effects of the amendments on Wintershall Dea's consolidated financial statements are currently under review.

Significant accounting and measurement policies

Revenue recognition

Revenues are recognised when a performance obligation has been satisfied by transferring a promised good or service to a customer. The transfer criterion is fulfilled when the customer obtains control. Revenues are measured at the transaction price that is allocated to the respective performance obligation.

Revenues of Wintershall Dea originate primarily from gas and oil sales. Gas and oil revenues are recognised at the time of delivery to the contractual delivery point. This is generally the case when the oil passes the vessel's rail or, in the case of gas and oil supply via pipeline, when passing agreed delivery points.

Revenues and expenses from gas and oil concessions are often allocated based on defined formulas set out in exploration and production sharing agreements between the state and one or more development and production companies. The proceeds to be received under these contracts are reported as revenue.

Strategic purchases and resales of gas and oil (trading activities) are generally presented on a gross basis as cost of trade goods and revenues. Further trading activities for the purpose of margin improvement and in the comparison period also the trading transactions of the Russian subsidiary YRGM Trading, are shown net of cost under revenues.

The Group applies the simplification rule set out in IFRS 15. It therefore does not adjust the agreed amount of consideration to reflect the effects of a material financing component if, at the contract start date, the period between the transfer to the customer of the promised goods or services and the date the customer is expected to pay for those goods or services is expected to be one year or less.

Income taxes

Tax positions under respective local tax laws and tax authorities' views can be complex and subject to different interpretations by taxpayers and local tax authorities. Different interpretations of tax laws may result in additional tax payments for previous years and are included in management considerations.

Under the liability method, deferred tax assets and liabilities are recognised for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. This also comprises temporary differences arising from business combinations, except for goodwill.

Deferred tax assets and liabilities are calculated using the country-specific tax rates applicable for the period in which the asset is realised or the liability settled. Tax rate changes enacted or substantively enacted on or before the balance sheet date are taken into consideration.

Deferred tax assets are recognised if sufficient future taxable profit is available, including knowledge about income from forecast operating earnings, the reversal of existing taxable temporary differences and established tax planning opportunities.

As at each reporting period-end, Wintershall Dea evaluates the recoverability of deferred tax assets on the basis of projected future taxable profits. According to the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, Wintershall Dea believes it is probable to realise the reported deferred tax assets. As future developments are uncertain, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will be realised. Estimates are revised in the period in which there is sufficient evidence to revise the assumption.

Deferred tax assets are offset against deferred tax liabilities, provided they are related to the same tax authority and have the same maturities.

IFRIC 23 clarifies the application of the recognition and measurement regulations of IAS 12 if there are uncertainties with regard to the income tax treatment. For recognition and measurement, estimates and assumptions have to be made, such as whether the assessment should be made separately or together with other uncertainties, whether to use a probable or expected value for the uncertainty and whether changes have occurred in comparison to the previous

reporting period. The risk of detection is not relevant for the accounting treatment of uncertain balance sheet items. The accounting is based upon the assumption that the tax authorities consider the issue in question and that they have all relevant information. There are no significant effects on the consolidated financial statements of Wintershall Dea.

Changes in deferred taxes in the balance sheet are recognised as deferred tax expense/income if the underlying transaction is also recognised in profit or loss. For those effects that have been recognised in equity, changes to deferred tax assets and tax liabilities are also recognised directly in equity.

In 2023, Germany has enacted a new tax legislation of a global minimum top-up tax, which is effective from 1 January 2024 ("Pillar 2"). The amendments of IAS 12, which have been adopted by EFRAG (European Financial Reporting Advisory Group) in 2023, foresee an exception that neither recognition nor disclosure of information on deferred tax assets and liabilities related to "Pillar Two" income taxes is allowed. Wintershall Dea applies this exception.

Intangible assets

Intangible assets include goodwill, capitalised exploration expenditure and other intangible assets such as licence rights in the production phase and commercial and technical software.

The exploration phase encompasses the period from the receipt of the exploration rights until their expiry or until the technical feasibility of a field's development and its economic viability have been demonstrated. The exploration expenditure capitalised during this phase includes, for example, concession acquisition costs, licences and exploration rights, and exploration wells. Exploration wells are accounted for at their historical cost of acquisition or production according to the successful efforts method, i.e. expenses incurred on exploration wells are generally capitalised only when the wells were successful, meaning they specifically led to the discovery of oil and gas deposits. Costs for geological and geophysical investigations are generally reported under exploration expenses. Once the technical feasibility and commercial viability are demonstrable, the exploration wells are reclassified as property, plant and equipment, and intangible exploration rights are reclassified as other intangible assets. During the exploration phase, the exploration expenditure capitalised is not subject to scheduled amortisation/depreciation. At least once a year, all capitalised exploration wells are assessed from an economic, technical and strategic viewpoint to see if development is still viable. If this is not the case, the capitalised expenses for the respective well are written off. With the start of production, these exploration assets are amortised/depreciated according to the unit-of-production method (see "Property, plant and equipment"). Capitalised exploration wells for which no reserves could be proven are shown as asset disposals and expensed as exploration expenses.

Other intangible assets have a finite useful life and are therefore subject to systematic straight-line or production-related amortisation. The useful life of concessions and other licence rights corresponds to the contractual term or comprises the period until the end of economic production. Software for commercial or technical applications is amortised using the straight-line method over 2 to 10 years. The useful economic life and amortisation methods are subject to annual reviews.

Goodwill is not subject to systematic amortisation. It is subject to an impairment test on an annual basis or whenever there are indications of impairment. Goodwill is allocated to cash-generating units. The goodwill impairment test is performed at the level of a cash-generating unit or a group of cash-generating units. This is the lowest level at which goodwill is monitored for internal management purposes.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, gas and oil assets, other plant, machinery and equipment, as well as fixtures, fittings and office equipment. They are valued at amortised acquisition or production cost. Borrowing costs that can be directly allocated to the acquisition or production of an asset are capitalised as part of the acquisition or production costs if a considerable period is necessary to convert the asset into its intended state for use or sale ("qualified asset"). The cost of property, plant and equipment also includes the estimated cost of deinstallation or demolition and removal or reconditioning of the site under public or private law obligations, to the extent related provisions are recognised. Maintenance and repair costs are stated as expenses.

Gas and oil assets are generally depreciated using the unit-of-production method. In principle, depreciation of capitalised wells is based on the current production for the period in relation to proven developed producing reserves. In the case of acquisition costs and production facilities/support equipment, the current production for the period is set in relation to total proved reserves. Other property, plant and equipment, excluding land and similar rights, is depreciated using the straight-line method.

The estimated useful lives and depreciation methods for property, plant and equipment are based on experiences, plans and estimates. The depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The typical useful lives of Wintershall Dea's non-production-related property, plant and equipment are as follows:

Useful lives	Years
Buildings	4–50
Technical plant and machinery	1–33
Fixtures and fittings and office equipment	1–23

Leases

A lease is a contract conveying the right to control the use of an identified asset for an agreed-upon period in return for compensation.

The present value of future lease payments is generally recognised as a financial liability at the commencement date of a lease agreement under which the Group acts as the lessee. Lease payments are split into principal and interest portions using the effective interest method. Correspondingly, the right-of-use asset is recognised at the present value of the liability, adding any directly attributable costs. Payments made before the commencement date and incentives received from the lessor are also included in the carrying amount of the right-of-use assets.

Right-of-use assets are shown under intangible assets or property, plant and equipment and are generally depreciated or amortised on a straight-line basis over the lease term. Right-of-use assets that are allocated to the asset category "gas and oil assets", are depreciated on a straight-line basis or according to the unit-of-production method. The provisions of IAS 36 concerning the determination and recognition of impairments of assets also apply to right-of-use assets.

If the expected lease payments change as a result of index-linked consideration, for example, or on the basis of new assessments of contractual options, the liability is remeasured. The new carrying amount is generally adjusted without impacting profit or loss by making a corresponding adjustment to the right-of-use assets.

For leases of low-value assets with a maximum amount of €5 thousand and short-term leases with a maximum term of twelve months, the Group exercises the optional application exemptions. The lease payments under these contracts are generally recognised on a straight-line basis over the lease term as expense in the statement of income.

Impairment test

An impairment loss is recognised on intangible assets, property, plant, equipment, investment properties and equity-accounted investments if the recoverable amount of the asset is less than its carrying amount. Exploration assets are required to be tested for impairment as soon as the technical feasibility and profitability of a resource can be proven. The presence of facts and circumstances indicating an impairment also gives rise to an impairment test. If the asset is part of a cash-generating unit (the smallest identifiable group of assets generating cash flows, which are largely independent of the cash inflows of other assets or other groups of assets), the impairment is derived on the basis of the recoverable amount of the cash-generating unit. In the event that the carrying amount of a cash-generating unit to which goodwill has been allocated exceeds the recoverable amount, the resulting impairment loss is initially applied to the allocated goodwill. Any further impairment required is taken into account through the pro rata reduction of the remaining carrying amounts of the assets included in the cash-generating unit. A reversal of an impairment loss up to the value of amortised cost is made if the reasons for an earlier impairment no longer exist. In this case, the higher

carrying amount resulting from a reversal must not exceed the carrying amount net of amortisation and depreciation. Impairment losses are reported net of reversals of impairment losses as net impairments on assets.

Within the scope of the impairment test, the recoverable amount of the cash-generating unit is determined. The recoverable amount is defined as the higher of fair value less cost of disposal or value in use. The fair value represents the best possible estimate of the amount for which an independent third party would acquire the cash-generating unit as at the balance sheet date; the cost of disposal is deducted. Value in use reflects the present value of the future cash flows that are expected to be generated with the cash-generating unit. If either of these amounts exceeds the carrying amount, it may not always be necessary to determine both amounts. These values are determined on the basis of discounted cash flow calculations which, in turn, are generally based on the current business plan. Where necessary, a probability-weighted scenario approach is applied. The cash flow forecasts pertain to the life-of-field period for the individual concession/licence or groups of concessions/licences and generally reflect production volumes and cost elements for the remaining expected economic lifetime of a gas or oil field and end with the year of the field's abandonment or upon the expiration of the production licence. The calculations are based on historical experience as well as expectations of future market trends.

The discount rates applied are based on the weighted average cost of capital (WACC), taking into consideration specific country risks. The calculation is independent of the actual capital structure of the Group and, instead, based on a peer group.

The goodwill impairment test is based on groups of cash-generating units. At Wintershall Dea, these units largely correspond to the business units. Goodwill impairments are reported under net impairments on assets. Impairment losses on goodwill are not reversed.

Inventories

Inventories are carried at the cost of acquisition or production or at the lower net realisable value. Production costs reflect the total costs directly related to production and are determined on the basis of the normal capacity. To the extent that the net realisable value of previously impaired inventories has increased, the resulting reversal is recognised in the same expense item in which the original impairment was recorded.

Financial assets and financial liabilities

Financial assets and financial liabilities are recognised in the consolidated balance sheet when Wintershall Dea becomes a party to a financial instrument. Financial assets are derecognised when Wintershall Dea no longer has a contractual right to the cash flows from the financial asset or when the financial asset is transferred together with all material risks and rewards of ownership. Financial liabilities are derecognised when the contractual obligations expire, are discharged or cancelled. Regular-way purchases and sales of financial instruments are generally accounted for based on the settlement date.

The fair value of a financial instrument is the price that would be received on the sale of an asset or paid on the transfer of a liability in an orderly transaction between market participants at the measurement date. If pricing on an active market is available, for example in the form of share prices, these are used as the basis for the measurement. Otherwise, the measurement is based on internal measurement models using current market parameters or external measurements, for example, from banks. These internal measurements predominantly use the net present value method and option pricing models.

The classification and measurement of financial assets are based on what is known as the cash flow condition (cash flows exclusively from interest and principal repayments), i. e. the specific structure of the contractually agreed cash flows from an individual financial asset. Secondly, they depend on the business model, depending on which portfolios of financial assets are managed. Based on these two criteria, Wintershall Dea uses the following measurement categories for financial assets:

- Financial assets to be measured at fair value through profit or loss (FVPL)
- Financial assets to be measured at fair value through other comprehensive income (OCI)
- Financial assets to be measured at amortised cost

Financial assets are measured at amortised cost only if the asset is managed based on a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that relate solely to payments of principal and interest.

Except for trade accounts receivable from revenues, at initial recognition, financial assets are measured at their fair value plus, in the case of a financial asset not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Trade accounts receivable from revenues are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components.

After initial recognition, financial assets are measured depending on their classification, either at amortised cost using the effective interest method, at fair value through profit or loss or at fair value through OCI. For particular investments in equity instruments, the irrevocable election can be made to present subsequent changes in fair value in other comprehensive income that would otherwise be measured at fair value through profit or loss. Wintershall Dea made this election for some participations shown as other financial assets.

For financial assets measured at amortised cost, expected credit losses are recognised. The assessment of credit losses is carried out on a forward-looking basis and regardless of any actual default event. Impairment losses according to IFRS 9 are presented in the respective line item for the operating functions in the statement of income. Reversals of impairment losses are credited against the same line item.

Financial liabilities are classified in the following measurement categories:

- Financial liabilities to be measured at fair value through profit or loss (FVPL)
- Financial liabilities to be measured at amortised cost

At initial recognition, a financial liability is measured at its fair value and, in the case of a financial liability not at fair value through profit and loss, adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial liability.

After initial recognition, financial liabilities are measured depending on their classification, either at amortised cost using the effective interest method or at fair value through profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently measured at their fair values at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

At the inception of the hedge relationship, the Group documents its risk management objective and strategy for entering into the hedge transaction, as well as the economic relationship between the hedging instrument and hedged items. This documentation includes whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flow of the hedged items.

The Group has designated 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 from highly probable forecast transactions. The effective portion of changes in the fair value of derivatives 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.

Amounts accumulated in equity are reclassified when the hedged item affects profit or loss. When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gains or losses in equity at that time remain in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gains or losses are immediately reclassified to profit or loss.

Changes in the fair values of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

Agreements concluded for the receipt or delivery of non-financial items in accordance with the Group's expected buying, selling and utilisation needs and held for this purpose (own use contracts) are not accounted for as financial derivatives but as pending transactions. If the agreements contain embedded derivatives, then the derivatives are accounted for separately from the underlying agreement if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the underlying agreement.

Provisions

Provisions are recognised for all legal or factual obligations to third parties as at the balance sheet date when they are based on past events and will probably lead to an outflow of resources in the future, and to the extent they can be reliably estimated. Provisions are not recognised for possible obligations to third parties or for existing obligations where an outflow of resources is improbable or cannot be reliably determined. Such obligations are disclosed in the notes as contingent liabilities unless the possibility of an outflow of resources with economic benefits is remote.

Provisions are carried at their foreseeable settlement amount and not netted against any recovery claims. The settlement amount comprises cost increases to be taken into account as at the balance sheet date. In the case of non-current provisions, the amounts are discounted to the present value applying the risk-free country-specific or currency-specific market interest rate applicable as at the respective balance sheet date. Provisions based on a large number of similar events are reported at their expected value. Reversals of provisions are made against the expense item against which the provision was originally recognised.

Decommissioning provisions cover the updated commitments for the plugging of wells, the deinstallation of onshore and offshore production facilities and the reconditioning of operations and drilling sites. The extent of these provisions is based on the anticipated total cost, taking into account the empirical data and cost benchmarks determined by the Association of German Crude Oil and Natural Gas Producers or comparable assumptions available for foreign activities.

Should any changes in interest rates or estimates in terms of timing or level of payout lead to changes in this provision, the carrying amount of the associated asset is adjusted accordingly. If the reduction is higher than the carrying amount, the excess amount is recognised directly in profit or loss.

Provisions for pensions are recognised for defined benefit plans. This relates to commitments by the companies to cover vested entitlements of employees in active service and current benefits to active and former employees or their dependents.

The Group's various pension plans consist of both defined benefit and defined contribution plans. Provisions for defined benefit plans are based on the actuarial projected benefit obligation, measured using the projected unit credit method. This method takes into account not only the pension benefits and benefit entitlements known as at the balance sheet date, but also anticipated future increases in salaries and pension benefits. The calculation is based on actuarial assumptions, including appropriate mortality rates and other demographic tables. The provision is reduced by the fair value of the plan assets established to cover the pension commitments. The service cost, i.e. the increase in the obligation resulting from the work performed by employees in the period under review, is disclosed in the operating functional areas and the interest expense/income is reported in financial expenses. The net interest expense for the fiscal year is based on the actuarial interest rate and the net defined benefit obligation at the beginning of the year.

Results of the remeasurement of defined benefit plans are fully recognised in the fiscal year in which they occur. They are reported in other comprehensive income without impact on profit or loss. In subsequent periods, they are not reclassified to the statement of income.

Benefit obligations for the capital market-oriented defined benefit plans are recognised at the fair value of the funds, so far as the assets exceed the guaranteed minimum benefit amount. If the assets do not exceed the guaranteed minimum benefit amount, benefit obligations for these defined benefit plans are recognised in the amount of the guaranteed minimum benefit amount.

Since April 2023, it is only for benefit obligations from service periods already rendered in the past (past service) that the Group still participates in a legally independent multi-employer plan provided by BASF Pensionskasse VVaG, which was financed by employer and employee contributions, and the return on plan assets. Since April 2023, no ongoing employer and employee contributions have been paid anymore. As sufficient information is not available for this multi-employer plan, this plan is treated like a defined contribution plan. For further defined contribution plans, the Group does not incur any further obligations beyond making contribution payments. These contribution payments are recorded as expenses.

Discontinued operations and assets held for sale

Discontinued operations are reported when a component of an entity that either has been disposed of or is classified as "held for sale or distribution" represents a separate major line of business or geographical area of operations. In the consolidated statement of income, the result from discontinued operations is reported separately from the result from continuing operations. In the consolidated statement of cash flows, the cash flows from discontinued operations are also presented separately from cash flows of continuing operations. Previous periods are, in each case, presented on a comparable basis. The disclosures in the notes that refer to the consolidated statement of income and the consolidated statement of cash flows generally relate to continuing operations. Disclosures on financial instruments (Note 27) are provided for continuing and discontinued operations combined. In order to present the financial effects of discontinued operations, income and expenses and receivables and liabilities arising from intra-group transactions are eliminated. Non-current assets classified as "held for sale or distribution" are measured at the lower of their carrying amount and fair value, less costs to sell, unless these assets are not part of the measurement scope defined in IFRS 5. Depreciation and amortisation cease from the date of classification as "held for sale or distribution".

Important estimates and assumptions

Preparation of the consolidated financial statements on the basis of IFRS requires management to make estimates, assumptions and judgements that affect the amounts reported for assets, liabilities, income and expenses as well as disclosed contingent liabilities and fair values. The estimates, assumptions and judgements concern mainly the following areas:

Impact of climate change and energy transition

Our accounting estimates include possible impacts of climate policies and energy transition (for example, the long-term assumptions for gas, oil and CO_2 prices). The estimates affect the recoverable amount of gas and oil assets and intangible assets (including goodwill) as well as the useful life and time of decommissioning. The future impact of climate policies and energy transition is a source of uncertainty and could result in changes to accounting estimates in the future.

Wintershall Dea targets to reduce Scope 1 and 2 greenhouse gas emissions of its upstream activities -operated and non-operated at equity share basis- to net zero by 2030. Our approach to reach this target includes strict emissions management, innovative technologies, offsetting, as well as a continuous review and optimisation of our portfolio, focusing on natural gas and carbon-efficient assets and activities that may also affect the future development or viability of exploration assets.

Gas and oil reserves
Natural gas and oil reserves are used to determine the recoverable amount within the scope of an impairment test, as well as for production-related depreciation and amortisation using the unit-of-production method. Reserves are estimated by the Group's own qualified engineers and geoscientists based on standardised valuation methods and are classified in line with international industry standards. This process is subject to specific guidelines. Furthermore, the estimates are audited by independent consultants on a regular basis.

Impairment tests
Assumptions used in impairment testing for intangible assets (including goodwill) and property, plant and equipment and equity-accounted investments relate to estimated reserves, price assumptions for natural gas and crude oil, consumer price indices and exchange rates, CO_2 prices, production forecasts and discount rates as well as production costs.

The in-house assumptions on the long-term development of gas and oil prices are based on empirically sound analyses of global gas and oil supply and demand, taking into account possible impacts of climate policies, the energy transition and energy efficiency gains. External sources such as consultant data, consensus views, forwards data, as well as peer estimates, are frequently assessed. Local price assumptions are derived depending on global market dynamic as well as the regulations and contractual terms in place.

Discount rates are based on the weighted average cost of capital, taking into consideration specific country risks.

Fair value measurement of other financials assets
Other financial assets measured at fair value mainly comprise participations in Russian entities for which the full or proportional consolidation and equity valuation ceased in 2022. The fair value determination is based on the probability regarding future cash inflows for the Russian entities.

Impairment on financial assets
Impairments on financial assets are based on assumptions regarding the probability of default and expected credit losses. The inputs to the impairment calculation are based on past experiences, existing market conditions and forward-looking estimates.

Derivative financial instruments
In accounting for derivative financial instruments, assumptions have to be made as to whether the principles of hedge accounting apply. In addition, certain contracts require a decision as to whether they should be recognised as derivatives or treated as pending transactions ("own use" contracts).

Provisions
Decommissioning provisions mainly require estimates and assumptions with regard to terms, costs to be considered and discount rates. Future actual cash outflows may differ due to changes in relation to these items.

Regarding pension provisions, the discount rate is one of the most important estimators. The discount rate for pension obligations is determined on the basis of yields on high quality, fixed rate corporate bonds on the financial markets as at the balance sheet date.

Leases
When determining right-of-use assets and corresponding lease liabilities, assumptions must be made regarding the exercise of extension or termination options and discount rates in particular.

All assumptions and estimates are based on conditions and evaluations made as at the balance sheet date. In addition, with regard to expected future business trends, the future development (considered realistic at the current time) of the economic environment in the industries and regions in which Wintershall Dea operates is taken into account. If the actual trend deviates from the assumed development of conditions, then the assumptions and, if necessary, the carrying amounts of the assets and liabilities concerned are adjusted accordingly. As at the date of preparation of the consolidated financial statements, it is not expected that there will be a material change in the assumptions and estimates.

NOTE 2 – SCOPE OF CONSOLIDATION

As at 31 December 2023, the consolidated financial statements include 45 fully consolidated companies (31 December 2022: 41 fully consolidated companies).

In addition, there are 3 joint ventures and associated companies that are accounted for using the equity method (31 December 2022: 4).

For further information, see Note 33.

NUMBER OF FULLY CONSOLIDATED COMPANIES

As at 1 Jan 2023	41
First-time consolidation	5
Merged subsidiaries	-1
As at 31 Dec 2023	45

In the reporting period, the newly founded subsidiary Wintershall Dea Global Holding GmbH as well as the subsidiaries Wintershall Dea Carbon Management Solutions B.V., Wintershall Dea Global Support B.V., Wintershall Dea South East Asia GmbH and Wintershall Dea Marketing Services GmbH, which were previously reported under other financial assets due to materiality reasons, are included in the consolidated financial statements for the first time.

Wintershall Dea Immobilien GmbH & Co. KG was accreted into Wintershall Dea International GmbH.

In addition, the application of the equity method for Nord Stream AG ceased as at 1 January 2023 and Wintershall Dea's participation in the Nord Stream AG is accounted for as other financial asset measured at fair value through profit or loss.

Joint operations

A large part of the activities in the Exploration & Production business area is carried out in the context of joint operations, some of which are managed through separate companies.

In addition, there are joint operation in the context of CCS activities. In the reporting period, the jointly controlled licence holding companies Luna Carbon Storage ANS and Havstjerne ANS were newly founded.

At Wintershall Dea, the following joint operations are structured as separate entities:

Name	Nature of the joint operation	Principal place of business	Ownership interest/voting rights (%)
Disouq Petroleum Company (DISOUCO)	Operating company for the development and production phases	Cairo, Egypt	50.00
Groupement Reggane	Operating company for the development and production phases	Algiers, Algeria	24.00
Luna Carbon Storage ANS	Licence holding company for CCS storage activities	Stavanger, Norway	60.00
Havstjerne ANS	Licence holding company for CCS storage activities	Stavanger, Norway	60.00

Joint operations that are not managed through separate companies are mainly located in Germany, Norway, Mexico and Argentina.

The Group's shares in joint operations are accounted for by recognising its respective share in assets and liabilities as well as its income and expenses.

Joint operations are related to discontinued operations only.

Joint ventures and associated companies

The tables below contain summarised financial information for joint ventures (WIGA Transport Beteiligungs-GmbH & Co. KG and its subsidiaries [WIGA Group], Wintershall Noordzee B.V.) and an associated company (Wintershall AG) accounted for using the equity method. Joint ventures and associated companies relate to continuing operations only.

WIGA TRANSPORT BETEILIGUNGS-GMBH & CO. KG AND ITS SUBSIDIARIES (WIGA GROUP) (100%)[1] [2]

€ million	2023/ 31 Dec 2023	2022/ 31 Dec 2022
Balance sheet		
Non-current assets	4,392	4,183
Current assets	792	800
of which cash and cash equivalents	—	128
Equity	2,350	2,177
Non-current liabilities	2,642	2,723
of which financial debt	1,880	1,949
Current liabilities	192	83
of which financial debt	26	33
Statement of income/Statement of comprehensive income		
Revenue	840	901
Depreciation and amortisation	-198	-241[3]
Interest income	53	6
Interest expenses	-86	-32
Income taxes	-66	-1
Net income/loss (–)	207	-144
Other comprehensive income	-38	86
Total comprehensive income	169	-58
Wintershall Dea share	50.02 %	50.02 %
Wintershall Dea share of total comprehensive income	85	-29
Reversal of impairments/impairments (–)	483	-603
Received dividends/distribution	—	-92
Carrying amount of the equity-accounted investment at the end of the year	**1,050**	**483**

[1] Preliminary figures, not based on final accounts
[2] Fair value adjustments are included on a grossed-up basis (100%)
[3] Prior-year amount has been adjusted to match WIGA consolidated financial statements including depreciation on fair value adjustments

The WIGA Group comprises the onshore gas transportation activities in Germany.

WINTERSHALL NOORDZEE B.V., RIJSWIJK/THE NETHERLANDS (100%)[1] [2]

€ million	2023/ 31 Dec 2023	2022/ 31 Dec 2022
Balance sheet		
Non-current assets	476	381
Current assets	282	242
of which cash and cash equivalents	247	177
Equity	263	120
Non-current liabilities	322	309
of which financial debt	—	—
Current liabilities	173	194
of which financial debt	—	—
Statement of income/Statement of comprehensive income		
Revenue	140	440
Depreciation and amortisation	-57	-131
Interest income	3	—
Interest expenses	-8	-1
Income taxes	3	-167
Net income/loss (–)	28	112
Other comprehensive income	—	—
Total comprehensive income	28	112
Wintershall Dea share	50.00 %	50.00 %
Wintershall Dea share of total comprehensive income	14	56
Reversal of impairments	58	—
Carrying amount of the equity-accounted investment at the end of the year	**132**	**60**

[1] Preliminary figures, not based on final accounts
[2] Fair value adjustments are included on a grossed-up basis (100 %).

WINTERSHALL AG, KASSEL/GERMANY (100%)[1]

€ million	2023/ 31 Dec 2023	2022/ 31 Dec 2022
Balance sheet		
Non-current assets	241	345
Current assets	247	181
Equity	49	110
Non-current liabilities	208	236
Current liabilities	231	180
Statement of income/Statement of comprehensive income		
Revenue	231	137
Net income/loss (–)	-61	-112
Other comprehensive income	—	—
Total comprehensive income	-61	-112
Wintershall Dea share	51.00 %	51.00 %
Wintershall Dea share of total comprehensive income	-31	-57
Carrying amount of the equity-accounted investment at the end of the year	**25**	**56**

[1] Preliminary figures, not based on final accounts

The company comprises exploration and production activities in Libya (onshore).

NOTE 3 – MAJOR ACQUISITIONS

On 30 March 2023, Wintershall Dea completed the acquisition of a 37% non-operated participating interest in the oil-producing Hokchi Block located offshore Mexico. After government approvals were obtained, Wintershall Dea and the partners in the Hokchi Block signed a corresponding Production Sharing Contract amendment.

Thereby, Wintershall Dea acquired an interest in a joint operation according to IFRS 11. As this joint operation constitutes a business in terms of IFRS 3, Wintershall Dea accounts for the acquisition of the interest as a business combination according to IFRS 3. The final purchase price of $401 million was allocated to oil and gas assets ($347 million) and intangible assets ($54 million).

The acquired assets are shown as part of assets held for distribution as at 31 December 2023 since they belong to the Target E&P and CMH Business (see Note 4). In the reporting period, €323 million for the acquisition is reported under cash flow from investing activities – discontinued operations. A prepayment was already made in the previous year.

NOTE 4 – ASSETS HELD FOR SALE/DISTRIBUTION AND DISCONTINUED OPERATIONS

Assets held for distribution and discontinued operations

On 21 December 2023, the shareholders of Wintershall Dea, BASF and LetterOne, announced that they had signed a business combination agreement with Harbour Energy plc regarding the Target E&P and CMH Business (see Note 1). The transaction is expected to close in Q4 2024.

Before completion of the transaction, the shares in Wintershall Dea Global Holding GmbH, holding the Target E&P and CMH Business, will be spun off and distributed to the shareholders BASF and LetterOne. Wintershall Dea's headquarters in Kassel and Hamburg, that are not part of the transaction, are intended to be closed.

Following the announcement of the transaction, a restructuring provision was recognised which is shown under continuing operations and the result of the Target E&P and CMH Business is shown in Wintershall Dea's consolidated statement of income as net income/loss from discontinued operations. In addition, their net cash flows attributable to the operating, investing and financing activities are shown, in each case, separately as cash flows from discontinued operations. The comparison period is adjusted accordingly. Intra-group transactions between companies shown as continuing operations and companies shown as discontinued operations are eliminated. As the parent company of the Group, some tasks such as the marketing of gas and hedging are performed centrally by Wintershall Dea AG. These tasks and the resulting financial effects will no longer exist after the spin-off and subsequent completion of the transaction.

Therefore, in order to ensure a meaningful disclosure, eliminations are completely allocated to continuing operations. This includes mainly the following:

- External gas sales revenues at Wintershall Dea AG that represent the selling-on of produced or purchased gas acquired internally from the discontinued operations: These revenues are eliminated in continuing operations against the cost of trade goods and therefore shown under discontinued operations for 2023 and 2022. As at 31 December 2023, corresponding trade accounts receivable are netted against trade accounts payable in continuing operations in the same way, and trade accounts receivables are therefore shown under discontinued operations.
- Foreign currency hedges carried out for group companies allocated to discontinued operations: The internal and external hedge results are offset in continuing operations in 2022 and 2023 and as a consequence, the economic effect of these hedges is shown under discontinued operations and thus match the underlying hedged foreign currency exposure. The same applies to the corresponding derivative assets and liabilities as at 31 December 2023.

The assets and liabilities associated with the Target E&P and CMH Business were reclassified to assets and liabilities held for distribution in the consolidated balance sheet. For simplification reasons, the application of IFRS 5 and the respective measurement implications are based on a reclassification as at 31 December 2023. The continuing operations comprise Wintershall Dea AG, the participations in Wintershall Noordzee B.V. and Wintershall AG, the midstream business, the Russian participations as well as certain holding companies.

Income statement related to discontinued operations

€ million	2023	2022
Revenues gas and oil	5,768	7,481
Revenues other	91	105
Other operating income	38	57
	5,897	**7,642**
Production and operating expenses	-1,517	-1,376
Production and similar taxes	-157	-221
Depreciation and amortisation	-1,293	-1,389
Net impairment on assets	-343	-178
Exploration expenses	-147	-99
General and administrative expenses	-359	-184
	2,081	**4,195**
Financial income	167	141
Financial expenses	-520	-404
	-353	**-264**
Income/loss (-) before taxes	**1,729**	**3,931**
Income taxes	-1,837	-3,143
Net income/loss (-) from discontinued operations	**-109**	**788**

Net impairments on assets

An impairment test on assets (including goodwill) was carried out before the application of IFRS 5 and reclassification to assets held for distribution.

In the reporting period, net impairments on assets relating to discontinued operations amount to €343 million. They were triggered by updated planning assumptions and relate to the segments Latin America (net reversal of impairments: €157 million) and Middle East/North Africa (net impairments: €499 million).

For further information on impairment tests, including applied macroeconomic assumptions, see Note 13.

Income taxes

Wintershall Dea AG being the parent company of the German tax group is liable for the corporate income tax, solidarity surcharge and trade income tax of that tax group.

Income taxes/assets/liabilities of the tax group including deferred taxes and deferred tax assets on tax loss carryforwards of that tax group are reported under continuing operations. The same applies for deferred taxes/deferred tax assets/liabilities on temporary differences of assets and liabilities in the ownership of Wintershall Dea AG. However, the (net) deferred tax liability as well as the corresponding deferred tax income/expenses resulting from changes in temporary differences of assets and liabilities in the ownership of group companies, which are part of that tax group and of discontinued operations, are allocated to the discontinued operations.

Income taxes/assets/liabilities including deferred taxes and deferred tax assets/liabilities of group companies, that are not part of the Wintershall Dea AG tax group and belong to discontinued operations, are reported within discontinued operations.

Deferred tax assets comprise capitalised tax credit claims resulting from the expected utilisation of loss carryforwards in subsequent years. The realisation of these loss carry-forwards is ensured to an adequate level of certainty. In the reporting period, there were tax loss carryforwards for discontinued operations of €927 million in Mexico and €79 million in Argentina, for which deferred tax assets of €306 million were recognised. The amount of tax loss carryforwards of discontinued operations not covered by deferred tax assets totals €837 million. A total amount of €531 million will not expire. A total amount of €306 million will expire between 2025 and 2038.

Wintershall Dea recognised deferred tax income of €60 million (2022: €21 million) resulting from the recognition of previously unrecognised deferred tax assets for its discontinued operations. This mainly resulted from the recognition of its tax loss carryforwards in the context of the acquisition of the participating interest in the Hokchi Block in the reporting period.

Tax expenses include deferred tax income of €1 million (2022: €2 million) from a reversal of a previously written-down deferred tax asset on temporary differences.

If the global minimum top-up tax had been applied in 2023, the simplified calculated global minimum top-up tax for Wintershall Dea's activities in the segments Middle East/North Africa and Northern Europe would have increased the effective tax rate of Wintershall Dea's discontinued operations by less than 0.3%. However, Wintershall Dea is further assessing the implications of the global minimum top-up tax on its discontinued operations for 2024 onwards. The disclosure for 2023 does not provide an indication for forecasting the impact of the global minimum top-up tax on the effective tax rate of Wintershall Dea's discontinued operations in 2024, as the income and expenses of the affected activities have been impacted by fair value fluctuations and a reversal of an impairment, which may be different in 2024.

No deferred tax liabilities were recognised for temporary differences associated with investments in subsidiaries, branches and associates of discontinuing operations in the amount of €328 million in 2023 because Wintershall Dea is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

For income tax matters, for which the Group has not recorded a provision as the Group believes that the tax authorities' claims have no merit and that no adjustment is warranted, but if, contrary to the Group's view, the tax authorities were to prevail finally in their arguments, the Group would expect to have an additional expense of approximately €9 million in the discontinuing operations.

Assets and liabilities held for distribution

€ million	31 Dec 2023
Goodwill	2,087
Exploration assets	343
Other intangible assets	1,860
Property, plant and equipment	7,827
Other financial assets	12
Financial receivables	2
Derivative assets	332
Trade and other receivables	1,078
Income tax assets	9
Deferred tax assets	138
Inventories	162
Cash and cash equivalents	221
Assets held for distribution	**14,070**
Pension provisions	72
Decommissioning provisions	1,993
Other provisions	373
Financial debt	3,127
Derivative liabilities	272
Income tax liabilities	1,152
Trade and other payables	786
Deferred tax liabilities	4,084
Liabilities held for distribution	**11,859**

Equity

Other comprehensive income

The following cumulative income and expenses directly recognised as other comprehensive income in equity relate to assets and liabilities held for distribution:

€ million	31 Dec 2023
Actuarial gains/losses (-)	-26
Unrealised gains/losses (-) on currency translation	459
Unrealised gains/losses (-) on fair value changes in derivatives	-28
Total	**405**

Subordinated notes

The subordinated notes that are fully classified as equity are part of the Target E&P and CMH Business and will also be disposed of once the spin-off of the Target E&P and CMH Business is executed. They are continued to be shown as equity according to IAS 32 until disposal, in absence of an explicit provision in IFRS 5.

Financial debt

Financial debt mainly comprises bonds with a carrying amount (including transaction cost) of €2,993 million. The fair value, which is determined using quoted market prices in an active market, amounts to €2,729 million. The repayment obligation remains at €3,000 million.

Provisions

Provisions held for distribution comprise pension provisions, decommissioning provisions as well as other provisions. For further information, including applied discount rates and underlying assumptions, see Note 21 and Note 22.

Plan assets that are netted against pension provisions are related to the following classes:

	31 Dec 2023			
€ million	Germany	Of which has an active market	Norway	Of which has an active market
Assets held by insurance company	3	—	25	100 %
Specialised funds	374	100 %	—	—
Total	**377**	—	**25**	—

Financial instruments

For further information on financial instruments for discontinued operations, see Note 27 concerning the continuing and discontinued operations combined.

Assets held for sale and liabilities directly associated with assets classified as held for sale

Wintershall Dea is continuing its preparation for a separate sale of its stake in the equity-accounted investment WIGA, which is not part of the transaction shown under discontinued operations.

The equity-accounted investment was remeasured at fair value before reclassification to assets held for sale as of 31 December 2023. A reversal of impairments of €483 million is included under net impairment of assets.

€ million	31 Dec 2023
Equity-accounted investments	1,050
Financial receivables	201
Assets held for sale	**1,251**
Cash pooling liabilities	317
Liabilities directly associated with assets classified as held for sale	**317**

Cumulative actuarial losses in the amount of €11 million and unrealised gains on fair value changes in derivatives in the amount of €29 million, which are recognised as other comprehensive income in equity, relate to the equity-accounted investment WIGA.

NOTE 5 – REVENUES

€ million	2023	2022[1]
Revenues gas		
Gas sales own production	—	598
Gas sales trading	3,257	10,075
Unrealised gains/losses from gas derivatives	-54	121
	3,202	10,795
Revenues oil (crude oil/condensate/NGL)		
Oil sales own production	—	273
Oil sales trading	—	—
	—	273
Total revenues gas and oil	3,202	11,068
Revenues other	2	61
Total	3,204	11,128

[1] The comparative prior-year figures have been adjusted due to the reporting of discontinued operations.

Gas and oil sales revenues from own production in the comparison period are completely related to service fees for extraction services in Russia.

Trading revenues cover the trading activities for gas. The corresponding purchase costs for gas volumes sold to third parties are shown under "cost of trade goods". The headquarters' trading activities for the purpose of margin improvement and in the comparison period also the trading transactions of the Russian subsidiary YRGM Trading are shown net of cost under trading revenues.

Wintershall Dea is engaged in gas sales and purchase contracts that are physically settled despite not qualifying as own use prior to settlement. These contracts are accounted for as financial instruments in accordance with IFRS 9. Fair value changes prior to settlement are shown separately as unrealised gains/losses from gas derivatives.

Revenues other are predominately related to construction services performed in Russia in the comparison period.

NOTE 6 – PRODUCTION AND OPERATING EXPENSES

€ million	2023	2022[1]
Production costs	—	26
Change over-/underlift	—	—
Transport fees and leases	—	—
Development costs	—	—
Cost of trade goods	3,159	9,139
Other cost of sales	—	58
Other costs	—	104
Total	3,159	9,326

[1] The comparative prior-year figures have been adjusted due to the reporting of discontinued operations.

Production costs, other cost of sales as well as other costs are entirely attributable to Russia in the comparison period.

Cost of trade goods covers the gas trading activities. The corresponding revenues are shown under gas sales trading. The headquarters' trading activities for the purpose of margin improvement and in the comparison period also the trading transactions of the Russian subsidiary YRGM Trading are shown net of cost under trading revenues.

NOTE 7 – NET IMPAIRMENT ON ASSETS

In the reporting period, net impairments on assets comprise reversals of impairment losses amounting to €541 million. They relate to equity-accounted investments and are based on updated planning assumptions.

Further information related to impairment testing and macroeconomic parameters is provided in Note 13.

NOTE 8 – GENERAL AND ADMINISTRATIVE EXPENSES

In the reporting period, general and administrative expenses mainly comprise restructuring cost (€313 million).

NOTE 9 – ADDITIONAL DISCLOSURES: PERSONNEL EXPENSES AND EMPLOYEES

Personnel expenses are related to continuing and discontinued operations. With regard to continuing operations, total personnel expenses are included in production and other operating expenses (comparison period only), exploration expenses and general and administrative expenses.

PERSONNEL EXPENSES

€ million	2023	2022
Wages and salaries	327	388
Social security and other benefits	40	42
Expenses relating to post-employment benefits	15	26
Total	**382**[1]	**456**[2]

[1] Thereof related to continuing operations: €144 million
[2] Thereof related to continuing operations: €195 million

NUMBER OF EMPLOYEES

	Average 2023[1]	Average 2022[2]
Wintershall Dea Group	2,087	2,314
of which trainees	42	43
of which employees on fixed-term contracts	50	78

[1] Thereof 790 employees related to continuing operations (of which 21 trainees and 19 employees on fixed-term contracts)
[2] Thereof 981 employees related to continuing operations (of which 19 trainees and 51 employees on fixed-term contracts); from the employees related to continuing operations 231 employees belong to one proportionally consolidated company included in the consolidated financial statements until end of November 2022

NOTE 10 – FINANCIAL RESULT

€ million	2023	2022[1]
Interest income from third parties	94	146
Interest income from related parties	9	3
Foreign currency exchange gains, net	—	66
Income from investments	4	4
Other financial income	17	1
Financial income	**124**	**219**
Interest expenses to third parties	5	5
Interest expenses to related parties	22	2
Foreign currency exchange losses, net	62	—
Losses from financial derivatives, net	15	58
Interest from addition to provisions	14	6
Loss absorptions	11	—
Net impairments on other financial assets	—	6
Net impairment on financial receivables and bank balances	—	1,005
Other financial expenses	7	12
Financial expenses	**135**	**1,095**
Total financial result	**-11**	**-875**

[1] The comparative prior-year figures have been adjusted due to the reporting of discontinued operations.

Interest income and interest expenses predominantly result from assets and liabilities measured at amortised cost.

Other financial income comprise gains resulting from the fair value measurement of an issued financial guarantee in the amount of €14 million. The probability of being claimed under the financial guarantee is considered to be extremely low, resulting in a fair value of zero as at 31 December 2023.

In the previous year, net impairments on financial receivables included the full impairment on financial receivables (€1,003 million) related to the financing of the Nord Stream 2 pipeline project.

NOTE 11 – INCOME TAXES

In Germany, a uniform corporate income tax rate of 15% and a solidarity surcharge of 5.5% are levied on all distributed and retained earnings. In addition to corporate income tax, income generated in Germany is subject to a trade tax that varies depending on the municipality in which the company is represented. The weighted average corporate income and trade tax rate in 2023 was 30% (2022: 30%). The 30% tax rate used to calculate deferred taxes for German Group companies remained unchanged in 2023. The income of foreign Group companies is assessed using the tax rates applicable in their respective countries.

The foreign Group companies use the following tax rates for the deferred tax calculation:

TAX RATES FOR THE DEFERRED TAX CALCULATION

Norwegian Group company	78%/71.8%/22%
Mexican Group companies	30%
Dutch Group companies	25.8%
Argentine Group company	35%

The foreign tax rates for Norway, Mexico and Argentina are related to discontinued operations whereas the Dutch tax rate is related to both continuing and discontinued operations.

Wintershall Dea AG, as the parent company of the German tax group, is liable for the corporate income tax, solidarity surcharge and trade income tax of that tax group.

Income taxes/assets/liabilities of the tax group, including deferred taxes and deferred tax assets on tax loss carryforwards of that tax group are reported under continuing operations. The same applies for deferred taxes/deferred tax assets/liabilities resulting from changes in temporary differences of assets and liabilities in the ownership of Wintershall Dea AG.

However, the (net) deferred tax liability as well as the corresponding deferred tax income/expenses on temporary differences of assets and liabilities in the ownership of group companies, which are part of that tax group and discontinued operations, are allocated to discontinued operations.

Income taxes/assets/liabilities including deferred taxes and deferred tax assets/liabilities of group companies that are not part of the Wintershall Dea AG tax group and belong to continuing/discontinued operations, are reported within continuing/discontinued operations.

TAX EXPENSES

€ million	2023	2022[1]
Income taxes current year (corporate income tax, solidarity surcharge and trade taxes)	—	357
Income taxes for prior years	-21	8
Current income tax expenses	**-21**	**364**
changes in temporary differences	18	-2
changes in tax loss carryforwards/ unused tax credits	204	-53
Deferred taxes	**221**	**-55**
Income taxes	**200**	**310**

[1] The comparative prior-year figures have been adjusted due to the reporting of discontinued operations.

The ultimate parent company of the Group is located in Germany, which has enacted new legislation prescribing a global minimum top-up tax in 2023. The Group does not expect to be affected by the global minimum top-up tax for its continuing operations. However, the Group is currently assessing the impact of the global minimum top-up tax legislation on its discontinued operations. As the discontinued operations are generally located in countries with statutory tax rates of considerably more than 15%, the Group expects immaterial future impacts resulting from the global minimum top-up tax on its discontinued operations (see Note 4).

Since the newly enacted tax legislation in Germany is only effective from 1 January 2024, there is no current tax impact for the year ended 31 December 2023.

The Group has applied the exception to neither recognise nor disclose information on deferred tax assets and liabilities related to the global minimum top-up tax and will account for it as a current tax when incurred.

Taxes on income are derived from the expected tax expenses as follows:

RECONCILIATION TO THE EFFECTIVE TAX EXPENSE AND THE TAX RATE

€ million	2023	2022[1]
Income/loss (-) before taxes from continuing operations	**300**	**-5,282**
Expected income taxes based on German weighted average corporate and trade income tax rate (30%)	-90	1,585
Effect of deconsolidation of the Russian and Brazilian business and impairments in the segments Russia and Midstream	—	-1,802
Gains from reversal of impairments of investments in joint ventures	162	—
Net income from investments in associated companies and in joint ventures	16	27
Effect of different tax rates on income of foreign Group companies	—	161
Elimination of intra-group income and expenses with discontinued operations	55	31
Taxes and deferred taxes for prior years	30	-12
Withholding tax on dividends	—	-6
Tax effect on expenses of German continuing operations not deductible for tax purposes	-16	-13
Changes in deferred tax assets on tax loss carryforwards related to discontinued operations	41	-40
Write-down of deferred tax assets on tax loss carryforwards	-272	-235
Write-down of deferred tax assets (net) on temporary differences	-117	—
Miscellaneous	-9	-6
Effective income taxes	**-200**	**-310**
Effective income tax rate in %	**67**	**-6**

[1] The comparative prior-year figures have been adjusted due to the reporting of discontinued operations.

Income tax assets and liabilities

Income tax assets and liabilities consist primarily of income taxes for the respective current year and prior-year periods that have not been definitively audited by the tax authorities. The income tax liabilities also comprise provisions for uncertain tax positions.

Deferred tax assets and liabilities

The deferred tax assets and liabilities are allocable to the following balance sheet items:

DEFERRED TAX ASSETS AND LIABILITIES 2023

			Effects recognised in OCI						
€ million	1 Jan 2023, net	Effects recognised in income	Cash flow hedge	Remeasurement of benefit plans	Currency translation effect	Reclassification as held for distribution	31 Dec 2023, net	Deferred tax assets	Deferred tax liabilities
Intangible assets, property, plant and equipment	-5,220	-96	—	—	176	5,132	**-8**	—	8
Inventories, receivables and other assets (incl. derivatives)	-141	82	1	—	—	25	**-34**	—	34
Pension provisions	61	-46	—	17	-1	-31	—	—	—
Other provisions and liabilities (incl. derivatives)	3,409	-70	-2,366	—	-60	-871	**42**	42	—
Other	3	-1	—	—	—	-2	—	—	—
Tax loss carryforwards	364	-50	—	—	-8	-306	—	—	—
Deferred tax assets/ liabilities before netting	**-1,524**	**-181**	**-2,365**	**17**	**107**	**3,947**	—	**42**	**42**
Netting (same taxation authority)	—	—	—	—	—	—	—	-42	-42
Deferred tax assets/ liabilities after netting	—	—	—	—	—	—	—	—	—

DEFERRED TAX ASSETS AND LIABILITIES 2022

				Effects recognised in OCI					
€ million	1 Jan 2022, net	Effects recognised in income	Change in scope of consolidation	Cash flow hedge	Remeasurement of benefit plans	Currency translation effect	**31 Dec 2022, net**	Deferred tax assets	Deferred tax liabilities
Intangible assets, property, plant and equipment	-5,391	369	163	—	—	-361	**-5,220**	36	5,256
Inventories, receivables and other assets (incl. derivatives)	-328	218	-24	-9	—	2	**-141**	5	146
Pension provisions	127	-14	—	—	-54	2	**61**	95	34
Other provisions and liabilities (incl. derivatives)	3,360	-583	-15	596	—	51	**3,409**	3,409	—
Other	3	—	—	—	—	—	**3**	3	—
Tax loss carryforwards	265	92	—	—	—	7	**364**	364	—
Deferred tax assets/ liabilities before netting	**-1,964**	**82**	**124**	**587**	**-54**	**-299**	**-1,524**	**3,912**	**5,436**
Netting (same taxation authority)	—	—	—	—	—	—	**-1,524**	-3,723	-3,723
Deferred tax assets/ liabilities after netting	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**189**	**1,713**

Current and deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities that intend to either settle current tax liabilities and assets on a net basis or realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Planned changes in the structure of the Wintershall Dea AG tax group will impact the future taxable income of that tax group. Due to the lack of sufficient probable future taxable income of the tax group, Wintershall Dea derecognised (net) deferred tax assets of €117 million resulting from temporary differences on assets and liabilities in the ownership of Wintershall Dea AG in the reporting period.

Of the total amount of deferred tax assets and deferred tax liabilities, €20 million (2022: €1,745 million) and €30 million (2022: €112 million) are expected to be realised within 12 months.

No deferred tax liabilities were recognised for temporary differences associated with investments in subsidiaries, branches and associates of continuing operations in the amount of €1 million in 2023 (2022: €283 million) because Wintershall Dea is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Current income taxes for current and prior periods are measured at the amount that is expected to be paid to or be refunded from the tax authorities, taking into account the tax rates applicable in the countries of the respective Group companies as at the balance sheet date. The Group companies are liable for taxation in several countries. When assessing the Group-wide tax receivables and tax liabilities, the interpretation of tax law may create uncertainty. There is a potential risk that tax authorities and Group companies will interpret tax rules differently. Changes in assumptions of tax law interpretations that may, for example, result from revised jurisprudence are recognised in the measurement of uncertain tax receivables and liabilities in the respective period. Uncertain tax liabilities are recognised with the probable value if their probability is more likely than not.

In determining the Group's worldwide income tax provisions, judgment is involved in assessing whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and whether to reflect the respective effect of uncertainty based on the most likely amount. In applying these judgments, the Group considers the nature and the individual facts and circumstances of each uncertain tax treatment as well as the specifics of the respective jurisdiction, including applicable tax laws and the Group's interpretation thereof.

For income tax matters, the Group has not recorded a provision as the Group believes that the tax authorities' claims have no merit and no adjustment is warranted. However, if contrary to the Group's view, the tax authorities were to ultimately prevail in their arguments, the Group would expect to have an additional expense of approximately €4 million in continuing operations.

Tax loss carryforwards

In the reporting period, the tax loss carryforwards of the continuing operations in Germany amounted to €3,241 million. Generally, these tax loss carryforwards will not expire. However, due to the planned spin-off, the majority of these tax loss carryforwards will cease to exist as at the spin-off date. After the spin-off, it is not probable that the continuing operations will generate sufficient taxable profit against which the remaining part of the tax loss carryforwards can be utilised. Hence, in the reporting period, the beginning balance of the deferred tax asset on tax loss carryforwards of the continuing operations of €203 million has been derecognised. In addition, a deferred tax asset of €69 million for the tax losses incurred by the continuing operations in 2023 has not been recognised.

In 2022, there were tax loss carryforwards of €1,328 million in Germany, €537 million in Mexico and €3 million in the Netherlands, for which deferred taxes of €364 million were recognised. The amount of tax loss carryforwards not covered by deferred tax assets amounted to €2,411 million. A total amount of €2,094 million will generally not expire. A total amount of €317 million will expire between 2025 and 2037.

NOTE 12 – SEGMENT REPORT

Until completion of the transactions mentioned in Note 4, the Group is steering its business in an unchanged manner (combining continuing and discontinued operations).

The business is conducted in five segments:

- Northern Europe
- Latin America
- Middle East/North Africa
- Midstream
- Headquarter and Other

In the previous year, Russia was reported as an additional segment.

The segments Northern Europe, Latin America and Middle East/North Africa comprise the E&P business and are further divided into divisions based on countries in the respective region. The E&P segments include exploration, appraisal, field development and production activities in the following divisions:

- **Northern Europe:** Germany, Norway, the Netherlands, United Kingdom and Denmark
- **Latin America:** Argentina and Mexico
- **Middle East/North Africa:** Egypt, Libya, Algeria and United Arab Emirates

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

The segment Headquarter and Other (HQ and Other) includes the Management Board and corporate functions, such as the trading activities managed by the headquarters, Global Exploration and Carbon Management and Hydrogen (CMH), as well as the holding companies.

The accounting policies for the segments are the same as the Group's accounting policies described in Note 1.

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

The key internal performance measure "adjusted EBITDAX" (EBITDAX), which is used for internal management control purposes, and the additional performance indicator "adjusted net income" are disclosed as a measure of profit and loss for each reporting segment. EBITDAX and adjusted net income are not recognised measures under IFRS.

In addition, the segment reporting includes the non-IFRS measures "free cash flow" and "production", which also serve as key performance indicators for internal management control.

	2023						
€ million/mboe/d	Northern Europe	Latin America	Middle East/ North Africa	Midstream	HQ and Other	Consolidation	**Total**
External revenues	2,477	539	482	2	5,563	—	**9,064**
Inter-segment revenues	2,360	—	—	—	312	-2,672	—
Segment revenues	4,838	539	482	2	5,875[1]	-2,672	**9,064**
Depreciation and amortisation	-965	-131	-193	—	-10	—	**-1,298**
Net impairment on assets (impairments [-]/reversals [+])	58	156	-499	483	—	—	**198**
Exploration expenses	-48	-94	-10	—	5	—	**-147**
Income taxes	-1,815	95	-100	-1	-217	—	**-2,037**
Adjusted net income	530	-71	-29	104	-21	—	**513**
EBITDAX	3,406	310	341	105	28	—	**4,190**
of which net income from equity-accounted investments	14	—	-31	104	—	—	**86**
Total capex[2]	668	266	281	—	38	—	**1,254**
of which capex	614	219	281	—	38	—	**1,152**
of which exploration	55	47	—	—	—	—	**102**
Free cash flow	591	38	-207	—	-449	—	**-27**
Production[3]	208	69	46[4]	—	—	—	**323**
of which gas	115	56	39	—	—	—	**210**
of which oil	93	13	7	—	—	—	**113**

[1] The segment revenues are exclusively related to trading activities managed by the headquarter
[2] Cash outflows for intangible assets and property, plant and equipment
[3] On a working-interest basis, including proportional production from at equity-accounted companies
[4] Excludes Libya onshore

	2022							
€ million/mboe/d	Northern Europe	Russia[1]	Latin America	Middle East/ North Africa	Midstream	HQ and Other	Consolidation	**Total**
External revenues	3,354	1,779	579	506	2	12,495	—	**18,714**
Inter-segment revenues	3,146	—	—	—	—	190	-3,336	**—**
Segment revenues	6,500	1,779	579	506	2	12,685[2]	-3,336	**18,714**
Depreciation and amortisation	-1,042	-37	-184	-160	—	-6	—	**-1,429**
Net impairment on assets (impairments [-]/reversals [+])	-8	-348	-292	122	-1,132	—	—	**-1,658**
Exploration expenses	-55	—	-40	-5	—	-2	—	**-102**
Income taxes	-3,200	-332	62	-39	2	56	—	**-3,452**
Adjusted net income	831	1,429	-13	77	21	12	—	**2,357**
EBITDAX	5,300	1,751	353	362	21	-111	—	**7,675**
of which net income from equity-accounted investments	56	102	—	-57	-8	—	—	**93**
Total capex[3]	712	6	106	131	—	15	—	**970**
of which capex	645	6	75	128	—	15	—	**869**
of which exploration	67	—	31	3	—	—	—	**100**
Free cash flow	2,173	1,385	49	219	99	-56	—	**3,869**
Production[4]	207	276	67	47[5]	—	—	—	**597**
of which gas	111	221	59	40	—	—	—	**431**
of which oil	96	55	8	7	—	—	—	**166**

[1] Deconsolidation of Russian subsidiaries in Q4 2022
[2] The segment revenues are almost exclusively related to trading activities managed by the headquarter (€12,684 million including trading activities for the Group`s own production).
[3] Cash outflows for intangible assets and property, plant and equipment
[4] On a working-interest basis, including proportional production from at equity-accounted companies
[5] Excludes Libya onshore

NOTE 13 – INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

INTANGIBLE ASSETS

€ million	Goodwill	Exploration assets	Other intangible assets	Total
Cost of acquisition and production				
As at 1 Jan 2023	2,156	569	3,412	**6,137**
Change in scope of consolidation	—	—	1	**1**
Additions	—	102	86	**188**
Disposals	-6	-39	-1	**-45**
Transfers	—	-7	3	**-3**
Currency translation effect	-64	-17	-95	**-177**
Reclassification to assets held for distribution	-2,087	-608	-3,368	-6,063
As at 31 Dec 2023	—	—	**38**	**38**
Accumulated amortisation				
As at 1 Jan 2023	—	272	1,500	**1,772**
Change in scope of consolidation	—	—	—	—
Amortisation/depreciation	—	—	199	**199**
Impairments	6	—	52	**58**
Reversal of impairments	—	—	-182	**-182**
Disposals	-6	—	-1	**-7**
Transfers	—	—	-1	**-1**
Currency translation effect	—	-6	-35	**-41**
Reclassification to assets held for distribution	—	-266	-1,509	-1,774
As at 31 Dec 2023	—	—	**24**	**24**
Net carrying amount as at 31 Dec 2023	—	—	**15**	**15**

INTANGIBLE ASSETS

€ million	Goodwill	Exploration assets	Other intangible assets	**Total**
Cost of acquisition and production				
As at 1 Jan 2022	2,435	511	4,049	**6,995**
Change in scope of consolidation	-488	-28	-1,104	**-1,620**
Additions	—	100	18	**119**
Disposals	—	-2	-18	**-20**
Transfers	-32	-40	-4	**-76**
Currency translation effect	242	29	470	**740**
As at 31 Dec 2022	**2,156**	**569**	**3,412**	**6,137**
Accumulated amortisation				
As at 1 Jan 2022	—	284	1,418	**1,703**
Change in scope of consolidation	—	-28	-615	**-643**
Amortisation/depreciation	—	—	224	**224**
Impairments	—	—	292	**292**
Disposals	—	—	-18	**-18**
Currency translation effect	—	15	199	**214**
As at 31 Dec 2022	**—**	**272**	**1,500**	**1,772**
Net carrying amount as at 31 Dec 2022	**2,156**	**298**	**1,912**	**4,366**

PROPERTY, PLANT AND EQUIPMENT

€ million	Land and buildings[1]	Gas and oil assets	Other plant, machinery and equipment	Fixtures and fittings and office equipment	Total
Cost of acquisition and production					
As at 1 Jan 2023	179	18,220	13	84	18,496
Additions	44	1,523	6	7	1,580
Disposals	-5	-170	—	-3	-178
Transfers	6	10	-13	1	4
Currency translation effect	-2	-499	—	—	-501
Reclassification to assets held for distribution	-168	-19,072	-6	-68	-19,314
As at 31 Dec 2023	54	13	—	20	87
Accumulated amortisation					
As at 1 Jan 2023	88	10,094	13	56	10,251
Amortisation/depreciation	15	1,082	—	8	1,105
Impairments	—	478	—	—	478
Reversal of impairments	—	-11	—	—	-11
Disposals	-4	-7	—	-3	-15
Transfers	—	14	-13	—	1
Currency translation effect	-1	-274	—	—	-275
Reclassification to assets held for distribution	-77	-11,362	—	-48	-11,487
As at 31 Dec 2023	21	13	—	13	47
Net carrying amount as at 31 Dec 2023	33	—	—	7	39

[1] Land and buildings include investment property.

PROPERTY, PLANT AND EQUIPMENT

€ million	Land and buildings[1]	Gas and oil assets[2]	Other plant, machinery and equipment	Fixtures and fittings and office equipment	Total
Cost of acquisition and production					
As at 1 Jan 2022	185	19,393	26	92	**19,696**
Change in scope of consolidation	-15	-731	-16	-8	**-770**
Additions	9	961	—	6	**976**
Disposals	-7	-1,469	—	-9	**-1,485**
Transfers	-1	-1,036	-1	1	**-1,036**
Currency translation effect	8	1,102	4	3	**1,117**
As at 31 Dec 2022	**179**	**18,220**	**13**	**84**	**18,496**
Accumulated amortisation					
As at 1 Jan 2022	81	10,366	18	61	**10,526**
Change in scope of consolidation	-2	-247	-6	-7	**-262**
Amortisation/depreciation	13	1,217	1	8	**1,238**
Impairments	—	3	—	—	**3**
Reversal of impairments	—	-128	—	—	**-128**
Disposals	-5	-841	—	-8	**-854**
Transfers	—	-817	—	—	**-817**
Currency translation effect	1	541	2	2	**546**
As at 31 Dec 2022	**88**	**10,094**	**13**	**56**	**10,251**
Net carrying amount as at 31 Dec 2022	**91**	**8,127**	**—**	**28**	**8,245**

[1] Land and buildings include investment property.
[2] Gas and oil assets include assets under construction in the amount of €1,576 million as at 31 Dec 2022.

Capitalised borrowing costs

In connection with the acquisition and production of qualified assets, borrowing costs amounting to €4 million (2022: €23 million) were capitalised as part of acquisition and production costs in the reporting period. The financing cost rate applied in this context was between 1.2% and 1.4% (2022: 1.2%). The capitalised borrowing costs are entirely related to discontinued operations.

Impairment testing

Impairment tests of individual cash-generating units are performed when triggering events point to a potential impairment. External triggering events include, for example, changes in oil and gas prices and in the estimated reserves, whereas changes in production processes or physical damage to assets constitute internal indicators of impairment.

An impairment is recognised when the carrying amount 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 goodwill, producing licences and licences in the development phase, the recoverable amount is estimated based on discounted future cash flows after tax.

Further details regarding net impairments on assets for continuing operations are provided in Note 7 and for discontinued operations in Note 4.

Macroeconomic parameters

The following macroeconomic assumptions have been used for the impairment test as at 31 December 2023 for continuing as well as discontinued operations.

Oil and gas prices

Oil and gas price forecasts are based on the Group's current oil and gas price scenario taking into account management's estimates and available market data. The oil and gas price scenario includes a Brent price of $75/bbl and a European gas price of $16/mmbtu for the year 2024. In the long-term, respective prices of $75/bbl (after 2024) and of $9/mmbtu (after 2026) in real terms are assumed.

Discount rates

The discount rates applied are based on the weighted average cost of capital, taking into consideration the individual functional currency and specific country risks. The Group applies after-tax discount rates. The beta factor is based on publicly available market data about the identified peer group. For the impairment test in 2023, the discount rates applied per functional currency ranged between 6.0% and 33.9%.

Discount rates of 8.5% and 8.4% were used for the goodwill impairment test for the business units Germany and Norway, to which a significant portion of the goodwill was allocated.

Goodwill impairment test

Goodwill is subject to an annual impairment test, which was carried out as at 31 December 2023 at the level of groups of cash-generating units. At Wintershall Dea, these units largely correspond to the business units.

As at 31 December 2023, the goodwill was entirely related to discontinued operations. In 2022, the goodwill was allocated to the following groups of cash-generating units:

€ million	31 Dec 2022
Norway	1,714
Germany	303
Argentina	122
The Netherlands	11
Middle East	6
Total	**2,156**

Oil and gas prices, production volumes and discount rates are considered to be the most critical input parameters and assumptions for goodwill impairment testing. A sensitivity analysis was carried out for these items. In accordance with IAS 36.134 f, the analysis focused solely on the Norway and Germany business units.

After determining the corresponding recoverable amounts of the business units by assessing reasonable deviations (-20% on prices, -20% on production and +1% on discount rates) for the stated input parameters, there was no indication that the carrying amount would exceed the recoverable amount and trigger goodwill impairment for the business units Germany and Norway.

NOTE 14 – EQUITY-ACCOUNTED INVESTMENTS

€ million	2023	2022
Net carrying amount at the beginning of the reporting period	599	2,856
Change in scope of consolidation	—	-1,085
Dividends	—	-92
Proportional net income	86	93
Proportional other comprehensive income	-19	55
Impairments	—	-1,480
Reversal of impairments	541	—
Currency translation effect	—	253
Reclassification to assets held for sale	-1,050	—
Net carrying amount at the end of the reporting period	**157**	**599**

NOTE 15 – OTHER FINANCIAL ASSETS

Other financial assets measured at fair value comprise mainly Wintershall Dea's participation in Russian entities for which the full or proportional consolidation and equity valuation ceased in 2022 due to loss of control/joint control and significant influence. At initial recognition, Wintershall Dea elected to classify the participations as measured at fair value through OCI.

The initial fair value determination was based on probability weighted scenarios which included, besides a downside scenario, a scenario with the underlying assumption that the company will receive cash inflows for its Russian entities in the future. In December 2023, two new decrees -965 and 966- were issued by the President of the Russian Federation. They include the transfer of our Russian assets to new legal entities. Wintershall Dea shall receive in return a purchase price determined in accordance with Russian law. As the amount of the purchase price and the possibility to expatriate it are highly uncertain, the expected fair value is zero as at 31 December 2023. The loss of €248 million is shown as other comprehensive income in equity.

NOTE 16 – INVENTORIES

€ million	31 Dec 2023	31 Dec 2022
Raw materials, consumables and supplies	—	138
Work in process and finished goods	—	77
Total	**—**	**215**

NOTE 17 – FINANCIAL RECEIVABLES

	31 Dec 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Loans and financial receivables to related parties and other participations	10	—	212	4
Loans and financial receivables to other parties	—	—	—	2
Financial receivables from cash pooling	—	23	—	13
Total	**10**	**23**	**212**	**19**

NOTE 18 – TRADE AND OTHER RECEIVABLES

	31 Dec 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Trade accounts receivable				
Trade accounts receivable from revenues	—	4	—	1,667
Other trade accounts receivable	—	13	—	29
	—	17	—	1,696
Other receivables				
Receivables from other taxes	—	59	—	78
Prepayments and prepaid expenses	1	12	3	40
Underlift receivables	—	—	—	43
Miscellaneous other receivables and assets	—	14	11	79
	1	85	14	241
Total	1	102	14	1,937

NOTE 19 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, credit balances on bank accounts and term deposits for up to three months with banks. Cash and cash equivalents at 31 December 2023 included no restricted cash in continuing operations. As at 31 December 2022, the restricted cash of €204 million was predominantly related to group companies allocated to discontinued operations.

NOTE 20 – EQUITY

Shareholder's equity

As at 31 December 2023, the subscribed capital of Wintershall Dea AG amounts to €189 million and is divided into 189,437,527 ordinary shares with full voting rights and a nominal value of €1.00 each. The shares in the company are held by BASF Handels- und Exportgesellschaft mbH, with 72.7%, and L1 Energy Capital Management Services S.à r.l. (LetterOne), with 27.3%.

Wintershall Dea is subject to significant influence from BASF and LetterOne as set out in the corporate governance.

Indirect shares pursuant to Section 16 (4) AktG are held by BASF SE and LetterOne Holdings S.A.

Changes in the company's capital reserves resulted from a reclassification of €200 million from capital reserves to retained earnings.

A common dividend on ordinary shares in the amount of €400 million was distributed in the reporting year.

The capital reserves of the Group are generally equivalent to the statutory financial statements of the parent company. They can deviate due to timing effects related to decisions regarding the appropriation of profits of the parent company.

Equity attributable to subordinated notes investors

In January 2021, Wintershall Dea AG issued two series of subordinated resettable fixed rate notes (subordinated notes) in the aggregate principal amount of €1,500 million through its fully owned subsidiary Wintershall Dea Finance 2 B.V. The subordinated notes are callable three months prior to the first reset date for the NC2026 series and six months prior to the first reset date for the NC2029 series. The first reset date for the NC2026 subordinated notes (€650 million with a coupon of 2.4985%) is on 20 July 2026, and the first reset date for the NC2029 subordinated notes (€850 million with a coupon of 3.0000%) is on 20 January 2029.

Under IAS 32, subordinated notes are wholly classified as equity. The capital raised through subordinated notes issues is recognised in equity, less discounts and transaction costs. Deferred taxes on discounts and transaction costs are also recognised in equity. Accrued interest payable to the subordinated notes investors increases equity, whereas the distribution of interest payments reduces equity.

The subordinated notes shown under equity are part of the Target E&P and CMH Business and will also be disposed of once the spin-off of the Target E&P and CMH Business has been executed.

NOTE 21 – PENSION PROVISIONS

In addition to state pension plans, most employees are granted company pension benefits from either defined contribution or defined benefit plans. Benefits generally depend on the length of service, compensation and contributions and take into consideration the legal framework of labour, tax and social security laws in the countries where the companies are located. To limit the risks of changes in financial market conditions and demographic developments, for a number of years now, employees have been offered almost exclusively defined contribution plans or equivalent company pension benefits for future years of service.

Description of the defined benefit plans

Germany

Since 2022, employees of Wintershall Dea companies in Germany have been participating in a capital market-oriented defined benefit pension scheme. This scheme applies to all new employees joining Wintershall Dea since 2020 and is financed by employer and employee contributions and the performance of the investment. Wintershall Dea guarantees at least the sum of all employer and employee contributions paid and generally fully covers these pension obligations with plan assets as part of an additional contractual trust arrangement (CTA). The option of building up employee-financed retirement provisions through deferred compensation is also available to all employees of Wintershall Dea companies in Germany as part of the capital market-oriented defined benefit pension scheme. All other pension plans (including deferred compensation plans) have been closed to new employees.

Furthermore, pension plans previously provided by BASF Pensionskasse VVaG for Wintershall Dea employees in Germany were replaced from April 2023 by new Wintershall Dea plans for future periods of service. The defined benefit plan of BASF Pensionskasse VVaG, which was closed to new Wintershall Dea employees in 2004, is continued as a defined benefit plan via a direct commitment by Wintershall Dea. The contribution-based plan of BASF Pensionskasse VVaG is replaced by the capital market-oriented pension scheme that is also granted to all new entrants.

Since the changeover in April 2023, some Wintershall Dea companies in Germany only participate in the BASF group's pension plans for periods of service already rendered (past service). Some of the past service benefits financed via BASF Pensionskasse VVaG are subject to adjustments that must be borne by its member companies to the extent that these cannot be borne by BASF Pensionskasse VVaG due to the regulations imposed by the German supervisory authority. In addition to the former basic level of BASF Pensionskasse VVaG benefits, there are still defined pension schemes, which are financed via pension provisions at the German Group companies. The benefits are largely based on modular plans. Only employees who already participated in various existing deferred compensation plans before 2022 can continue to participate in these plans.

BASF SE is not providing the required plan information from BASF Pensionskasse regarding the allocation of assets to Wintershall Dea for year-end closing. As a result, the former participation in BASF Pensionskasse for periods of service before April 2023 is accounted for as a multi-employer defined benefit plan with no access to sufficient information about the asset allocation and, therefore, as a defined contribution plan in accordance with IAS 19.36.

For further existing pension plans in Germany that are self-managed by Wintershall Dea, assets were transferred to Willis Towers Watson Treuhand GmbH within the framework of Contractual Trust Arrangements (CTAs) and to Willis Towers Watson Pensionsfonds AG as insolvency insurance. Willis Towers Watson Pensionsfonds AG falls within the scope of the Act on Supervision of Insurance Undertakings and Oversight by the German Federal Financial Supervisory Authority (BaFin). Insofar as a regulatory deficit occurs in the pension fund, supplementary payments are requested from the employer. Irrespective of the aforementioned rules, the liability of the employer remains in place. The bodies of Willis Towers Watson Treuhand GmbH and Willis Towers Watson Pensionsfonds AG are responsible for ensuring that the funds under management are used in compliance with the contract and thus fulfil the requirements for their recognition as plan assets.

The defined benefit plans that are recognised as pension provisions mainly include pension promises and are hence subject to longevity risk.

The German pension plans are related to continuing and discontinued operations.

Norway

The Wintershall Dea Norge defined benefit plans have been closed to new employees since 1 January 2016. For Norwegian employees whose remaining length of service until retirement on 1 January 2016 was 15 years or less, a final salary commitment continues to apply after the closure of the plan. The plans are partly funded via Nordea Liv AS. Employees who still had a remaining length of service of more than 15 years on the date of 1 January 2016, and employees who joined the company after this date are entitled to benefits under a defined contribution pension plan. Defined contribution plans are either secured with Nordea Liv AS or unfunded and administered by Storebrand Pensjonstjenester on behalf of Wintershall Dea Norge AS.

Moreover, closed defined benefit plans are in place for former DEA Norge employees. These are secured with DNB ASA. Employees who still had 15 years or less until retirement on 1 January 2021 remained in the existing plans. All others were transferred to existing defined contribution plans.

The Norwegian pension plans are related to discontinued operations only.

Actuarial assumptions

The amount of the provision for defined benefit pension schemes was determined by actuarial methods on the basis of the following key assumptions for continuing as well as discontinued operations.

	31 Dec 2023		31 Dec 2022	
Key assumptions (%)	Germany	Norway	Germany	Norway
Discount rate	3.16%	3.70%	3.69%	3.20%
Pension growth	2.30%	2.40%	2.30%	1.70%

The assumptions used to determine the present value of the entitlements as at 31 December 2022 are used in the following fiscal year to determine the expenses for pension plans.

The valuation of the defined benefit obligation is generally performed using the most recent actuarial mortality tables as at 31 December 2023.

ACTUARIAL MORTALITY TABLES AS AT 31 DEC 2023

Germany	Heubeck Richttafeln 2018 G
Norway	K2013

PROVISIONS FOR PENSIONS

€ million	Defined benefit obligations	Plan assets	**Total**
As at 1 Jan 2023	776	-405	**371**
Current service costs	46	—	**46**
Interest expense/(income)	27	-14	**13**
	73	**-14**	**59**
Remeasurements			
Return on plan assets, excluding amounts already recognised in interest income	—	-13	**-13**
Actuarial gains/losses			
of which effect of changes in financial assumptions	66	—	**66**
of which effect of experience adjustments	-7	—	**-7**
	59	**-13**	**46**
Currency effect	-4	2	**-2**
Employer contribution to the funded plans	—	-49	**-49**
Benefit payments	-43	22	**-21**
Other	-7	7	**—**
Reclassification to liabilities held for distribution	-474	402	**-72**
As at 31 Dec 2023	**381**[1]	**-48**	**333**

[1] Including unfunded pension plans in the amount of €273 million

€ million	Defined benefit obligations	Plan assets	Total
As at 1 Jan 2022	1,028	-469	**558**
Current service costs	17	—	**17**
Interest expense/(income)	12	-5	**7**
	29	**-5**	**24**
Remeasurements			
Return on plan assets, excluding amounts already recognised in interest income	—	50	**50**
Actuarial gains/losses			
of which effect of changes in financial assumptions	-280	—	**-280**
of which effect of experience adjustments	55	—	**55**
	-225	**50**	**-175**
Currency effect	-4	2	**-2**
Employer contribution to the funded plans	—	-9	**-9**
Benefit payments	-46	21	**-25**
Effects from divestitures	-6	5	**-1**
As at 31 Dec 2022	**776**[1]	**-405**	**371**

[1] Including unfunded pension plans in the amount of €279 million

The present value of the defined benefit obligations less plan assets measured at fair value results in the net defined benefit obligation arising from funded and unfunded plans and is recognised as pension provision on the balance sheet. As of 31 December 2023, the complete present value of defined benefit obligations in the amount of €381 million is related to benefit obligations for continuing operations in Germany.

Domestic company pensions are subject to an obligation to review for adjustments every three years pursuant to Section 16 of the German Occupational Pension Act (BetrAVG).

Additionally, some commitments grant annual pension adjustments, which may exceed the legally mandated adjustment obligation.

The weighted average duration of the pension obligations which remain in continuing operations is 15 years in Germany (prior year: 13 years in Germany and 15 years in Norway).

Sensitivity analysis of defined benefit obligations

An increase or decrease in the discount rate and pension growth would have the following impact on the present value of the defined benefit obligations for continuing operations (prior year: continuing and discontinued operations):

CHANGE IN ACTUARIAL ASSUMPTIONS

	Impact on defined benefit obligations	
€ million	31 Dec 2023	31 Dec 2022
Discount rate		
Increase of 0.5 percentage points	-25	-47
Reduction of 0.5 percentage points	27	53
Pension growth		
Increase of 0.5 percentage points	21	40
Reduction of 0.5 percentage points	-21	-36

An alternative valuation of the pension obligations was performed to determine how changes in the underlying assumptions influence the amount of the pension obligations. A linear extrapolation of these amounts based on alternative changes in the assumptions, as well as an addition of combined changes in the individual assumptions, is not possible.

Plan assets

The investment policy in Germany is based on detailed asset liability management (ALM) studies for continuing and discontinued operations. Portfolios are identified that can achieve the best target return within a given risk budget. From these efficient portfolios, one is selected, and the strategic asset allocation is determined. The strategic asset allocation consists of two main elements. The first one is used to hedge fluctuations. This involves the use of capital market instruments that hedge the financial risks arising from the valuation of pension obligations. The second part of the allocation is used to generate income and for diversification purposes. The broadly diversified portfolio includes investments in bonds, equities, real estate and other asset classes. The assets are continuously monitored and managed from a risk and return perspective.

Contributions to the CTA are usually processed to the extent that at least an overall constant or increasing level of funding is achieved. The funding level in 2024 will depend, among other things, on the performance of the plan assets, interest rate developments and planned contributions. Wintershall Dea expects that contributions of €10 million will be made to the CTA in 2024 for continuing operations.

COMPOSITION OF PLAN ASSETS (FAIR VALUES)

	31 Dec 2023	
€ million	Germany	Of which has an active market
Specialised funds	48	100 %

Defined contribution plans

For defined contribution plans, expenses of €4 million were incurred in the reporting period (2022: €1 million).

As Wintershall Dea AG does not have the required information on the asset allocation of BASF Pensionskasse, it accounts for the multi-employer defined benefit plan for the past service before April 2023 as if it were a defined contribution plan. The pension provision of €35 million covers the obligation for future pension adjustments. Other future supplementary payment obligations may occur due to unexpected funding requirements. Since these obligations are neither predictable nor probable, they are not included in the company's pension provisions. The company's contributions to the multi-employer plan made until April 2023 represent a certain percentage of the employee contributions. This percentage is the same for all participating employers. It takes into account the differences between the actuarial estimates and the actual values for the factors used to determine liabilities and contributions. Since April 2023, no ongoing contributions have been paid into the plan.

NOTE 22 – DECOMMISSIONING AND OTHER PROVISIONS

	31 Dec 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Decommissioning provisions	1	—	1,954	133
Other provisions				
Employee obligations	89	262	62	112
Litigation risks, damage claims	—	5	—	5
Other	9	10	61	182
	98	276	124	299
Total	99	276	2,078	432

€ million	As at 1 Jan 2023	Change in scope of consolidation	Additions	Utilisations	Reversals	Other changes	Reclassification to liabilities held for distribution	As at 31 Dec 2023
Decommissioning provisions	2,087	—	139	-37	-149	-45	-1,993	1
Other provisions								
Employee obligations	174	1	426	-102	-17	-2	-129	351
Litigation risks, damage claims	5	—	—	—	—	—	—	5
Other	243	—	90	-58	-2	-13	-243	18
	423	1	516	-160	-18	-15	-373	374
Total	2,510	1	655	-197	-167	-60	-2,366	375

Decommissioning obligations pertain mainly to anticipated costs for filling wells and removing production equipment after production activities have come to an end. In order to determine the present value, discount rates between 2.55% and 7.18% were applied in the reporting period (2022: 2.05% to 6.94%).

The determination of the discount rates is country-/currency-specific based on the terms of the respective fields. The expected settlement of the provisions depends on the ratio of produced reserves to expected reserves and generally varies within a range of less than one year up to approximately 30 years. Decommissioning obligations are almost exclusively related to discontinued operations.

Provisions for employee obligations include, in particular, obligations to pay long-service bonuses, anniversary bonuses, variable remuneration, including the associated social security contributions, and provisions due to restructuring measures or early retirement as well as phased-in early retirement models.

NOTE 23 – FINANCIAL DEBT

	31 Dec 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Bonds	—	—	3,000	912
less transaction cost	—	—	-9	-1
	—	—	**2,991**	**911**
Financial liabilities to related parties	—	172	—	410
Lease liabilities	26	4	75	18
Other financial liabilities	—	—	1	16
Total	**26**	**176**	**3,067**	**1,356**

Credit facilities

A revolving credit facility (RCF) in the total amount of €900 million, with an initial tenor of five years and additional extension options of up to two years, was agreed with a bank consortium and can be utilised if necessary. The first and second one-year extensions were confirmed for the full amount. This facility is available until March 2026 and is currently undrawn. It is expected that at the time of the spin-off (see Note 4), the RCF will be cancelled in full.

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES UNDER IAS 7

The following table includes financial liabilities related to both continuing and to discontinued operations.

€ million	1 Jan 2023	Cash flows from repayments/ proceeds	Currency effect	Other changes	31 Dec 2023
Bonds	3,903	-901	—	1	3,003
Financial liabilities to related parties	410	82	-5	-315	172
Lease liabilities	93	-26	-2	88	153[1]
Other financial liabilities	16	—	-2	-14	—
Total	4,422	-845	-8	-239	3,328

[1] Thereof €30 million related to continuing operations.

The reconciliation breaks down the changes in financial liabilities into cash-effective and non-cash-effective changes.

The cash flows from repayments/proceeds of financial liabilities to related parties presented above correspond to the figures in cash flow from financing activities - continuing operations. Cash flows from repayments of bonds and lease liabilities are shown as cash flow from financing activities – discontinued operations.

NOTE 24 – TRADE AND OTHER PAYABLES

	31 Dec 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Trade accounts payable	—	46	—	**1,088**
Other liabilities				
Liabilities from other taxes	—	4	—	88
Prepayments – contract liabilities	—	—	5	15
Other prepayments and deferred income	—	—	4	25
Liabilities related to social security	—	—	—	3
Overlift liabilities	—	—	—	76
Other miscellaneous liabilities	—	5	10	233
	—	9	**19**	**440**
Total	—	55	**19**	**1,528**

NOTE 25 – LEASES

The lease agreements for the continuing operations are essentially related to office buildings. As of 31 December 2022, which includes both continuing and discontinued operations, they also included transport and production vessels and drilling rigs. The capitalised right-of-use-assets are allocated to the following asset classes:

RIGHT-OF-USE ASSETS

€ million	Additions 2023	31 Dec 2023	31 Dec 2022
Land and buildings	45[1]	27	53
Gas and oil assets	43[2]	—	36
Total	**88**	**27**	**89**

[1] Thereof €18 million belonging to discontinued operations
[2] Thereof €43 million belonging to discontinued operations

The following amounts are recognised in the consolidated statement of income:

LEASE EXPENSES

€ million	2023	2022[1]
Amortisation and depreciation right-of-use assets	2	—
Interest expenses on lease liabilities	1	—
Expenses from variable lease payments (not included in lease liability)	1	—
Total	**4**	**—**

[1] The comparative prior-year figures have been adjusted due to the reporting of discontinued operations.

The amortisation and depreciation of right-of-use assets are allocated to the following asset classes for the reporting periods:

AMORTISATION AND DEPRECIATION RIGHT-OF-USE ASSETS

€ million	2023	2022[1]
Land and buildings	2	—
Total	**2**	**—**

[1] The comparative prior-year figures have been adjusted due to the reporting of discontinued operations.

Some of the lease contracts contain price-adjustment clauses as well as extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination options can be assumed with reasonable certainty.

The consolidated statement of cash flows comprises cash outflows for leases for continuing operations amounting to €2 million (2022: €39 million). In addition to the cash payments for the interest and principal portions of recognised lease liabilities, the amounts reported include payments for unrecognised short-term leases and leases for low-value assets. No cash payments for the principal portion are included within cash flow from financing activities. Cash payments for the interest portion are included in the cash flow from operating activities.

NOTE 26 – OTHER FINANCIAL OBLIGATIONS

Contingent liabilities

Contingent liabilities relate to legal disputes and potential tax risks. Wintershall Dea AG and its subsidiaries – shown under continuing and discontinued operations – are regularly involved as defendants or other parties in judicial and arbitration proceedings, as well as in official proceedings. Based on the present knowledge, these proceedings have no significant impact on Wintershall Dea's economic situation.

Wintershall Dea is also subject to statutory liability related to participations in various joint ownerships.

Provisions for litigation risks and damage claims are included in other provisions (see Note 22) and amount to €5 million for continuing operations (2022: €5 million). Further provisions for legal risks were not required.

Obligations from purchase contracts

As at 31 December 2023, obligations related to continuing operations result from firm orders for property, plant and equipment in the amount of €1 million (31 December 2022: €627 million). The amount for the comparison period also included obligations from field development projects related to discontinued operations.

Furthermore, Wintershall Dea is committed to a certain number of exploration wells and seismic surveys within the context of exploration licences. These commitments are completely related to discontinued operations. As at 31 December 2022, the estimated expenditures amounted to €188 million.

Further obligations from purchase contracts result primarily from long-term purchase commitments for natural gas (own use contracts). Any commodity purchase agreements that are enforceable and specify all significant terms are included, except those for which an offsetting agreement (sales contract) has already been contracted. The firm purchase commitments from own use contracts related to continuing operations amounted to €58 million as at 31 December 2023 (31 December 2022: €311 million; related to continuing and discontinued operations).

OBLIGATIONS ARISING FROM COMMODITY PURCHASE CONTRACTS

€ million	31 Dec 2023	31 Dec 2022
2023	—	174
2024	39	96
2025	19	36
2026	—	2
2027 and beyond	—	4
Total	**58**	**311**

NOTE 27 – REPORTING ON FINANCIAL INSTRUMENTS

This note relates to continuing operations and discontinued operations combined.

Financial risks and hedging instruments

By operating in an international environment, Wintershall Dea Group is exposed to market risks from fluctuations of commodity prices, foreign currency exchange rates and interest rate risks as well as to credit and liquidity risks in the ordinary course of its business. Subsidiaries are subject to a strict risk management regime. The operational framework, as well as responsibilities and controls, are regulated by binding internal corporate guidelines. Financial derivatives are used exclusively to hedge the risk related to underlying transactions, and not for speculative purposes.

Foreign currency, interest rate and commodity price risks

Foreign currency risks

Changes in exchange rates could lead to losses in the value of financial instruments and adverse changes in future cash flows. Foreign currency risks from financial instruments arise from the translation of financial receivables, cash and cash equivalents and financial liabilities into the functional currency of the respective Group company at the closing rates. The Group monitors and manages foreign currency exposure on a weekly basis with the aim to eliminate the effect of currency fluctuations on the statement of income. Currency risks are monitored at Group level and at individual entity level, and the Group's net foreign currency exposure (after natural hedges) is actively hedged, where feasible, with linear contracts.

A sensitivity analysis is conducted by simulating a 10% appreciation and a 10% depreciation in the functional currency against the other currencies. The impact on the income/loss before taxes of the Group would have been €-7 million and €7 million, respectively.

EXPOSURE AND SENSITIVITY BY CURRENCY

	31 Dec 2023[1]			31 Dec 2022		
€ million	Exposure	Sensitivity (+10%)	Sensitivity (-10%)	Exposure	Sensitivity (+10%)	Sensitivity (-10%)
ARS	160	-15	15	195	-18	18
EGP	9	-1	1	67	-6	6
MXN	-116	11	-11	-93	8	-8
NOK	45	-4	4	-317	29	-29
USD	-25	2	-2	-203	18	-18
GBP	—	—	—	123	-11	11
Total	**73**	**-7**	**7**	**-228**	**20**	**-20**

[1] The exposure and the sensitivities by currency predominately relate to discontinued operation.

In order to hedge against currency risks, linear products with symmetrical sensitivity were used in particular.

Interest rate risks

Interest rate risks arise due to potential changes in prevailing market interest rates, which can lead to changes in the fair value of fixed rate instruments and interest payment fluctuations for variable-rate instruments. These risks are neither of material significance for the Group's continuing nor its discontinued operations.

Commodity price risks

The Group's revenue, cash flows and profitability depend to a large extent on prevailing international and local commodity prices. Any resulting adverse changes in market prices could have a negative impact on the Group's net result and equity.

Commodity price risks related to production are assessed and mitigated regularly using systematic risk management. The principles of this approach are defined in the commodity hedging policy.

All hedging transactions are entered into for the sole purpose of reducing risks from planned transactions exposed to commodity price risks that have a high probability of occurrence. The Group hedges part of its oil and gas price risks to protect its investment-grade rating and improve dividend predictability. This serves to ensure sufficient debt capacity and thus to provide the management with the flexibility necessary to adapt its strategy should commodity prices fall to a critically low level. The volumes to be hedged depend on the Group's commodity price exposure after tax and the current level of oil and gas prices. The target hedge volumes are 50% and 25% of economic exposure after tax, capped by 75% and 37.5% of effectively hedgeable volumes, for a one-year and two-year horizon, respectively.

Existing hedges as at 31 December 2023 include forward gas sales and zero cost collars to stabilise portions of gas revenues until 2025 as well as Dated Brent oil swaps and zero cost collars to stabilise portions of the Group's oil sales until 2025. For the Dated Brent oil swaps and the zero cost collars, German and Norwegian oil production currently serves as a hedged item. The contracted price is defined via a price formula. Regression analyses show a high correlation between Dated Brent oil prices and contracted prices and provide the basis for determining optimal hedge ratios.

Commodity price risks also arise in the ordinary course of business for contracted gas purchase and supply agreements. The specific price risk, which results from the valuation of the gas agreements concluded in the event of an adverse change in market prices, is mitigated by Wintershall Dea by imposing and constantly monitoring the limits on the type and scope of the transactions concluded.

Wintershall Dea carries out value-at-risk analyses for the existing commodity derivatives. Value-at-risk is used to quantify the market risk on an ongoing basis and to give an assessment of the possible maximum loss within the given confidence interval over a certain period. The value-at-risk calculation is based on a confidence interval of 95% and a holding period of one day. Wintershall Dea applies the exponentially weighted variance-covariance approach. The value-at-risk limit, along with a stop-loss limit, is used to control market risks of commodity derivatives. The value-at-risk, calculated across the Group's entire portfolio, and thus including positions taken for discontinued as well as continuing operations, amounts to €1 million as at 31 December 2023.

Derivative financial instruments and hedge accounting

Commodity prices and foreign currencies are hedged using derivative instruments as necessary in accordance with a centrally defined strategy. Hedging is only employed for underlying items in the operating business, cash investments, financing and planned capital measures. The risks associated with the hedged items and the derivatives are constantly monitored. Where derivatives have a positive market value, the Group is exposed to credit risks from derivative transactions in the event of the non-performance of the other party.

To minimise the default risk of derivatives with positive market values, transactions are conducted exclusively with creditworthy banks and partners and subject to predefined credit limits.

The contracting and execution of derivative financial instruments for hedging purposes are conducted according to internal guidelines and are subject to strict control mechanisms.

FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

€ million	31 Dec 2023[1]	31 Dec 2022
Commodity derivatives	66	-3,142
of which designated hedging instruments as defined by IFRS 9 (hedge accounting)	6	-3,251
Foreign currency derivatives	28	-137
of which designated hedging instruments as defined by IFRS 9 (hedge accounting)	-7	-172
Total	**94**	**-3,280**

[1] Commodity derivatives of €56 million and foreign currency derivatives of €-23 million, not designated as hedging instruments, relate to continuing operations with the remaining derivatives relating to discontinued operations.

Derivative financial instruments are measured at fair value. When interpreting positive or negative fair values, account must be taken of the fact that underlying transactions with compensating risks have an offsetting effect. All derivative financial instruments are reported as assets or liabilities.

Fair values of derivative financial instruments are determined using customary market valuation methods taking into account public market data available on the measurement date. Credit value adjustments (CVAs) and debit value adjustments (DVAs) for the company's own credit risk are applied to all derivatives. CVAs and DVAs are calculated using the standardised approach for measuring counterparty credit risk (SA-CCR).

Commodity derivatives

The Group has designated oil swaps, zero cost collars and certain fixed-price gas sales agreements 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. All commodity hedge transactions entered into by the Group relate to discontinued operations.

The effective portion of changes in the fair value of commodity derivatives 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.

Regarding oil derivatives, the price of the hedged item is defined via a price formula in the sales contract. The instruments used are Dated Brent oil swaps for which a liquid market exists as well as zero cost collars. In regard to Dated Brent oil swaps, regression analysis shows a high correlation between Dated Brent oil and the price formula. This is also the basis to determine the hedge ratio in order to achieve the highest level of hedge effectiveness. With regard to zero cost collars, Wintershall Dea separates the intrinsic value and the time value. Only the intrinsic value is designated as hedging instrument in terms of IFRS 9, while the change in the time value is excluded from the designation, deferred as cost of hedging in other comprehensive income and reclassified to profit or loss in the same period during which the hedged future cash flows will affect profit or loss. It is assumed that the cost of hedging are reduced to zero at the time the hedging instrument is due, and thus will not have an impact on profit or loss.

Fixed-price contracts as well as zero cost collars with physical delivery are used as hedging instruments for gas sales. For contracts to which the hedge accounting regulations are applicable, published market prices for respective periods and locations are used to determine the fair values of such sales contracts. In the case of fixed-price gas sales agreements, to which the hedge accounting regulations are applicable, the critical terms match method is applied to assess hedge effectiveness. Additionally, physical forward contracts as well as zero cost collars selling 97,788 mmscf at an average price of 13.75 €/mscf maturing between 01/2024 and 12/2025 to which the own use exemption applies, are used to hedge gas prices.

Existing derivatives from the gas sales and purchase contracts, which predominantly relate to continuing operations, are recognised at fair value through profit or loss and disclosed based on 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 recognised at fair value through profit and loss. These transactions relate to continuing as well as discontinued operations.

In order to hedge the foreign currency risk from future USD repayments of intercompany loans, the Group 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 instrument. The forward elements are recognised as cost of hedging in other comprehensive income and are reclassified to profit or loss on a systematic (linear) basis. Hedge ineffectiveness is immediately recognised in profit or loss. These transactions relate to discontinued operations.

EFFECTS OF HEDGE ACCOUNTING ON THE CONSOLIDATED BALANCE SHEET AND CONSOLIDATED STATEMENT OF INCOME

	31 Dec 2023/2023[1]		
€ million	Commodity derivatives (fixed-price gas sales)	Commodity derivatives (oil swaps/zero cost collar)	Foreign currency derivatives
Carrying amount			
Derivative assets	221	20	28
Derivative liabilities	195	41	35
Nominal amount	1,078	667	1,695
Maturity date	01/2024-12/2025	01/2024-12/2025	01/2024-09/2028
Quantity	104,748 mmscf	10,122 mbbl	
Average price or rate	€10.29/mscf	$72.86/bbl	$1.08/€
Amounts recognised in profit or loss and other comprehensive income (net)			
Changes in fair value of hedging instruments recognised in OCI	2,583	20	34
Deferred taxes on change in fair value of hedging instruments recognised in OCI	-1,913	-4	—
Reclassified from OCI to profit or loss	508	104	-22
Deferred taxes on reclassification from OCI to profit or loss	-427	-21	—
	751	**99**	**12**

[1] All derivatives disclosed in the table relate to discontinued operations.

The changes in fair values of the foreign currency derivatives recognised in other comprehensive income relate exclusively to cost of hedging.

Gains and losses on commodity derivatives are reclassified from other comprehensive income to revenues, while gains and losses on foreign currency derivatives are reclassified to financial income/financial expenses.

The effectiveness of hedge relationships is determined at the inception of the relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument. CVA/DVA adjustments may cause ineffectiveness.

The ineffective portion of the hedge relationship between intercompany loans and the hedging instruments (cross-currency swaps) results from CVA/DVA adjustments and the exclusion of intra-group interests from the hedging relationship. Changes in the correlation of the hedged items and the Dated Brent oil swaps are an additional source of ineffectiveness. In contrast, no ineffectiveness from changes in correlation for the fixed-price gas sales agreements and the hedged items occurs due to the application of the critical terms match method.

The hedge ineffectiveness as at 31 December 2023 recognised in profit and loss is shown in the table below:

	31 Dec 2023[1]	
€ million	Commodity derivatives	Foreign currency derivatives
Change in fair value of the hedging instrument	125	85
Change in fair value of the hedged item	-126	-37
Hedge ineffectiveness	1	48

[1] All derivatives disclosed in the table relate to discontinued operations.

Ineffectiveness is reported in revenues for commodity derivatives and in financial income/expenses for foreign currency derivatives.

Default and credit risks

Default and credit risks arise when contractual partners do not fulfil their obligations. The Group is exposed to credit risks from its operating activities (primarily trade accounts receivable) and its financing activities, including deposits with banks and financial institutions, favourable derivative financial instruments (positive fair value) and other financial receivables. Credit risks are managed on a Group basis. Wintershall Dea has Group-wide procedures in place that address credit approval applications, the granting and renewing of counterparty limits, the proactive monitoring of exposures against these limits and requirements for triggering secured payment terms. As part of these processes, counterparty credit exposure is regularly monitored and assessed on a timely basis.

If customers are independently rated, these ratings are used for assessment. If there is no independent rating, the risk management function assesses customers' credit quality based on their financial position or bases the assessment on past experience and other factors. Individual risk limits are set based on internal or external ratings. There are no significant concentrations of credit risks through the exposure to individual customers or regions. Country-specific payment risks are within the limits stipulated by the management and closely monitored.

A default event occurs if management has good reason to believe that a customer will not repay its liability to Wintershall Dea, usually due to the customer's financial difficulty. A payment delay in the course of regular business practice does not alone indicate a customer default. An assessment of the overall situation is required on a case-by-case basis.

The maximum risk of default corresponds to the carrying amounts of the financial assets.

Financial assets are written off when there is no reasonable expectation of recovery of the contractual cash flows. Losses from financial assets that have been written off were not material in the reporting period or in the prior year.

Impairment on financial assets
In order to determine the impairment of financial assets, Wintershall Dea uses either a general three-stage approach or the simplified approach, according to IFRS 9, as applicable. In the case of financial assets for which the simplified approach does not apply, their assessment takes place as at each reporting date to determine whether the credit risk on a financial instrument has increased significantly since its initial recognition.

Trade accounts receivable, other receivables, financial receivables and deposits with banks are subject to the expected credit loss model. This is generally based on either externally provided or internal ratings for each debtor which, in certain cases, are updated based on recently available information.

To measure the expected credit losses on trade accounts receivable, Wintershall Dea applies the simplified approach according to IFRS 9. Accordingly, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For trade accounts receivable, the contractual payment term is usually 30 days. In deviation to this general rule, terms of up to one year are considered for the calculation of expected credit losses due to different regional payment practices.

The loss allowance for other receivables, financial receivables and deposits with banks is measured at an amount equal to the twelve-month expected credit loss. If the term of the financial instrument is shorter than 12 months, the lifetime expected credit loss is applied.

The valuation loss allowances are determined as follows:

€ million	As at 1 Jan 2023	Additions	Reversals	Disposals	Reclassi-fication between stages	Transfers	Currency translation effects	As at 31 Dec 2023
Trade accounts receivable								
of which Stage 2[1]	2	45	-3	—	—	—	—	45
of which Stage 3[2]	8	—	-5	—	—	—	—	3
	10	45	-8	—	—	—	—	48
thereof continuing operations	—	—	—	—	—	—	—	—
Other receivables								
of which Stage 3[2]	6	5	—	—	—	—	—	10
	6	5	—	—	—	—	—	10
thereof continuing operations	—	—	—	—	—	—	—	—
Financial receivables and bank balances								
of which Stage 1[3]	1	8	-8	—	—	—	—	1
of which Stage 3[2]	1,037	—	—	-34	—	—	—	1,003
	1,038	8	-8	-34	—	—	—	1,004
thereof continuing operations	1,038	—	—	—	—	—	—	1,004
Total	1,054	57	-15	-34	—	—	—	1,062

[1] The credit risk has increased significantly since initial recognition, the loss allowance for the financial assets is measured at an amount equal to the lifetime expected credit losses.
[2] The financial asset is credit-impaired.
[3] The loss allowance for financial assets is measured at an amount equal to a twelve-month expected credit loss.

€ million	As at 1 Jan 2022	Changes in scope of consolidation	Additions	Reversals	Disposals	Reclassi-fication between stages	Transfers	Currency translation effects	As at 31 Dec 2022
Trade accounts receivable									
of which Stage 2[1]	3	-2	32	-31	—	—	—	—	2
of which Stage 3[2]	14	-119	102	-5	-1	—	—	18	8
	16	**-121**	**134**	**-36**	**-1**	**—**	**—**	**19**	**10**
Other receivables									
of which Stage 2[1]	3	—	—	—	—	—	-4	—	—
of which Stage 3[2]	—	—	2	—	—	—	4	—	6
	3	**—**	**2**	**—**	**—**	**—**	**—**	**—**	**6**
Financial receivables and bank balances									
of which Stage 1[3]	1	—	—	—	—	—	—	—	1
of which Stage 2[1]	—	-3	5	-3	—	—	—	—	—
of which Stage 3[2]	35	—	1,003	—	-1	—	—	—	1,037
	37	**-3**	**1,008**	**-3**	**-2**	**—**	**—**	**—**	**1,038**
Total	**56**	**-124**	**1,145**	**-39**	**-3**	**—**	**—**	**19**	**1,054**

[1] The credit risk has increased significantly since initial recognition, the loss allowance for the financial assets is measured at an amount equal to the lifetime expected credit losses.
[2] The financial asset is credit-impaired.
[3] The loss allowance for financial assets is measured at an amount equal to a twelve-month expected credit loss.

Liquidity risks

The liquidity risk management ensures that the required liquidity to meet financial obligations is available at all times and that the liquidity position of the Group is optimised. Centralised financial planning is the basis for liquidity risk management. Financial planning is performed for the following twelve months on a monthly basis and for the following month on a daily basis.

The Group monitors its liquidity risk by reviewing the cash flow requirements on a regular basis, taking into consideration the funding sources, existing bank facilities and cash flow generation from the producing asset base. Specifically, it is ensured that there is sufficient liquidity to meet operational funding requirements and debt servicing.

Maturity analysis

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows. Derivatives are included when they have a negative fair value and therefore represent a liability. Commodity derivatives that are settled in cash are included with their net cash flows, whereas physically settled trading contracts that are within the scope of IFRS 9 are included with their cash outflows for the purchase of the commodity. Foreign currency derivatives are shown with their gross cash outflows. Derivatives with positive fair values are assets and are therefore not taken into account.

Trade and other payables within the scope of IFRS 7 are essentially non-interest-bearing and due within one year. As a result, their carrying amount corresponds to the sum of future cash flows.

	31 Dec 2023			
€ million	≤ 1 year	1–5 years	> 5 years	Total
Bonds	11	2,000	1,000	3,011
Financial liabilities to related parties	172	—	—	172[3]
Lease liabilities	36	87	54	177[4]
Commodity derivative liabilities (settled in cash)	39	3	—	42
Trading contracts within the scope of IFRS 9 (settled physically)[1]	48	4	—	52[5]
Foreign currency derivative liabilities[2]	1,771	—	—	1,771[6]
Trade and other payables within the scope of IFRS 7	701	7	—	707[7]
Total	**2,778**	**2,100**	**1,054**	**5,932**

[1] Cash outflows are used to purchase a commodity.
[2] The gross cash outflows shown are offset by a comparable amount of cash inflows.
[3] Thereof belonging to continuing operations: €172 million
[4] Thereof belonging to continuing operations: €36 million
[5] Thereof belonging to continuing operations: €52 million
[6] Thereof belonging to continuing operations: €1,241 million
[7] Thereof belonging to continuing operations: €65 million

	31 Dec 2022			
€ million	≤ 1 year	1–5 years	> 5 years	Total
Bonds	912	1,000	2,000	**3,912**
Financial liabilities to related parties	410	—	—	**410**
Lease liabilities	20	50	36	**107**
Other financial liabilities	16	1	—	**16**
Commodity derivative liabilities (settled in cash)	112	40	—	**152**
Trading contracts within the scope of IFRS 9 (settled physically)[1]	3,366	3	—	**3,369**
Foreign currency derivative liabilities[2]	1,799	—	—	**1,799**
Trade and other payables within the scope of IFRS 7	1,314	10	—	**1,325**
Total	**7,950**	**1,104**	**2,036**	**11,090**

[1] Cash outflows are used to purchase a commodity.
[2] The gross cash outflows shown are offset by a comparable amount of cash inflows.

Classes and categories of financial instruments

For financial receivables, trade and other receivables and cash and cash equivalents that are measured at cost, the carrying amounts approximate the fair values. The balance sheet item "other financial assets" relates to affiliated companies and investments that are not fully consolidated or recognised as equity-accounted investments for materiality reasons. Other equity investments shown under this position are measured at fair value through OCI or through profit or loss, respectively.

For financial debt other than bonds as well as trade and other payables that are measured at amortised costs, the carrying amounts approximate the fair values.

Financial assets and liabilities are assigned to the following valuation categories according to IFRS 9:

VALUATION CATEGORIES

	Carrying amount as at 31 Dec 2023					
€ million	Amortised costs	Fair value through profit or loss	Fair value OCI with reclassification[1]	Fair value OCI without reclassification[2]	Beyond the scope of IFRS 9/IFRS 7	**Total**
Other financial assets	—	11	—	—	1	12
Financial receivables	35	—	—	—	—	35
Trade and other receivables	941	1	—	—	239	1,181
Derivative assets	—	163	269	—	—	432
Cash and cash equivalents	1,208	—	—	—	—	1,208
Bonds	3,003	—	—	—	—	3,003
Financial liabilities to related parties	172	—	—	—	—	172
Lease liabilities	153	—	—	—	—	153
Trade and other payables	696	9	—	—	452	1,157
Derivative liabilities	—	67	271	—	—	338

[1] Fair value through other comprehensive income (will be reclassified to the statement of income at a later date)
[2] Fair value through other comprehensive income (will not be reclassified to the statement of income at a later date)

The following items relate to continuing operations: derivative assets measured at fair value through profit or loss in the amount of €99 million, derivative liabilities measured at fair value through profit or loss in the amount of €66 million, financial receivables in the amount of €33 million, financial liabilities to related parties in the amount of €172 million, trade and other receivables in the amount of €103 million, trade and other payables measured at amortised cost in the amount of €51 million and beyond the scope of IFRS9/IFRS7 in the amount of €4 million, cash and cash equivalents in the amount of €987 million and lease liabilities in the amount of €30 million.

The rest of the amounts disclosed in the table relate to discontinued operations.

FAIR VALUE HIERARCHY

	31 Dec 2023			
€ million	Total	Level 1[1]	Level 2[2]	Level 3[3]
Other financial assets	11	—	—	11
Other receivables and assets	1	—	—	1
Derivative assets	432	—	432	—
of which commodity derivatives	342	—	342	—
of which currency derivatives	90	—	90	—
Derivative liabilities	338	—	338	—
of which commodity derivatives	276	—	276	—
of which currency derivatives	62	—	62	—
Other liabilities	9	—	—	9

[1] The fair value is determined on the basis of listed (unadjusted) prices for identical assets and liabilities on active markets.
[2] The fair value is determined based on parameters for which directly or indirectly quoted prices on active markets were available.
[3] The fair value is determined based on parameters for which there were no observable market data.

Other financial assets comprise Wintershall Dea's participations in all Russian entities that have been recognised at fair value through OCI since Q4 2022. The fair value of these participations, which amounted to €248 million as at 31 December 2022, was reduced to zero as at 31 December 2023 (see Note 15). The remaining amount of other financial assets (€11 million) is related to discontinued operations.

Fair values of derivative financial assets and liabilities are determined using customary market valuation methods, taking into account the market data available on the measurement date as well as the default risk. They are related to both continuing and discontinued operations.

Other liabilities measured at fair value represent a contingent obligation resulting from conditions in a purchase contract in Norway and are completely related to discontinued operations.

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

VALUATION CATEGORIES

	Carrying amount as at 31 Dec 2022					
€ million	Amortised costs	Fair value through profit or loss	Fair value OCI with reclassification[1]	Fair value OCI without reclassification[2]	Beyond the scope of IFRS 9/IFRS 7	**Total**
Other financial assets	—	10	—	248	2	**261**
Financial receivables	230	—	—	—	—	**230**
Trade and other receivables	1,726	54	—	—	171	**1,952**
Derivative assets	—	376	55	—	—	**431**
Cash and cash equivalents	3,089	—	—	—	—	**3,089**
Bonds	3,999	—	—	—	—	**3,903**
Financial liabilities to related parties	538	—	—	—	—	**410**
Lease liabilities	93	—	—	—	—	**93**
Other financial liabilities	1	16	—	—	—	**16**
Trade accounts payable and other liabilities	1,323	—	—	—	224	**1,548**
Derivative liabilities	—	233	3,478	—	—	**3,711**

[1] Fair value through other comprehensive income (will be reclassified to the statement of income at a later date)
[2] Fair value through other comprehensive income (will not be reclassified to the statement of income at a later date)

FAIR VALUE HIERARCHY

	31 Dec 2022			
€ million	**Total**	Level 1[1]	Level 2[2]	Level 3[3]
Other financial assets	**258**	—	—	258
Trade accounts receivable	**51**	—	—	51
Other receivables and assets	**3**	—	—	3
Derivative assets	**431**	—	431	—
of which commodity derivatives	**384**	—	384	—
of which currency derivatives	**48**	—	48	—
Derivative liabilities	**3,711**	—	3,711	—
of which commodity derivatives	**3,526**	—	3,526	—
of which currency derivatives	**185**	—	185	—
Other financial liabilities	**16**	—	—	16

[1] The fair value is determined on the basis of listed (unadjusted) prices for identical assets and liabilities on active markets.
[2] The fair value is determined based on parameters for which directly or indirectly quoted prices on active markets were available.
[3] The fair value is determined based on parameters for which there were no observable market data.

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

31 Dec 2023	Offset amounts			Amounts that cannot be offset		
€ million	Gross amount	Amount offset	Net amount	Due to global netting agreements	Relating to financial collateral	Potential net amount
Derivatives with a positive fair value	1,462	-1,140[1]	322	—	—	322
Derivatives with a negative fair value	1,375	-1,140[1]	235	—	—	235

[1] Thereof belonging to continuing operations: €-1,010 million

31 Dec 2022	Offset amounts			Amounts that cannot be offset		
€ million	Gross amount	Amount offset	Net amount	Due to global netting agreements	Relating to financial collateral	Potential net amount
Derivatives with a positive fair value	2,390	-2,024	367	—	—	367
Derivatives with a negative fair value	5,387	-2,024	3,363	—	—	3,363

The tables above show the extent to which financial assets and financial liabilities are offset on the balance sheet. They also show the potential effects from the offsetting of instruments subject to a legally enforceable global netting agreement (primarily in the form of European Federation of Energy Traders [EFET] agreements for gas purchase and supply agreements that have been concluded) or similar agreement. Only financial assets and liabilities that are covered by such agreements are included in these tables.

NOTE 28 – FINANCIAL MANAGEMENT

The objectives of the Group's financial management is to ensure solvency and limit financial risks.

The Group is focused on maintaining cash flow discipline and active cash management is a priority.

The following table presents net debt for continuing operations as at 31 December 2023. For the comparison date, it comprises both, continuing and discontinued operations.

NET DEBT

€ million	31 Dec 2023	31 Dec 2022
Bonds	—	3,903
Financial liabilities from cash pooling	481[1]	410
Lease liabilities	30	93
Total debt	**510**	**4,406**
Financial receivables from cash pooling	-23	-13
Cash and cash equivalents	-987	-3,089
Total	**-499**	**1,303**

[1] Although reported as held for sale, the cash pool liabilities to WIGA are still shown as net debt, as a repayment would lead to a reduction in cash and cash equivalents in the same amount.

NOTE 29 – RELATED PARTY DISCLOSURES

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

Wintershall Dea is subject to significant influence from BASF and LetterOne. Therefore, BASF and LetterOne and their subsidiaries are considered related parties. In addition, related parties comprise non-consolidated subsidiaries, joint ventures and associated companies not included in the consolidated financial statements due to materiality reasons.

The following tables show the volume of business with related parties that are included in the consolidated financial statements at amortised cost or accounted for using the equity method, as well as with our shareholders and their affiliates.

REVENUES WITH RELATED PARTIES

€ million	2023	2022[1]
Joint ventures/associated companies	24	141
Shareholders and their affiliates	335	2,106
Total	**359**	**2,247**

[1] Only related to continuing operations; an adjustment of the comparative prior-year figures was not required

TRADE ACCOUNTS RECEIVABLE FROM/TRADE ACCOUNTS PAYABLE TO RELATED PARTIES

	Trade accounts receivable		Trade accounts payable	
€ million	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Non-consolidated subsidiaries	15	17	10	18
Joint ventures/associated companies	7	15	3	23
Shareholders and their affiliates	6	185	—	—
Total	**28**	**217**	**13**	**42**

FINANCIAL AND OTHER RECEIVABLES FROM/FINANCIAL AND OTHER LIABILITIES TO RELATED PARTIES

	Financial and other receivables		Financial and other liabilities	
€ million	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Non-consolidated subsidiaries	33	28	8	7
Joint ventures/associated companies	—	201	164	404
Shareholders and their affiliates	2	2	4	4
Total	**35**	**231**	**176**	**414**

Revenues, trade accounts receivable and trade accounts payable from related parties comprise transactions mainly gas sales, as well as other typical business transactions.

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

Related persons are the members of the Management Board and Supervisory Board of the Wintershall Dea AG and the shareholders. No business relationships exist with members of the Management Board or the Supervisory Board or individuals close to them. The remuneration paid to the Management Board and Supervisory Board can be found in Note 30.

NOTE 30 – COMPENSATION RECEIVED BY THE MANAGEMENT BOARD AND SUPERVISORY BOARD

€ thousand	2023	2022
Total compensation paid to the Management Board	12,337	6,501
Termination benefits	8,234	—
Provisions for long-term/short-term incentive plans (LTIs/STIs)	13,560	15,327
Compensation paid to the Supervisory Board	205	366
Total compensation paid to former members of the Management Board	1,431	1,446
Pension provisions for former members of the Management Board and their surviving dependents	31,610	26,616

NOTE 31 – SERVICES PROVIDED BY THE EXTERNAL AUDITOR

Wintershall Dea recognised the following fees as expenses for services rendered by the auditor of the consolidated financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (KPMG AG), and companies belonging to KPMG's international network.

€ thousand	2023	2022
Audit services	2,871[1]	2,678[3]
of which KPMG AG	1,376	1,264
Other services	1,573[2]	764[4]
of which KPMG AG	1,570	756
Total	**4,444**	**3,442**

[1] Thereof related to continuing operations: €897 thousand
[2] Thereof related to continuing operations: €1,562 thousand
[3] Thereof related to continuing operations: €1,054 thousand
[4] Thereof related to continuing operations: €455 thousand

The audit services expenses comprise continuing and discontinued operations and are related to the audit of the consolidated financial statements of the Wintershall Dea Group, as well as to the legally required financial statements of Wintershall Dea AG and the subsidiaries and joint operations included in the consolidated financial statements. Fees for other services include mainly other attestation services by the auditor that are permissible under applicable independence rules.

NOTE 32 – EVENTS AFTER THE BALANCE SHEET DATE

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

NOTE 33 – WINTERSHALL DEA LIST OF SHARES HELD PURSUANT TO SECTION 313 (2) OF THE GERMAN COMMERCIAL CODE (HGB)

The list of consolidated companies and the complete list of all companies in which Wintershall Dea holds shares, as required by Section 313 (2) HGB, as well as the information on the exemption of subsidiaries from accounting and disclosure obligations, are an integral component of the audited consolidated financial statements submitted to the Company Register.

I. Companies included in the consolidated financial statements on a full basis or accounted for using the equity method

Fully consolidated subsidiaries

Company	Registered office	Share of capital (%)
DEA Cyrenaica GmbH[1]	Hamburg, Germany	100.00
DEA E&P GmbH[1]	Hamburg, Germany	100.00
DEA North Africa/Middle East GmbH[1]	Hamburg, Germany	100.00
DEA Trinidad & Tobago GmbH	Hamburg, Germany	100.00
DEM México Erdoel, S.A.P.I. de C.V.	Mexico City, Mexico	100.00
E & A Internationale Explorations- und Produktions-GmbH[1]	Kassel, Germany	100.00
Izta Energia, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Servicios Unidad PWTH S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Blanca P&D, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Coronado E&P, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Nevada E&P, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra O&G Exploracíon y Produccion, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Offshore Exploracíon, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Oil & Gas Holdings, L.P.	Ontario, Canada	100.00
Sierra Oil & Gas, S. de R.L. de C.V.	Mexico City, Mexico	100.00

Sierra Perote E&P, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Wintershall Dea AG	Celle, Germany	100.00
Wintershall Dea Algeria GmbH[1]	Hamburg, Germany	100.00
Wintershall Dea Argentina S.A.	Buenos Aires, Argentina	100.00
Wintershall Dea Asset Holding GmbH[1]	Kassel, Germany	100.00
Wintershall Dea Carbon Management Solutions B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Deutschland GmbH	Hamburg, Germany	100.00
Wintershall Dea Finance 2 B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Finance B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Global Holding GmbH	Hamburg, Germany	100.00
Wintershall Dea Global Support B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Insurance Limited	St. Peter Port, Guernsey	100.00
Wintershall Dea International GmbH[1]	Hamburg, Germany	100.00
Wintershall Dea Marketing Services GmbH[1]	Kassel, Germany	100.00
Wintershall Dea Mexico Holding B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea México, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Wintershall Dea Middle East GmbH[1]	Kassel, Germany	100.00
Wintershall Dea Nederland Asset Holding B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Nederland B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Nederland Transport and Trading B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Nile GmbH[1]	Hamburg, Germany	100.00
Wintershall Dea Norge AS	Stavanger, Norway	100.00
Wintershall Dea Schweiz AG	Zug, Switzerland	100.00
Wintershall Dea South East Asia GmbH[1]	Kassel, Germany	100.00
Wintershall Dea Suez GmbH[1]	Hamburg, Germany	100.00
Wintershall Dea Technology Ventures GmbH[1]	Kassel, Germany	100.00
Wintershall Dea TSC GmbH & Co. KG	Kassel, Germany	100.00
Wintershall Dea Vermögensverwaltungsgesellschaft mbH[1]	Kassel, Germany	100.00
Wintershall Dea WND GmbH[1]	Hamburg, Germany	100.00
Wintershall Petroleum (E&P) B.V.	Rijswijk, The Netherlands	100.00

[1] Application of Section 264 (3) of the German Commercial Code (HGB)

Joint ventures accounted for using the equity method

Company	Registered office	Share of capital (%)
WIGA Transport Beteiligungs-GmbH & Co. KG	Kassel, Germany	50.02
Wintershall Noordzee B.V.	Rijswijk, The Netherlands	50.00

Associated company accounted for using the equity method

Company	Registered office	Share of capital (%)
Wintershall Aktiengesellschaft	Celle, Germany	51.00

II. Participations not fully/proportionally consolidated or accounted for using the equity method

Company	Registered office	Share of capital (%)
AMBARtec AG[1]	Dresden, Germany	24.40
AO Achimgaz[2]	Novy Urengoi, Russia	50.00
AO Gazprom YRGM Trading[2]	Saint Petersburg, Russia	25.00
AWIAG Limited[3] [4]	Birkirkara, Malta	100.00
DEA Ukraine LLC[3] [4]	Kiev, Ukraine	100.00
Erdgas Münster GmbH[3]	Münster, Germany	33.64
Joint Stock Company Achim Trading[2]	Saint Petersburg, Russia	18.01
Limited Liability Company Achim Development[2]	Novy Urengoi, Russia	25.01
Nordkaspische Explorations- und Produktions GmbH[3] [4]	Kassel, Germany	100.00
Nord Stream AG[5]	Zug, Switzerland	15.50
OAO Severneftegazprom[2] [6]	Krasnoselkup, Russia	25.00
Wellstarter AS[1]	Trondheim, Norway	24.40
WIGA Verwaltungs-GmbH[3]	Kassel, Germany	50.02
Wintershall DEA Mexico Holdings GP Ltd.[3]	N. Brunswick, Canada	100.00
Wintershall Dea Russia GmbH[3]	Kassel, Germany	100.00
Wintershall Dea TSC Management GmbH[3]	Kassel, Germany	100.00
Wintershall Libyen Oil & Gas GmbH[3]	Kassel, Germany	100.00

[1] Venture capital investment measured at fair value through profit and loss
[2] Not fully/proportionally consolidated or accounted for using the equity method due to lack of control/joint control or lack of significant influence
[3] Not fully consolidated or accounted for using the equity method due to immateriality
[4] In liquidation
[5] For further information refer to Note 2
[6] Share of result and overall share of charter capital total 35% via additional preference shares

NOTE 34 – MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD

Supervisory Board

Dr Hans-Ulrich Engel
Chairman

Timothy Summers
First Deputy Chairman; Managing Partner, L1 New Energy

Michael Winkler
Second Deputy Chairman; Trade Union Secretary of IG BCE

Dr Dirk Elvermann
Member of the Board of Executive Directors of BASF SE

Michael Heinz
Member of the Board of Executive Directors of BASF SE

Dr Katja Scharpwinkel
Member of the Board of Executive Directors of BASF SE since 1 February 2024 (member of the Supervisory Board since 17 April 2023)

Francis Sommer
Partner, L1 Energy (member of the Supervisory Board since 17 April 2023)

Matti Lievonen
Board Professional

Scott Nyquist
Management Consultant

Birgit Böl
Chairwoman of the General Works Council of Wintershall Dea AG

Katharina Da Luz-Berlin
Chairwoman of the General Works Council of Wintershall Dea Deutschland GmbH (member of the Supervisory Board since 17 April 2023)

Günther Prien
Chairman of the Central Works Council Hamburg and member of the General Works Council of Wintershall Dea AG

Dmitry Avdeev
First Deputy Chairman; Senior Partner, L1 Energy (member of the Supervisory Board until 24 March 2023)

Saori Dubourg
Former member of the Board of Executive Directors of BASF SE (member of the Supervisory Board until 28 February 2023)

Heiko Rehder
Deputy Chairman of the Central Works Council Hamburg of Wintershall Dea Deutschland GmbH (member of the Supervisory Board until 17 April 2023)

Management Board

Mario Mehren
CEO

Dawn Summers
COO

Paul Smith
CFO

Hugo Dijkgraaf
CTO (until 30 November 2023)

Thilo Wieland
Member of the Board, Region Russia, Latin America and Midstream (until 30 June 2023)

Kassel/Hamburg, 19 February 2024
The Management Board

Mehren **Summers** **Smith**

E SUPPLEMENTARY INFORMATION

DECLARATION BY THE MANAGEMENT BOARD AND STATEMENT OF RESPONSIBILITY PURSUANT TO SECTIONS 297 (2) AND 315 (1) OF THE GERMAN COMMERCIAL CODE (HGB)

The Management Board of Wintershall Dea AG is responsible for preparing the annual consolidated financial statements and the group management report of Wintershall Dea.

The consolidated financial statements of Wintershall Dea for the fiscal year ending 31 December 2023 were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards (IASB), London, and adopted by the European Union.

We have established effective internal control and management systems to ensure that the group management report and the consolidated financial statements of Wintershall Dea comply with the applicable accounting standards and to ensure due and proper corporate reporting.

The risk management system that we have established is designed to allow the Management Board to identify material risks at an early stage so that it can take appropriate measures to counteract them if necessary. The reliability and functionality of the internal control and risk management system are reviewed by the Internal Audit department throughout the Group on an ongoing basis.

To the best of our knowledge, and in accordance with the applicable accounting principles, the consolidated financial statements of Wintershall Dea give a true and fair view of the net assets, financial position and results of operations of Wintershall Dea. Furthermore, the group management report of Wintershall Dea provides a true and fair view of the Group's business development, including the business results and situation of Wintershall Dea, together with a description of the principal opportunities and risks associated with the expected development of Wintershall Dea.

Kassel/Hamburg, 19 February 2024

Mehren **Smith** **Summers**

INDEPENDENT AUDITOR'S REPORT

To Wintershall Dea AG, Celle

Opinions

We have audited the consolidated financial statements of Wintershall Dea AG, Celle and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year from 1 January to 31 December 2023, and the notes to the consolidated financial statements, including a segment reporting as well as a summary of significant accounting policies. In addition, we have audited the group management report of Wintershall Dea AG for the fiscal year from 1 January to 31 December 2023.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the fiscal year from 1 January to 31 December 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management report specified in the "Other Information" section of the auditor´s report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Other Information

Management and supervisory board are responsible for the other information.

The other information also comprises the following components of the group management report, whose content was not audited:

- information extraneous to group management reports and marked as unaudited.
- the voluntary disclosure on the quota for women in management positions which is included in section "1.2 Management System"

The other information also includes the annual report obtained before the date of this audit opinion.

The other information does not include the consolidated financial statements, the group management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design

and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt am Main, 19 February 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

Wetzel
Wirtschaftsprüfer
[German Public Auditor]

Eifert
Wirtschaftsprüfer
[German Public Auditor]

GLOSSARY

KEY DEFINITIONS AND GLOSSARY OF TECHNICAL AND FINANCIAL TERMS

1, 2, 3

1P reserves or proved reserves
Quantities of hydrocarbons that can be estimated with reasonable certainty (at least 90 per cent) to be commercially recoverable

2C resources or contingent resources
Best estimate of contingent resources

2P reserves or proved plus probable reserves
Proved reserves plus reserves that are deemed probable (at least 50 per cent likely) to be commercially recoverable

A

AG
German Stock Corporation (Aktiengesellschaft)

AktG
German Stock Corporation Act (Aktiengesetz)

APA
Award for predefined areas

B

BaFin
German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienst-leistungsaufsicht)

bbl
Barrel (= 159 litres)

BetrAVG
German occupational pension act (Gesetz zur Verbesserung der betrieblichen Altersversorgung)

BlueHyNow
Project to generate eco- friendly hydrogen from natural gas at the Wilhelmshaven energy hub

boe
Barrels of oil equivalent

C

Capex
Capital expenditure

CCS
Carbon capture and storage

CMH
Carbon Management and Hydrogen

CMA-1
Cuenca Marina Austral 1

CNH
National Hydrocarbons Commission (Comision Nacional de Hidrocarburos)

CO_2
Carbon dioxide

CO_2nnectNow
CCS project at HES Wilhelmshaven Tank Terminal

CTA
Contractual trust arrangements

CTP
Central treatment plant

CVA
Credit valuation adjustment

D

d
per day

DISOUCO
Disouq Petroleum Company

DVA
Debit valuation adjustment

E

E&P
Exploration and appraisal, field development and production activities

EBITDAX
Earnings before interest, taxes, depreciation, amortisation and exploration expenses adjusted for special items

ECB
European Central Bank

EFET
European Federation of Energy Traders

EGAS
Egyptian Natural Gas Holding Company

EOR
Enhanced Oil Recovery

ESG
Environmental, Social and Governance

ETP
Energy Transition Pathway

EU
European Union

F

FCF
Free cash flow

FEED
Front-End Engineering and Design

FID
Final investment decision

FPSO
Floating production, storage and offloading unit

G

GAS
German Accounting Standard

GHG
Greenhouse gas

GRI
Global Reporting Initiative

GRN
Groupement Reggane Nord

GWh
Gigawatt hour

H

HGB
German Commercial Law (Handelsgesetzbuch)

HSEQ
Health, Safety, Environment & Quality

I

IAS
International Accounting Standards

IASB
International Accounting Standards Board

IFRIC
International Financial Reporting Interpretations Committee

IFRS
International Financial Reporting Standards as issued by the International Accounting Standards Board and adopted by the European Union

IG BCE
The German Industrial Mining, Chemistry, Energy Trade Union (Industriegewerkschaft Bergbau, Chemie, Energie)

ILO
International Labour Organisation

IOGP
International Association of Oil and Gas Producers

IPIECA
International Petroleum Industry Environmental Conservation Association

ISMS
Information security management system

J

JV
Joint venture

K

KPI
Key performance indicator

L

LATAM
Latin America

LDAR
Leak detection and repair

LNG
Liquefied natural gas

LTIR
Lost Time Injury Rate per million hours worked

LTM
Last twelve months

M

M&A
Merger and Acquisition

MENA
Middle East/North Africa

mbbl
One thousand barrels

mboe
One thousand barrels of oil equivalent

mboe/d
One thousand barrels of oil equivalent per day

mmboe
Million barrels of oil equivalent

mmbtu
Million british thermal units

mmscf
Million standard cubic feet

mscf
One thousand standard cubic feet

MTP
Medium-term planning

MWh
Megawatt hour

N

NGL
Natural gas liquids

NOC
Libya's National Oil Corporation

NPV
Net present value

NWSG
North West Sidi Ghazi development project

O

OCI
Other comprehensive income

oe
Oil equivalent

OECD
Organisation for Economic Co-operation and Development

OGCI
Oil and Gas Climate Initiative

OGMP 2.0
Oil and Gas Methane Partnership 2.0

OPEC
Organisation of Petroleum Exporting Countries

P

PRMS
Petroleum resources management system

R

RCF
Revolving credit facility

S

SA-CCR
Standardised approach for measuring counterparty credit risk

scf
Standard cubic feet

Scope 1 emissions
Direct GHG emissions that occur from sources that are controlled or owned by the company

Scope 2 emissions
Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling by the company

Scope 3 emissions
Other indirect GHG emissions that are the result of activities from assets not owned or controlled by the company but that the company indirectly impacts in its value chain

SDGs
Sustainable Development Goals of the United Nations

SEFE
Securing Energy for Europe GmbH

Shareholders
Refers to Wintershall Dea shareholders BASF and LetterOne

SOC
Security Operations Center

SPE
Society of Petroleum Engineers

T

TCFD
Task Force on Climate-related Financial Disclosures

TRIR
Total Recordable Injury Rate per million hours worked

TTF
Title transfer facility (The Netherlands) is a virtual trading point for natural gas

TWh
Terawatt hour

U

UAE
United Arab Emirates

W

WACC
Weighted average cost of capital

WIAG
Wintershall Aktiengesellschaft

WIGA
WIGA Transport Beteiligungs-GmbH & Co. KG

WPC
World Petroleum Council

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CONCEPT AND LAYOUT

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Friedrich-Ebert-Straße 160, 34119 Kassel, Germany

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Mainz, www.ryze-digital.de

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The German version of this report is legally binding. The company cannot be held responsible for any misunderstanding or misinterpretation arising from this translation.

The annual report 2023 is both available in German and English.

The annual report 2023 is available as pdf on the internet:
https://wintershalldea.com/en/investor-relations

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