WINTERSHALL DEA Q2 2021 RESULTS PRESENTATION

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Aleksander Azarnov – SVP Investor Relations

Good morning everyone and welcome to our second quarter results presentation.

As usual, together with me on the call we have our CEO Mario Mehren and CFO Paul Smith, who will lead you through today's presentation.

Mario will take you through the highlights of the quarter and Paul will then talk about our financial performance in more detail.

As customary, I'd like to draw your attention to the disclaimer. In today's presentation we will be making forward-looking statements that refer to our estimates, plans and expectations which are all subject to assumptions and risks as stated there.

At the end, we will have plenty of time for questions but you can also send your questions during the webcast.

With that, I'll hand over to Mario.

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Mario Mehren – Chief Executive Officer

PAGE 3 – MACROECONOMIC BACKDROP

Thank you, Aleks.

Good morning everyone and welcome from my side also. It's great to have you join us today, as ever. I hope everyone continues to stay safe.

I remember saying in our Q2 call last year that hopefully in Q2 of this year, we'll be referring to the pandemic in the past tense. Unfortunately, that's not yet the case especially when we see significant increases in cases due to the Delta variant around the world. It is, however, encouraging to see how the global vaccination effort is starting to break the link between infections and serious COVID cases and deaths. A lot more effort is still needed, but I remain hopeful that COVID-19 can become endemic in many parts of the world relatively soon.

At Wintershall Dea, incident rates have remained very low thanks to the various measures that we put in place, such as for example the ability of our employees to work from home and we will continue to offer the possibility for our employees to work from home 60% of the time on a permanent basis where possible after the pandemic. We firmly believe in the agile ways of working and believe that E&P, which is often considered to be an old-fashioned industry, can be at the forefront of change.

It's also reassuring to see that the global recovery remains robust with growth momentum passing on from China and the US to Europe and the emerging economies. Despite the emergence of variants of concern, many parts of the world are back to something remotely similar to normal helping to restore global demand in general and for our products in particular. OPEC+ countries have demonstrated very high compliance with the supply cuts from last year which has helped to balance the oil supplies globally in recent months and hopefully OPEC+ continues to do so.

Gas has benefitted even more so than oil from the industrial demand recovery. European gas prices were also impacted by colder than usual spring in Europe, a recent heat wave and lower levels of electricity from wind, leaving storage levels significantly below the norms for this time of the year. LNG cargoes that usually supported European gas supply were diverted to Asia where industrial recovery took hold earlier than in Europe driving demand for gas and increased prices.

Taking all of the above together, we have seen a drastic change in commodity prices with Brent more than doubling and European gas prices up fivefold compared to the same period last year. This just underlines our position that Europe needs more affordable gas from all sources, not only to support Europe's recovery, but also to help Europe to decarbonize faster through more rapid coal to natural gas switch and creating a platform for hydrogen production.

Following the recent OPEC+ agreement and strong demand for gas globally, it can be expected that the oil and gas prices will remain firm in the coming quarters providing us with strong tailwinds to end the year in a very strong position.

PAGE 4 – KEY MESSAGES

As usual, Paul will go through the numbers in more detail, but let me summarize the key highlights for the quarter.

During the second quarter, Wintershall Dea celebrated its second birthday and I'm very proud of what the company has achieved in such a short period of time. From general integration topics such as streamlining the operations and non-core asset divestments to defining our role in the Energy Transition and announcing our Net Zero 2030 ambitions. Our industry is changing fast and we are not only adapting to the changes, but also thinking beyond.

Just yesterday, we converted our legal form from a limited liability company, to a joint-stock company or AG. This concludes one of the last outstanding items agreed between the shareholders at the time of the merger. In practice, this does not change much for us, since our corporate governance is and was already similar to that of an AG.

As you know, our shareholders announced that the IPO is now targeted post 2021, when the valuations in the sector come back to the levels attractive to our shareholders to kick off the IPO. In the meantime, we will continue to successfully deliver on our operational, financial and strategic goals.

Turning to our highlights of the quarter.

Our operational performance continues to be very strong. Having delivered two consecutive quarters above 650,000 boe/d in Q4 of last year and Q1 of this year, second quarter was going to be lower and as indicated previously, impacted by planned maintenance, particularly in Norway. Nevertheless, our quarterly production was 613,000 boe/d despite heavier than usual turnarounds.

Project delivery is on track. The two most recent start-ups, Raven and Achimov 4A/5A are performing well. We further ramped-up the production of our Raven field in Egypt to 650 mmscf/d gross, which is expected to have a plateau production of 900 mmscf/d and approximately 30,000 barrels per day of condensate.

In Russia, the Achimov 4A/5A and the Yuzhno-Russkoye Turonian developments are progressing according to plan. In fact, since the start of the commissioning, Achimov 4A/5A already contributed a cumulative production of 1 bcm of gas gross in the first five months of operations. These fields will offset natural decline in our other fields in Russia and extend our production plateau in the country.

In Norway, we continue to progress our major development projects, Nova, Dvalin and Njord and expect first production from these fields in the second half of 2022. Our smaller projects such as Ærfugl Phase 2 and the Snorre Expansion project are progressing to plan. Lastly, our modest yet a very profitable field Gråsel operated by AkerBP, which is a tie-back to Skarv, commenced production in June or four months ahead of schedule.

Our exploration team continues to contribute significant value to the business with the discovery in the Dvalin North field, which is the biggest discovery on the Norwegian Continental Shelf so far in 2021 and follows another success earlier this year. Dvalin North find includes multiple targets and is expected to be tied-back and contribute to our own-operated Dvalin production.

Moving on now to our financial highlights.

The supportive macro environment allowed us to increase our EBITDAX to €636 million, free cash flow to just under €400 million and adjusted net income to €168 million – all materially higher year on year.

Most importantly, however, we managed to bring down our leverage back to within our target range at 1.7x. I am particularly pleased about that because the balance sheet and our ratings have remained a top priority for us since the beginning of the pandemic. Our pro-active actions allowed Moody's to upgrade our rating from Baa2 with a negative outlook to Baa2 with a stable outlook.

And lastly, as highlighted in April, we paid the remaining €100 million of the declared €600 million total common dividend to the shareholders in June.

Let me now hand over to Paul to go through the details.

Paul Smith – Chief Financial Officer

Thanks Mario and good morning everybody.

PAGE 6 – Q1 2021 PERFORMANCE SUMMARY

Let me leave you with the following four key messages.

First, let me start with HSEQ. Unfortunately, our total recordable incident rate increased slightly in the second quarter compared to last quarter. Our Lost Time Injury Frequency, which measures the frequency of incidents which results in somebody working with us not being able to return to work for a day or more continues to decline rapidly and safety continues to be at the core to everything we do.

Secondly, following two quarters of record production, we had anticipated and signalled reduced 2Q and 3Q production volumes on the back of planned maintenance shutdowns across the portfolio. As a result our 2Q production was down at 613,000 boe/d, and while we continue to see some significant planned shutdown activity in the 3rd quarter, in particular in Russia, we anticipate robust production for the remainder of this year.

Thirdly, the rapid and significant recovery of the external environment combined with strong operational performance has allowed us to deliver a strong set of financials, with EBITDAX, and adjusted net income up 140% and 93% respectively compared to the same period last year.

Fourthly, strong operating performance, disciplined capital allocation and a strong, robust external environment has enabled us to significantly boost our cash generation. Our free cash flow for the first half of this year is just under €800 million compared with over negative €200 million result in the first half of last year.

PAGE 7 – REALISATIONS IMPROVING WITH MACRO

A couple of words on realisations.

European gas prices have recovered from near record lows in 2Q of last year to near record highs for this time of the year, with TTF averaging $8.8/mcf during the second quarter.

Year over year, our realised gas prices across the portfolio, including hedges are up 101%, while 2Q realised prices are up 8% on the first quarter. Due to the construct of our portfolio, that includes exposure to lower volatility domestic prices, and formula prices with ceilings, our gas net backs provide protection on the way down and are dampened on the way up. In addition, we hedged a significant portion of our 2021 production in prior quarters at lower prices. Excluding the effects of Russian net-back prices that as a reminder include opex and transportation costs, as well as the effects of hedges, our gas realisations are up 172% and 29% year to year and quarter to quarter respectively.

On the liquids side, our realisations, excluding Russian condensate and the effects of hedging increased 181% compared to the same period last year and 16% quarter to quarter or slightly more than increase for Brent.

We have been building out our hedge book in a systematic manner since the beginning of last year, and intend to continue to systemically hedge up to 40% of our post-tax efficiently hedgeable volumes going forward. At the end of the second quarter we have circa 350 mmscf./d of gas volumes hedged over the next 18 months at an average price of $4.7/mmscf. Similarly, we have around 60,000 bbl/d of oil hedged over the same time period at an average price of $56/bbl. Given the significant movements on commodity prices in 2021, we have realised post-tax hedging losses of €160 million in the first half of this year.

PAGE 8 – COSTS REMAIN LOW, IMPACTED BY MAINTENANCE

Moving on to costs.

As mentioned before, our 2Q production was impacted by the turnaround season particularly in Norway. The maintenance season started earlier this year to catch up on some of the deferred non-critical maintenance from last year and therefore resulted in higher per barrel production costs compared to last year. Our production costs for the first half of the year averaged €3.5/boe, and we remain confident that we will be able to deliver full year production costs below €4/boe, trending towards €3.5/boe in the medium term as we continue to build out cost efficient volumes.

In terms of other non-production related operating costs, our trading activities are dominated by the legacy offtake contract with Equinor set to expire in 2023 and increased by over €300 million to €396 million mainly due to higher commodity prices but are offset by the corresponding increased trading revenues, hence these do not affect the bottom line.

Secondly, we enjoyed the benefit of an overlift in the second quarter with the corresponding €67 million increase in other opex during the quarter and expect this overlift to reverse out in the coming months.

Lastly, other cost of sales, which are associated with the General Contracting Agreement of Achim Development, continue to decline as the development activities in Achimov 4A and 5A are coming to an end. However, also these costs do not feed through to the bottom line since they are offset by the corresponding revenues.

PAGE 9 – MATERIALLY IMPROVED PROFITABILITY

On the back of firmer market environment, our financial performance has materially improved. EBITDAX increased 140% year over year to €636 million admittedly from a low base at the trough of the pandemic in 2Q 2020. Not surprisingly the increase was driven primarily by higher prices, but also due to 5% higher sales volumes year over year. Our G&A of €179 million was higher than the €97 million in 2Q 2020 due to €37 million of additional merger related charges, and a €34 million loss on sale from our Wolgodeminol business in

Russia that flowed through G&A and which was based on realised translation effects.

Our net income for the quarter was impacted by a number of special items. Firstly, a net impairment of €45 million in Mexico triggered by the company's reduced working interest in Block 7 following the final unitisation determination by an independent expert, and secondly the loss on the sale of our Wolgodeminol business in Russia as just mentioned.

Taking into account these special items, adjusted net income of €168 million has almost doubled year over year despite 2Q of last year benefitting from a significant one-off tax income due to the implementation of the temporary tax regime in Norway.

PAGE 10 – SOURCES AND USES OF CASH AND CASH FLOW

Moving on to sources and uses of cash.

Our operating cashflow for the quarter came in at €665 million, up nearly sixfold year on year. Besides the higher commodity prices, the second quarter benefitted also from higher sales volumes compared to last year, as well our final expected 2021 tax refund in Norway of nearly €100 million taking the total for the year to date to €286 million. With significantly higher commodity prices, we are expecting to enter a tax paying position in Norway in the second half of the year onwards.

In the second quarter we generated free cash flow of €398 million or almost €700 million more than in the same period last year. Our strong cash generation allowed us to more than cover all of our investments, distribute the remaining €100 million common dividend to our shareholders and elect to retire early the last remaining piece of our term debt of €343 million, leaving us with a cash balance at the end of the quarter of over €700 million, which we can expect to grow significantly in the coming months.

PAGE 11 – NET DEBT AND LEVERAGE

Clearly, the pro-active actions in the previous quarters to support our balance sheet and now also the favourable macro environment, allowed us to reduce our leverage back to our target level even quicker than anticipated earlier.

We reduced our net debt position by €300 million compared to 1Q and by over €2 billion compared to the same period last year ending the quarter with a modest net debt position of just over €3.8 billion corresponding to a leverage ratio of 1.7x, which is right in the middle of our mid-term target range.

Should the external environment remain as supportive as it is and with no upcoming debt maturities or other major planned outflows, we expect our leverage to further reduce by the end of the year. Having built in a significant amount of resilience into the portfolio and repaying all of the merger related debt, leaves us in a strong position with a high degree of flexibility to pursue our strategic objectives.

PAGE 13 – GUIDANCE AND OUTLOOK

Let me briefly go on to guidance for the 2nd half of the year.

Despite the fact that we have a large number of planned turn-arounds to get through in 3Q, in particular in our business in Russia, we have seen robust production delivery in the first half of the year. As a result, we have tightened our production guidance range to 630,000-640,000 boe/d for 2021.

In terms of development capex and exploration expenditures we continue to expect to invest within the original guidance ranges of €1.0-1.1 billion and €200-250 million respectively this year, and towards the lower end of both of these ranges.

And with that I will now hand it back to Mario.

Mario Mehren

Thank you very much Paul.

We had a very strong first half of the year. Our good operational performance was supported by better than expected external environment.

We commissioned two major projects in Russia and in Egypt, made two nice discoveries in Norway, achieved high levels of production of 636,000 boe/d on average for the first six months and generated almost €800 million of free cash flow.

In addition, we are progressing our strategic objectives and building a business fit for all seasons that contributes to the decarbonisation of the world.

With that – let's go to Q&A. Operator over to you.