wintershall dea

Q2 2023 Report

Wintershall Dea
GROUP MANAGEMENT REPORT
Q2 2023

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.

The Group's 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 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 headquarter, Global Exploration and Carbon Management and Hydrogen (CMH), as well as the holding companies.

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**

The **"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 and proceeds from the disposal of non-current assets/divestitures 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).

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 April 2023 through 30 June 2023 and the comparison period comprises the period from 1 April 2022 through 30 June 2022. In addition, the results of operations for the first half year 2023 (1 January 2023 - 30 June 2023) and for the first half year 2022 (1 January 2022 - 30 June 2022) are presented.

All Russian entities were deconsolidated in the fourth quarter of 2022 and recognised as other financial assets according to IFRS 9. Therefore, the comparison period includes still the segment Russia. For convenience purposes, chapter 2.6 includes additional unaudited voluntary information for Wintershall Dea Group excluding the Russian business in the comparison period.

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

Macro fundamentals

Gas prices

Average TTF prices decreased from $29.84/mscf in Q2 2022 to $11.20/mscf during the reporting period.

$/mscf	Q2 2023	Q2 2022	H1 2023	H1 2022
Average TTF price for the period[1]	11.20	29.84	14.08	30.67

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

Oil prices

Average Brent crude oil prices decreased from $113.8/bbl in Q2 2022 to $78.4/bbl in the reporting period.

$/bbl	Q2 2023	Q2 2022	H1 2023	H1 2022
Average Brent price for the period[1]	78.4	113.8	79.8	107.6

[1] Source: Platts

Foreign currencies

Closing rates €1 =	30 Jun 2023	31 Dec 2022
Argentinian peso (ARS)	280.29	189.15
Egyptian pound (EGP)	33.74	26.44
Mexican peso (MXN)	18.56	20.86
Norwegian krone (NOK)	11.70	10.51
US dollar (USD)	1.09	1.07

Average rates €1 =	Q2 2023	Q2 2022
Argentinian peso (ARS)	253.93	125.68
Egyptian pound (EGP)	33.66	19.72
Mexican peso (MXN)	19.23	21.33
Norwegian krone (NOK)	11.66	10.04
US dollar (USD)	1.09	1.06

Realised prices

	Q2 2023	Q2 2022	H1 2023	H1 2022
Average realised gas price[1] (in $/mscf)	**6.86**	**9.08**	**7.97**	**9.59**
Northern Europe	9.84	13.32	11.85	14.76
Latin America	3.83	3.89	3.57	3.26
Middle East/North Africa[2]	3.62	4.54	3.86	4.27
Average realised oil price[1] (in $/bbl)	**65.1**	**80.0**	**66.0**	**83.4**
Northern Europe	65.5	78.3	66.4	83.0
Latin America	53.9	76.3	53.5	71.7
Middle East/North Africa	70.2	116.3	74.7	109.6

[1] Includes commodity hedge result
[2] Includes the deduction of applicable taxes for Algeria

In Q2 2023, our realised gas price decreased by 24% from $9.08/mscf in Q2 2022 to $6.86/mscf Q2 2023. This decline is lower than the 62% quarter over quarter decrease in TTF prices primarily due to the existence of hedges. During Q2 2023, gas hedges with a total volume of 360 mmscf/d were realised at an average price of $8.13/mscf (Q2 2022: $5.59/mscf).

Realised oil price decreased by 19% from $80.0/bbl to $65.1/bbl. The decline was lower than the decline in Brent prices (31%) mainly due to the existence of hedges. During Q2 2023, crude oil hedges with a total volume of 19 mboe/d (Q2 2022: 21 mboe/d) were realised at an average price of $66.3/bbl (Q2 2022: $58.2/bbl).

2.3 MAJOR BUSINESS ACTIVITIES IN THE REPORTING PERIOD

General

On 25 May 2023, Wintershall Dea announced that Thilo Wieland will resign from his position as Member of the Management Board of Wintershall Dea AG responsible for Region Russia, Latin America and Transportation by mutual agreement with the Supervisory Board as of 30 June 2023. Following the announcement of Wintershall Dea in January 2023 to completely withdraw from Russia, the board function was subsequently dissolved as of 1 July 2023. The Management Board of Wintershall Dea AG was reduced to four members and the responsibility for Latin America and Transportation distributed among the Board members.

On 27 June 2023, Sustainalytics published its 2023 ESG Risk Rating Update for Wintershall Dea. Wintershall Dea was once again rated among the best industry performers by Sustainalytics. Following the rating review, Wintershall Dea's ESG Risk Rating remained stable at 25.8, placing it firmly in the top category of the industry. According to Sustainalytics, the company is in the 5th percentile in the industry group Oil & Gas Producers (300 companies) and in the 6th percentile in the sub-industry category Oil and Gas E&P (165 companies).

In Q2 2023, Wintershall Dea AG paid a common dividend for 2022 to its shareholders BASF and LetterOne in the amount of €400 million.

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.

Wintershall Dea is preparing to switch from steam injection to hot water injection oil recovery in the Emlichheim field in Germany. 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 continued sustainable development of oil production in the region of Emlichheim in Germany.

Northern Europe – Norway

Our producing assets in Norway showed overall good performance during the reporting period, but were affected by the unplanned maintenance extension at the third-party operated Nyhamna gas processing facilities impacting production at one of our largest fields in Norway (Aasta Hansteen) and the start-up of the Dvalin field. The produced volumes amounted to 169 mboe/d on average, flat on Q1 2023 production.

In early April 2023, production commenced at the Hyme and Bauge fields in the Norwegian Sea. Both are connected to the recently upgraded and recommissioned Njord field.

The production volumes at the Snorre field were at expected levels in the reporting period. In May 2023, the 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. The Ministry also approved four additional developments where Wintershall Dea is a partner: Irpa, Solveig Phase 2 and the Skarv field satellites Alve Nord and Idun Nord. All six approved plans for development and operations (PDO) were applied for in Q4 2022 and are expected to come on stream from 2026 onwards.

In Q2 2023, Wintershall Dea Norge paid €1,044 million in taxes in Norway, taking the total year to date to €1,608 million.

Latin America – Mexico

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) authorized the development plan, the work program and budget associated in early June 2023. The Final Investment Decision is expected to be taken in 2024.

On 25 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 the discovery contains 200 to 300 million barrels oil equivalent in place.

Middle East/North Africa – Egypt

Our producing assets in West Nile Delta (WND) and Disouq showed good performance during the second quarter and delivered production levels as per expectations. The average production in the second quarter amounted to 36 mboe/d.

In mid-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. BP is the operator of WND with Wintershall Dea as the sole partner.

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%). Since its startup, the OPAL pipeline was predominantly exempted from the third party access and tariff regulation under the Directive 2003/55/EC and the German Energy Industry Act ("EnWG"). In early July 2023, the German Federal Network Agency (BNetzA) has approved OPAL Gastransport GmbH and Co. KG's request to revoke the OPAL exemption from regulation with effect from 30 June 2023. The revocation from exemption allows 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 is to be transferred to and operated by a duly certified transmission system operator GASCADE Gastransport GmbH.

Carbon Management and Hydrogen (CMH)

During the second quarter, Wintershall Dea continued to make progress towards its Energy Transition Pathway goals.

On 14 June 2023, it was announced that DNV, an independent expert in assurance and risk management, has verified the safety of all aspects of the Greensand's pilot CO_2 storage project in the Danish North Sea. The Greensand project, where Wintershall Dea and Ineos (operator) hold 40% interest each, 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. First pilot injection was successful in March 2023.

2.4 OPERATIONAL PERFORMANCE

Production

Natural gas (mboe/d)[1]	Q2 2023	Q2 2022	H1 2023	H1 2022
Northern Europe	104	109	111	109
Russia[2]	—	249	—	265
Latin America	59	59	59	57
Middle East/North Africa	39	39	39	40
	202	**456**	**209**	**471**

Oil (mboe/d)[1]	Q2 2023	Q2 2022	H1 2023	H1 2022
Northern Europe	98	93	93	96
Russia[2]	—	60	—	65
Latin America	15	9	11	8
Middle East/North Africa[3]	7	5	7	6
	120	**167**	**112**	**175**

Total production (mboe/d)[1]	Q2 2023	Q2 2022	H1 2023	H1 2022
Northern Europe	202	202	204	205
Russia[2]	—	309	—	330
Latin America	74	68	70	65
Middle East/North Africa[3]	46	44	47	46
	322	**623**	**321**	**646**

[1] Mboe/d – thousand barrels of oil equivalent per day on a working-interest basis, including proportional production from at equity-accounted companies
[2] Russia deconsolidated in Q4 2022
[3] Excludes Libya onshore

The Group's daily production averaged 322 mboe/d in Q2 2023, consisting of 202 mboe/d of gas and 120 mboe/d of oil, representing a decrease of 301 mboe/d compared to Q2 2022 primarily due to the deconsolidation of the Russian entities in the fourth quarter of 2022. Excluding Russia, daily production modestly increased by 8 mboe/d.

The lower gas production in Northern Europe was a result of the unplanned maintenance extension at the partner operated Nyhamna gas processing plant with an impact on our production at Aasta Hansteen as well as the natural decline of our German producing assets. This was partly offset by the start of production in Hyme and Bauge as well as strong performance from assets including Skarv. The increase in the oil production in Northern Europe was mainly due to the production start of Nova, Hyme and Bauge in Norway.

In Latin America, gas production remained stable whereas oil production increased due to the acquisition of a 37% non-operated participating interest in the oil producing Hokchi Block offshore in Mexico end of March.

Capex

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Northern Europe	159	162	306	333
Russia[1]	—	3	—	4
Latin America	52	16	84	25
Middle East/North Africa	54	32	83	58
HQ and Other	2	1	8	2
Total	**268**	**214**	**482**	**422**

[1] Deconsolidation in Q4 2022

In Q2 2023, capital expenditures amounted to €268 million compared with €214 million in Q2 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.

Net exploration expenditures

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Exploration capex	8	21	27	35
Northern Europe	4	16	8	29
Russia[1]	—	—	—	—
Latin America	4	5	19	6
Middle East/North Africa	—	—	—	—
HQ and Other	—	—	—	—
Exploration expenses	40	15	62	32
Northern Europe	9	6	16	15
Russia[1]	—	—	—	—
Latin America	25	6	37	12
Middle East/North Africa	5	—	5	1
HQ and Other	—	2	4	4
Adjusted for dry well costs from prior periods	-6	—	-7	—
Adjusted for gains/losses from disposal of exploration assets	—	—	—	—
Proceeds from disposal of exploration assets and acquisitions	—	—	—	—
Adjusted for changes in provisions	17	—	18	—
Total	**59**	**37**	**100**	**67**

[1] Deconsolidation in Q4 2022

In Q2 2023, exploration expenditures totalling €8 million were capitalised. The decline in Northern Europe was due to lower exploration activities in the reporting period. Furthermore, the expenditures in Latin America related to one successful well drilled.

Exploration expenses include expenses for the acquisition of seismic data, licence fees and expenses for dry well costs. In Q2 2023 exploration expenses included two dry wells in Mexico and Egypt.

2.5 FINANCIAL PERFORMANCE

Earnings performance

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenues gas and oil	2,147	4,027	5,337	7,846
Revenues other	-2	26	15	39
Net income from equity-accounted investments: gas and oil	14	37	47	71
Net income from equity-accounted investments: midstream	26	66	55	100
Other operating income	12	16	17	23
	2,197	**4,173**	**5,471**	**8,078**
Production and operating expenses	-1,138	-2,040	-3,132	-4,161
Production and similar taxes	-39	-60	-87	-109
Depreciation and amortisation	-321	-351	-594	-677
Net impairment on assets	—	-11	—	-556
Exploration expenses	-40	-15	-62	-32
General and administrative expenses	-95	-128	-210	-246
	565	**1,567**	**1,385**	**2,297**
Financial income	73	329	147	363
Financial expenses	-94	-351	-192	-1,443
	-21	**-22**	**-45**	**-1,080**
Income/loss (-) before taxes	**543**	**1,545**	**1,340**	**1,217**
Income taxes	-370	-877	-892	-1,552
Net income/loss (-)	**173**	**668**	**447**	**-335**
Net income/loss (-) attributable to shareholders	163	658	427	-355
Net income/loss (-) attributable to subordinated notes investors	10	10	21	21

Revenues and other operating income
Revenues gas and oil showed a decrease in Q2 2023, falling by €1,880 million, or 47%, to €2,147 million, compared with €4,027 million in Q2 2022. Excluding revenues from gas and oil trading activities managed by the headquarters and Business Unit Germany, revenues gas and oil decreased by 43% quarter-on-quarter to €1,221 million, primarily due to the deconsolidation Russia and lower commodity prices. The realised gas price decreased by 24%, and the realised price for oil decreased by 19%. In addition, unrealised changes in fair values of commodity derivatives measured through profit or loss led to a loss of €14 million compared to a gain of €131 million in Q2 2022.

Revenues from gas and oil trading activities managed by the headquarters and Business Unit Germany amounted to €926 million, a decrease of 51% compared to Q2 2022, mainly driven by lower prices. The revenues are largely offset by the cost of trade goods included in production and operating expenses.

Net income from equity-accounted investments decreased from €103 million in Q2 2022 to €40 million in the reporting period, mainly driven by the fact that no further contributions from the Russian JVs and Nord Stream were accounted for. This was partly compensated by a higher proportionate net income from the Libyan equity-accounted investment.

Production and operating expenses
Production costs amounted to €165 million compared with €162 million in Q2 2022. This increase was mainly due to the production costs in Latin America which rose by €12 million due to our new oil producing Hokchi Block in Mexico and the lower increase of the crude oil stock in Argentina. This was partially offset by lower production costs in the region Middle East/North Africa as well as the deconsolidation of the Russian entities in the fourth quarter of 2022.

Excluding Russia, the specific production costs increased by €0.1/boe to €5.7/boe compared to €5.6/boe in Q2 2022.

	Production costs in € million		Production costs in €/boe	
	Q2 2023	Q2 2022	Q2 2023	Q2 2022
Northern Europe	132	129	7.2	7.5
Russia[1]	—	5	—	0.4
Latin America	27	15	4.0	2.4
Middle East/ North Africa	8	14	2.0	3.4
HQ and Other/ Consolidation	-2	—	—	—
Total	**165**	**162**	**5.7**	**4.1**

[1] Deconsolidation in Q4 2022

Next 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 €4 million in the reporting period (Q2 2022: income of €56 million), leading to an increase of production and operative expenses.

Cost of trade goods went down significantly and in line with the trading revenues, amounting to €910 million in the reporting period (-51%).

General and administrative expenses
General and administrative expenses (€95 million) was 26% below the comparison period level (€128 million). The decrease was mainly attributable to higher charge-outs, the deconsolidation Russia as well as losses from the deconsolidation of Wintershall Dea do Brasil Exploração e Produção Ltda in the comparison period.

RECONCILIATION OF EBITDAX

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenues gas and oil	2,147	4,027	5,337	7,846
adjusted for unrealised changes in fair value of commodity derivatives	14	-131	34	78
Revenues other	-2	26	15	39
Net income from equity-accounted investments: gas and oil	14	37	47	71
Net income from equity-accounted investments: midstream	26	66	55	100
Other operating income	12	16	17	23
adjusted for gains from sale of assets/changes in consolidation scope	—	—	-3	-1
Production and operating expenses	-1,138	-2,040	-3,132	-4,161
adjusted for net impairments and write-offs on/from operating receivables	4	-8	5	1
adjusted for losses from sale of assets	—	4	2	5
Production and similar taxes	-39	-60	-87	-109
General and administrative expenses	-95	-128	-210	-246
adjusted for losses from sale of assets/changes in consolidation scope	1	14	1	14
adjusted for non-recurring items[1]	31	5	36	8
EBITDAX	**975**	**1,828**	**2,116**	**3,667**

[1] Q2 2023: included restructuring and transformation costs of €28 million and integration costs of €3 million; Q2 2022: included integration costs of €5 million

Totalling €975 million in the period under review, EBITDAX was €853 million lower than the prior-year figure (€1,828 million), mainly because of the deconsolidation Russia and decreased commodity prices.

EBITDAX PER SEGMENT

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Northern Europe	779	1,035	1,738	2,255
Russia[1]	—	547	—	1,054
Latin America	88	113	160	177
Middle East/North Africa	80	107	217	197
Midstream	26	65	55	99
HQ and Other	1	-38	-53	-114
Total	**975**	**1,828**	**2,116**	**3,667**

[1] Deconsolidation in Q4 2022

RECONCILIATION OF ADJUSTED NET INCOME

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
EBITDAX	975	1,828	2,116	3,667
Depreciation and amortisation	-321	-351	-594	-677
Exploration expenses	-40	-15	-62	-32
Financial income	73	329	147	363
adjusted for gains from disposal of other financial assets	—	—	-3	—
Financial expenses	-94	-351	-192	-1,443
adjusted for net impairments on financial receivables, bank balances and other financial assets	-8	7	—	1,011
Income taxes	-370	-877	-892	-1,552
adjusted for taxes on adjusted and disregarded items	-13	38	-18	-61
Adjusted net income	**203**	**608**	**501**	**1,277**

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).

Exploration expenses

In the reporting period, exploration expenses increased by €25 million or 167%, to €40 million compared to €15 million in Q2 2022 (further information is provided in section Net exploration expenditures).

Financial income and expenses

The financial result remained stable at €-21 million in the reporting period (Q2 2022: €-22 million).

Income taxes

The income/loss before taxes amounted to €543 million in the reporting period compared to €1,545 million in Q2 2022. In the quarter being reviewed, Wintershall Dea incurred a total tax expense of €370 million (comparison period €877 million).

The effective tax rate in the reporting period amounted to 68% (comparison period: 57%). The increase is due to the higher portion of Norwegian taxable income after the deconsolidation Russia.

Adjusted net income

Adjusted net income amounted to €203 million in Q2 2023, compared to €608 million in Q2 2022. The decrease in EBITDAX was partly offset by significantly lower income taxes.

Financial position

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Net income/loss (-)	**173**	**668**	**447**	**-335**
Amortisation/depreciation/impairment losses/reversal of impairment losses	321	361	595	1,257
Changes in provisions	-50	-55	-46	-59
Changes in deferred taxes	-23	262	-37	107
Gains (-)/losses from disposal of non-current assets	7	5	6	18
Gains (-)/losses from deconsolidation	—	13	—	13
Other non-cash income/expenses and finance costs	-44	-176	-166	856
Changes in working capital	56	296	138	20
Changes in income tax assets and liabilities	-629	-42	-687	525
Changes in other balance sheet items	-58	-75	-100	99
Cash flow from operating activities	**-246**	**1,257**	**150**	**2,502**
Payments for intangible assets and property, plant and equipment	-276	-235	-509	-457
Net payments for acquisitions	9	-10	-316	-10
Net proceeds from the disposal of non-current assets/divestitures	11	25	22	92
Payments for financial receivables	—	-2	—	-2
Changes in financial receivables from cash pooling	—	-1	—	-2
Cash flow from investing activities	**-256**	**-224**	**-803**	**-379**
Dividend payments to shareholders	-400	-90	-400	-90
Distributions paid to subordinated notes investors	—	—	-26	-26
Proceeds from debt to banks	—	—	—	11
Repayments of debt to banks	—	-3	—	-14
Buybacks of bonds	—	-98	—	-98
Changes in financial liabilities to related parties (cash pooling)	268	—	323	-183
Repayment of lease liabilities	-6	-12	-13	-21
Cash flow from financing activities	**-138**	**-202**	**-115**	**-420**
Change in cash and cash equivalents	**-640**	**831**	**-768**	**1,703**
Effects of foreign exchange rate changes and other non-cash changes	36	545	-2	646
Cash and cash equivalents at the beginning of the reporting period	**2,924**	**3,077**	**3,089**	**2,106**
Cash and cash equivalents at the end of the reporting period	**2,320**	**4,454**	**2,320**	**4,454**

Cash flow from operating activities

Cash flow from operating activities decreased by €1,503 million from €1,257 million in Q2 2022 to €-246 million in Q2 2023. The decrease was primarily due to lower commodity prices, the deconsolidation Russia and significantly higher income tax payments in Norway which totalled €1,044 million in the reporting period (Q2 2022: €351 million)

Cash flow from investing activities

Cash flow from investing activities amounted to €-256 million in Q2 2023 compared to €-224 million in Q2 2022. The reporting period included higher capex in Latin America and the region North Africa/Middle East. Additionally, the comparison period included higher proceeds from divestitures.

Cash flow from financing activities

Cash flow from financing activities amounted to €-138 million compared to €-202 million in the comparison period. The reporting period was impacted by a common dividend payment to our shareholders and a net cash inflow from an addition of financial liabilities from cash pooling.

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Cash flow from operating activities	-246	1,257	150	2,502
Cash flow from investing activities	-256	-224	-803	-379
less net payments for acquisitions	-9	10	316	10
less proceeds from the disposal of non-current assets/divestitures	-11	-25	-22	-92
Free cash flow	**-522**	**1,019**	**-358**	**2,041**

Wintershall Dea believes the Group has sufficient funds available to meet its liquidity needs, including working capital, based on its current liquidity reserves, including €2,320 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

€ million	30 Jun 2023	31 Dec 2022
Assets		
Non-current assets		
Goodwill	2,122	2,156
Exploration assets	312	298
Other intangible assets	1,825	1,912
Property, plant and equipment	8,491	8,245
Equity-accounted investments	698	599
Other financial assets	260	261
Financial receivables	210	212
Derivative instruments	80	26
Other receivables	20	14
Deferred tax assets	257	189
	14,275	**13,912**
Current assets		
Inventories	165	215
Financial receivables	26	19
Trade and other receivables	1,427	1,937
Derivative instruments	170	405
Income tax assets	6	24
Cash and cash equivalents	2,320	3,089
	4,114	**5,690**
Total assets	**18,389**	**19,601**

Non-current assets equalled €14,275 million as at 30 June 2023, amounting to 78% of total assets. Compared to €13,912 million as at 31 December 2022, non-current assets increased by €363 million or 3%.

Intangible assets of €4,259 million were €107 million below the prior-year figure (€4,366 million). Additions related to the Hokchi acquisition and to exploration assets were more than offset by amortisation (€-100 million) and foreign currency translation effects (€-70 million).

Tangible assets amounted to €8,491 million, an increase of €246 million (31 December 2022: €8,245 million). The main factors were the additions (€862 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. Opposing effects were felt from depreciation (€-495 million) and foreign currency translation effects (€-120 million).

Compared to year-end, equity-accounted investments went up by €99 million and amounted to €698 million (31 December 2022: €599 million). The increase was mainly driven by the proportionate net income of the participations (€101 million).

Current assets decreased by 28% compared to 31 December 2022 and amounted to €4,114 million as at 30 June 2023.

The price related decrease in inventories of €50 million was mainly attributable to our share in a gas storage in Germany.

Trade and other receivables amounted to €1,427 million, compared with €1,937 million as at 31 December 2022. Trade accounts receivables decreased significantly in line with declined revenues which was partially offset by an increase of receivables from other taxes mainly related to the Hokchi acquisition.

The decrease in current derivative instruments (€235 million) was attributable primarily to lower fair values of commodity derivatives measured through profit and loss.

Cash and cash equivalents went down from €3,089 million to €2,320 million, mainly due to the payment of the purchase price for Hokchi as well as the negative free cash flow.

€ million	30 Jun 2023	31 Dec 2022
Equity and liabilities		
Equity attributable to shareholders and subordinated notes investors		
Subscribed capital	189	189
Capital reserves	1,186	1,386
Retained earnings and other comprehensive income	1,237	441
Equity attributable to subordinated notes investors	1,520	1,525
	4,132	**3,541**
Non-current liabilities		
Pension provisions	368	371
Decommissioning provisions	1,999	1,954
Other provisions	118	124
Financial debt	3,115	3,067
Derivative instruments	326	1,220
Income tax liabilities	15	36
Other liabilities	18	19
Deferred tax liabilities	3,433	1,713
	9,393	**8,504**
Current liabilities		
Decommissioning provisions	120	133
Other provisions	234	299
Financial debt	1,700	1,356
Trade and other payables	1,085	1,528
Derivative instruments	799	2,491
Income tax liabilities	926	1,750
	4,865	**7,557**
Total equity and liabilities	**18,389**	**19,601**

Equity increased by €591 million to €4,132 million compared with 31 December 2022. This positive development was driven by the net result (€447 million) as well as positive fair value changes of cash flow hedges (€618 million). This was partly offset by distributed common dividends to shareholders (€-400 million), negative effects from foreign currency translation (€-55 million) and distributions to subordinated notes investors (€-26 million).

Compared with 31 December 2022, non-current liabilities increased by €889 million to €9,393 million as at 30 June 2023.

Non-current provisions increased by €34 million to €2,484 million. Decommissioning provisions went up by €45 million, mainly driven by additions in the course of the Hokchi acquisition.

The decrease in derivative instruments (non-current: decrease of €894 million; current: decrease of €1,692 million) was attributable primarily to lower negative fair values of commodity derivatives in hedge relationships measured at fair value through other comprehensive income which decreased by €2,308 million.

Deferred tax liabilities increased by €1,720 million to €3,433 million, mainly due to a lower netting with decreased deferred tax assets in Norway resulting from a positive development of gas hedges recognized in other comprehensive income.

Current liabilities decreased by 36% compared to 31 December 2022 and amounted to €4,865 million as at 30 June 2023.

Compared with 31 December 2022, current financial debt went up by €344 million and amounted to €1,700 million, primarily due to an increase in cash pooling liabilities.

Trade and other payables went down by €443 million to €1,085 million compared to €1,528 million as at 31 December 2022, mostly attributable to a decrease in liabilities from gas trading.

Income tax liabilities decreased to €926 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.

Net debt/EBITDAX ratio

€ million	30 Jun 2023	31 Dec 2022
Bonds	3,926	3,903
Financial liabilities from cash pooling	722	410
Lease liabilities	152	93
Total debt	**4,799**	**4,406**
Financial receivables from cash pooling	-13	-13
Cash and cash equivalents	-2,320	-3,089
Net debt	**2,466**	**1,303**
EBITDAX (LTM)[1,2]	**5,426**	5,924
Net debt/EBITDAX ratio	**0.5**	**0.2**

[1] LTM = Last 12 months
[2] Without segment Russia

Net debt as at 30 June 2023 amounted to €2,466 million compared to €1,303 million as at 31 December 2022, following a decrease in cash and cash equivalents to €2,320 million, leading to a net debt to EBITDAX (LTM) ratio of 0.5x.

2.6 VOLUNTARY DISCLOSURE (UNAUDITED)

Financials without segment Russia

CONSOLIDATED STATEMENT OF INCOME WITHOUT SEGMENT RUSSIA

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenues gas and oil	2,147	3,486	5,337	6,792
Revenues other	-2	14	15	15
Net income from equity-accounted investments: gas and oil	14	13	47	38
Net income from equity-accounted investments: midstream	26	66	55	100
Other operating income	12	16	17	23
	2,197	**3,596**	**5,471**	**6,967**
Production and operating expenses	-1,138	-2,030	-3,132	-4,126
Production and similar taxes	-39	-58	-87	-106
Depreciation and amortisation	-321	-341	-594	-658
Net impairment on assets	—	-11	—	-208
Exploration expenses	-40	-15	-62	-32
General and administrative expenses	-95	-116	-210	-223
	565	**1,025**	**1,385**	**1,614**
Financial income	73	298	147	324
Financial expenses	-94	-345	-192	-1,436
	-21	**-47**	**-45**	**-1,111**
Income/loss (-) before taxes	**543**	**978**	**1,340**	**503**
Income taxes	-370	-765	-892	-1,335
Net income/loss (-)	**173**	**212**	**447**	**-832**
Net income/loss (-) attributable to shareholders	163	202	427	-853
Net income/loss (-) attributable to subordinated notes investors	10	10	21	21

CONSOLIDATED STATEMENT OF CASH FLOWS WITHOUT SEGMENT RUSSIA

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Net income/loss (-)	**173**	**213**	**447**	**-832**
Amortisation/depreciation/impairment losses/reversal of impairment losses	321	343	595	876
Changes in provisions	-50	-56	-46	-60
Changes in deferred taxes	-23	261	-37	109
Gains (-)/losses from disposal of non-current assets	7	5	6	18
Gains (-)/losses from deconsolidation	—	13	—	13
Other non-cash income/expenses and finance costs	-44	-152	-166	879
Changes in working capital	56	52	138	-25
Changes in income tax assets and liabilities	-629	68	-687	598
Changes in other balance sheet items	-58	-36	-100	46
Cash flow from operating activities	**-246**	**711**	**150**	**1,622**
Payments for intangible assets and property, plant and equipment	-276	-231	-509	-453
Net payments for acquisitions	9	-10	-316	-10
Net proceeds from the disposal of non-current assets/divestitures	11	25	22	92
Payments for financial receivables	—	-2	—	-2
Changes in financial receivables from cash pooling	—	-1	—	-2
Cash flow from investing activities	**-256**	**-220**	**-803**	**-376**
Dividend payments to shareholders	-400	-90	-400	-90
Distributions paid to subordinated notes investors	—	—	-26	-26
Proceeds from debt to banks	—	—	—	11
Repayments of debt to banks	—	-3	—	-14
Buybacks of bonds	—	-98	—	-98
Changes in financial liabilities to related parties (cash pooling)	268	—	323	-183
Repayment of lease liabilities	-6	-12	-13	-21
Cash flow from financing activities	**-138**	**-202**	**-115**	**-420**
Change in cash and cash equivalents	**-640**	**288**	**-768**	**826**
Effects of foreign exchange rate changes and other non-cash changes	36	4	-2	223
Cash and cash equivalents at the beginning of the reporting period	**2,924**	**2,593**	**3,089**	**1,835**
Cash and cash equivalents at the end of the reporting period	**2,320**	**2,885**	**2,320**	**2,885**

SELECTED PERFORMANCE INDICATORS WITHOUT SEGMENT RUSSIA

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Realised prices				
Average realised gas price[1] (in $/mscf)	6.86	9.08	7.97	9.59
Average realised oil price[1] (in $/bbl)	65.1	80.0	66.0	83.4
External revenues	2,145	3,500	5,352	6,807
Production[2]				
Natural gas (mboe/d)	202	207	209	206
Oil (mboe/d)	120	107	112	110
Total production (mboe/d)	322	314	321	316
Production costs in €/boe	5.7	5.6	5.8	5.9
EBITDAX	975	1,282	2,116	2,614
Adjusted net income	203	156	501	427
Exploration				
Exploration capex	8	21	27	35
Exploration expenses	40	15	62	32
Net exploration expenditures	59	37	100	67
Capex	268	211	482	418
Free cash flow	-522	476	-358	1,164

[1] Includes commodity hedge result
[2] Mboe/d – thousand barrels of oil equivalent per day/on a working-interest basis, including proportional production from at equity-accounted companies

Wintershall Dea
CONSOLIDATED INTERIM FINANCIAL STATEMENTS Q2 AND H1 2023

CONSOLIDATED STATEMENT OF INCOME

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenues gas and oil	2,147	4,027	5,337	7,846
Revenues other	-2	26	15	39
Net income from equity-accounted investments: gas and oil	14	37	47	71
Net income from equity-accounted investments: midstream	26	66	55	100
Other operating income	12	16	17	23
	2,197	**4,173**	**5,471**	**8,078**
Production and operating expenses	-1,138	-2,040	-3,132	-4,161
Production and similar taxes	-39	-60	-87	-109
Depreciation and amortisation	-321	-351	-594	-677
Net impairment on assets	—	-11	—	-556
Exploration expenses	-40	-15	-62	-32
General and administrative expenses	-95	-128	-210	-246
	565	**1,567**	**1,385**	**2,297**
Financial income	73	329	147	363
Financial expenses	-94	-351	-192	-1,443
	-21	**-22**	**-45**	**-1,080**
Income/loss (-) before taxes	**543**	**1,545**	**1,340**	**1,217**
Income taxes	-370	-877	-892	-1,552
Net income/loss (-)	**173**	**668**	**447**	**-335**
Net income/loss (-) attributable to shareholders	163	658	427	-355
Net income/loss (-) attributable to subordinated notes investors	10	10	21	21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Net income/loss (-)	**173**	**668**	**447**	**-335**
Actuarial gains/losses	3	108	—	163
Actuarial gains/losses from equity-accounted investments	—	2	—	2
Income and expenses that will not be reclassified to the statement of income at a later date, recognised directly in equity	**3**	**110**	**—**	**164**
Unrealised gains/losses on currency translation	6	1,434	-55	1,450
Unrealised gains/losses on currency translation from equity-accounted investments	—	428	—	352
Fair value changes in derivatives designated in cash flow hedges	153	-294	620	-1,189
Fair value changes in derivatives designated in cash flow hedges from equity-accounted investments	2	13	-2	31
Income and expenses that will be reclassified to the statement of income at a later date, recognised directly in equity	**162**	**1,581**	**563**	**644**
Other comprehensive income (net of tax)	**165**	**1,691**	**563**	**808**
Total comprehensive income	**338**	**2,360**	**1,011**	**474**
Total comprehensive income attributable to shareholders	327	2,349	990	453
Total comprehensive income attributable to subordinated notes investors	10	10	21	21

CONSOLIDATED BALANCE SHEET

€ million	30 Jun 2023	31 Dec 2022
Assets		
Non-current assets		
Goodwill	2,122	2,156
Exploration assets	312	298
Other intangible assets	1,825	1,912
Property, plant and equipment	8,491	8,245
Equity-accounted investments	698	599
Other financial assets	260	261
Financial receivables	210	212
Derivative instruments	80	26
Other receivables	20	14
Deferred tax assets	257	189
	14,275	**13,912**
Current assets		
Inventories	165	215
Financial receivables	26	19
Trade and other receivables	1,427	1,937
Derivative instruments	170	405
Income tax assets	6	24
Cash and cash equivalents	2,320	3,089
	4,114	**5,690**
Total assets	**18,389**	**19,601**

€ million	30 Jun 2023	31 Dec 2022
Equity and liabilities		
Equity attributable to shareholders and subordinated notes investors		
Subscribed capital	189	189
Capital reserves	1,186	1,386
Retained earnings and other comprehensive income	1,237	441
Equity attributable to subordinated notes investors	1,520	1,525
	4,132	**3,541**
Non-current liabilities		
Pension provisions	368	371
Decommissioning provisions	1,999	1,954
Other provisions	118	124
Financial debt	3,115	3,067
Derivative instruments	326	1,220
Income tax liabilities	15	36
Other liabilities	18	19
Deferred tax liabilities	3,433	1,713
	9,393	**8,504**
Current liabilities		
Decommissioning provisions	120	133
Other provisions	234	299
Financial debt	1,700	1,356
Trade and other payables	1,085	1,528
Derivative instruments	799	2,491
Income tax liabilities	926	1,750
	4,865	**7,557**
Total equity and liabilities	**18,389**	**19,601**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY[1]

€ million	Subscribed capital of Wintershall Dea AG	Capital reserves of Wintershall Dea AG	Retained earnings and net retained profit	Other comprehensive income: Actuarial gains and losses	Other comprehensive income: Foreign currency translation	Other comprehensive income: Cash flow hedges	Shareholder`s equity	Equity attributable to subordinated notes investors	Total
As at 1 Jan 2023	189	1,386	749	-52	588	-844	2,016	1,525	**3,541**
Other comprehensive income	—	—	—	—	-55	618	563	—	**563**
Net income/loss (-)	—	—	427	—	—	—	427	21	**447**
Total comprehensive income	—	—	427	—	-55	618	990	21	**1,011**
Change in scope of consolidation	—	—	6	—	—	—	6	—	**6**
Dividends/ distributions	—	—	-400	—	—	—	-400	-26	**-426**
Other changes	—	-200	200	—	—	—	—	—	**—**
As at 30 Jun 2023	**189**	**1,186**	**982**	**-52**	**533**	**-225**	**2,613**	**1,520**	**4,132**
As at 1 Jan 2022	189	1,161	6,910	-172	-989	-773	6,327	1,525	**7,852**
Other comprehensive income	—	—	—	164	1,802	-1,158	808	—	**808**
Net income/loss (-)	—	—	-355	—	—	—	-355	21	**-335**
Total comprehensive income	—	—	-355	164	1,802	-1,158	453	21	**474**
Dividends/ distributions	—	—	-92	—	—	—	-92	-26	**-117**
As at 30 Jun 2022	**189**	**1,161**	**6,463**	**-8**	**813**	**-1,931**	**6,688**	**1,520**	**8,208**

[1] For further information refer to Note 7

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Net income/loss (-)	**173**	**668**	**447**	**-335**
Amortisation/depreciation/impairment losses/reversal of impairment losses	321	361	595	1,257
Changes in provisions	-50	-55	-46	-59
Changes in deferred taxes	-23	262	-37	107
Gains (-)/losses from disposal of non-current assets	7	5	6	18
Gains (-)/losses from deconsolidation	—	13	—	13
Other non-cash income/expenses and finance costs	-44	-176	-166	856
Changes in working capital	56	296	138	20
Changes in income tax assets and liabilities	-629	-42	-687	525
Changes in other balance sheet items	-58	-75	-100	99
Cash flow from operating activities	**-246**	**1,257**	**150**	**2,502**
Payments for intangible assets and property, plant and equipment	-276	-235	-509	-457
Net payments for acquisitions	9	-10	-316	-10
Net proceeds from the disposal of non-current assets/divestitures	11	25	22	92
Payments for financial receivables	—	-2	—	-2
Changes in financial receivables from cash pooling	—	-1	—	-2
Cash flow from investing activities	**-256**	**-224**	**-803**	**-379**
Dividend payments to shareholders	-400	-90	-400	-90
Distributions paid to subordinated notes investors	—	—	-26	-26
Proceeds from debt to banks	—	—	—	11
Repayments of debt to banks	—	-3	—	-14
Buybacks of bonds	—	-98	—	-98
Changes in financial liabilities to related parties (cash pooling)	268	—	323	-183
Repayment of lease liabilities	-6	-12	-13	-21
Cash flow from financing activities	**-138**	**-202**	**-115**	**-420**

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Change in cash and cash equivalents	**-640**	**831**	**-768**	**1,703**
Effects of foreign exchange rate changes and other non-cash changes	36	545	-2	646
Cash and cash equivalents at the beginning of the reporting period	**2,924**	**3,077**	**3,089**	**2,106**
Cash and cash equivalents at the end of the reporting period	**2,320**	**4,454**	**2,320**	**4,454**

Supplementary information on cash flow from operating activities				
Income taxes paid (less refunds)	-1,033	-636	-1,602	-896
Interest paid	-9	-3	-13[1]	-5
Interest received	60	40	109	53
Dividends received gas and oil	2	1	2	1
Dividends received midstream	—	—	—	92

[1] Includes capitalised borrowing cost €-2 million shown as part of the payments for intangible assets and property, plant and equipment in the cash flow from investing activities.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1 – BASIC OF PRESENTATION

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 consolidated interim 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).

The presented consolidated interim financial statements of Wintershall Dea AG comprise the second quarter (Q2) as well as the six months ended 30 June 2023 (H1). In line with IAS 34, the scope of the presentation is condensed compared to the scope applied to the consolidated financial statements as at 31 December 2022. The consolidated interim financial statements apply the same accounting policies and practices as those used in the 2022 annual financial statements, except where financial reporting standards have been applied for the first time in 2023 (see Note 4).

The consolidated interim financial statements have been prepared in euros (€). All amounts, including the figures for prior years, are generally reported in millions of euros (€ million). 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.

SELECTED EXCHANGE RATES

	Closing rates €1 =		Average rates €1 =	
	30 Jun 2023	31 Dec 2022	H1 2023	H1 2022
Argentinian peso (ARS)	280.29	189.15	229.59	122.62
Egyptian pound (EGP)	33.74	26.44	32.92	18.87
Mexican peso (MXN)	18.56	20.86	19.65	22.17
Norwegian krone (NOK)	11.70	10.51	11.32	9.98
US dollar (USD)	1.09	1.07	1.08	1.09

Discount rates

The discount rates applied for decommissioning provisions remain unchanged between 2.05% and 6.94%. Pension provisions are discounted at an interest rate of 3.59% in Germany (31 December 2022: 3.69%) and at an interest rate of 3.20% in Norway (31 December 2022: 3.20%).

NOTE 2 – SCOPE OF CONSOLIDATION

As at 30 June 2023, the consolidated interim financial statements include 43 fully consolidated companies (31 December 2022: 41 fully consolidated companies) as well as 3 legal entities (joint ventures and associated companies) that are accounted for using the equity method (31 December 2022: 4).

As at 1 January 2023, Wintershall Dea Carbon Management Solutions B.V. and Wintershall Dea Global Support B.V., previously shown under other financial assets due to materiality reasons, were included in the consolidated financial statements for the first time.

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

NOTE 3 - 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 have 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. Due to a lack of sufficient information at the end of the reporting period, the purchase price of $394 million was allocated on a preliminary basis to the acquired assets. After obtaining all relevant information, the purchase price allocation will be carried out during the 12 months remeasurement period.

For the acquisition, €316 million is shown in the consolidated statement of cash flows as net payments for acquisitions in the reporting period January to June 2023. A prepayment was already made in the previous year.

NOTE 4 - CHANGES IN ACCOUNTING POLICIES

The International Accounting Standards Board (IASB) has issued a new standard and adopted changes in existing International Financial Reporting Standards (IFRS), which became effective as at 1 January 2023:

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

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

NOTE 5 – SUPPLEMENTARY INFORMATION ON CONSOLIDATED STATEMENT OF INCOME

Revenues

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenues gas				
Gas sales own production	614	988	1,485	2,037
Gas sales trading	928	2,187	2,727	4,245
Unrealised gains/losses from gas derivatives	-14	131	-34	-78
	1,528	**3,305**	**4,178**	**6,204**
Revenues oil (crude oil/condensate/NGL)				
Oil sales own production	617	720	1,155	1,638
Oil sales trading	2	2	4	4
	619	**722**	**1,159**	**1,642**
Total revenues gas and oil	**2,147**	**4,027**	**5,337**	**7,846**
Revenues other	-2	26	15	39
Total	**2,145**	**4,053**	**5,352**	**7,885**

Trading revenues cover the trading activities for gas and oil. The corresponding purchase costs for gas and oil volumes sold to third parties are shown under 'cost of trade goods'. The headquarter's 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 has 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 according to IFRS 9. The changes in fair value prior to settlement are shown separately as unrealised gains/losses from gas derivatives unless they qualify for hedge accounting and are recognised in other comprehensive income.

The realised gains/losses from these gas sales contracts as well as realised gains/losses from commodity derivatives, which are settled in cash, are shown under revenue gas and oil. As a consequence, gas and oil sales are reported at the contract price.

In the reporting period January to June 2023, realised gains from gas sales and purchase contracts measured at fair value through profit or loss according to IFRS 9 are recognised as revenues gas and cost of trade goods in the amount of €86 million. In addition, revenues gas include realised losses of €296 million for fixed-price contracts for which hedge accounting is applied. Revenues oil include realised losses from oil swaps amounting to €48 million in the reporting period January to June 2023. These gains and losses are not within the scope of IFRS 15.

Production and operating expenses

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Production costs	165	162	333	344
Change over-/underlift	-4	-56	-8	8
Transport fees and leases	54	55	121	121
Development costs	8	10	16	30
Cost of trade goods	910	1,861	2,662	3,617
Other cost of sales	—	12	—	23
Other costs	4	-3	8	18
Total	**1,138**	**2,040**	**3,132**	**4,161**

Cost of trade goods covers the trading activities for gas and oil. The corresponding revenues are shown under gas and oil sales trading. The headquarter's 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.

General and administrative expenses

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Administration	86	117	191	229
Business Development	3	5	8	10
Carbon Management and Hydrogen	6	5	11	7
Total	**95**	**128**	**210**	**246**

Financial result

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Interest income from third parties	57	40	104	68
Interest income from related parties	2	—	4	1
Foreign currency exchange gains, net	10	286	32	293
Income from investments	2	1	5	1
Other financial income	1	1	2	—
Financial income	**73**	**329**	**147**	**363**
Interest expenses to third parties	16	15	32	29
Interest expenses to related parties	4	—	7	—
Less capitalised borrowing costs	-1	-6	-2	-12
Losses from financial derivatives, net	58	322	107	380
Interest from addition to provisions	20	11	38	21
Net impairments on other financial assets	—	6	—	6
Net impairment on financial receivables and bank balances	-8	1	—	1,005
Other financial expenses	5	3	9	15
Financial expenses	**94**	**351**	**192**	**1,443**
Total financial result	**-21**	**-22**	**-45**	**-1,080**

Income taxes

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Current income tax expenses	407	615	930	1,445
Deferred taxes	-23	262	-37	107
Income taxes	**384**	**877**	**892**	**1,552**
EU solidarity contribution	-14	—	—	—
Total	**370**	**877**	**892**	**1,552**

As a result of the acquisition of the participating interest in the Hokchi Block, Wintershall Dea recognized deferred tax income of €59 million for its pre-acquisition tax loss carry forwards in Mexico.

NOTE 6 – SEGMENT REPORT

The Group's 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 headquarter, 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.

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

	Q2 2023						
€ million/mboe/d	Northern Europe	Latin America	Middle East/ North Africa	Midstream	HQ and Other	Consolidation	**Total**
External revenues	658	133	82	—	1,272	—	**2,145**
Inter-segment revenues	454	—	—	—	97	-551	**—**
Segment revenues	1,112	133	82	—	1,368[1]	-551	**2,145**
Depreciation and amortisation	-241	-29	-48	—	-2	—	**-321**
Exploration expenses	-9	-25	-5	—	—	—	**-40**
Income taxes	-385	6	4	—	5	—	**-370**
Adjusted net income	137	12	24	26	4	—	**203**
EBITDAX	779	88	80	26	1	—	**975**
of which net income from equity-accounted investments	1	—	13	26	—	—	**40**
Non-current assets[2]	9,883	2,037	1,137	536	3,126	-2,444	**14,275**
Total capex[3]	164	56	54	—	2	—	**276**
of which capex	159	52	54	—	2	—	**268**
of which exploration	4	4	—	—	—	—	**8**
Free cash flow	-307	14	-40	—	-189	—	**-522**
Production[4]	202	74	46[5]	—	—	—	**322**
of which gas	104	59	39	—	—	—	**202**
of which oil	98	15	7	—	—	—	**120**

[1] The segment revenues are exclusively related to trading activities managed by the headquarter (€1,368 million including trading activities for the Group's own production).

[2] As at 30 Jun 2023

[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] Excluding Libya onshore

	Q2 2022							
€ million/mboe/d	Northern Europe	Russia[1]	Latin America	Middle East/ North Africa	Midstream	HQ and Other	Consolidation	**Total**
External revenues	688	553	151	131	—	2,530	—	**4,053**
Inter-segment revenues	538	—	—	—	—	29	-567	**—**
Segment revenues	1,225	553	151	131	—	2,559[2]	-567	**4,053**
Depreciation and amortisation	-251	-10	-51	-37	—	-2	—	**-351**
Net impairment on assets	-11	—	—	—	—	—	—	**-11**
Exploration expenses	-6	—	-6	—	—	-2	—	**-15**
Income taxes	-677	-111	-24	-17	—	-47	—	**-877**
Adjusted net income	89	452	29	23	65	-50	—	**608**
EBITDAX	1,035	547	113	107	65	-38	—	**1,828**
of which net income from equity-accounted investments	16	24	—	-2	66	—	—	**103**
Non-current assets[3]	11,362	2,788	2,075	1,068	1,536	2,982	-2,596	**19,215**
Total capex[4]	179	3	20	32	—	1	—	**235**
of which capex	162	3	16	32	—	1	—	**214**
of which exploration	16	—	5	—	—	—	—	**21**
Free cash flow	520	542	-12	13	6	-50	—	**1,019**
Production[5]	202	309	68	44[6]	—	—	—	**623**
of which gas	109	249	59	39	—	—	—	**456**
of which oil	93	60	9	5	—	—	—	**167**

[1] Deconsolidation of Russian subsidiaries in Q4 2022

[2] The segment revenues are exclusively related to trading activities managed by the headquarter (€2,559 million including trading activities for the Group's own production).

[3] As at 30 Jun 2022

[4] Cash outflows for intangible assets and property, plant and equipment

[5] On a working-interest basis, including proportional production from at equity-accounted companies

[6] Excluding Libya onshore

	H1 2023						
€ million/mboe/d	Northern Europe	Latin America	Middle East/ North Africa	Midstream	HQ and Other	Consolidation	**Total**
External revenues	1,161	262	210	1	3,719	—	**5,352**
Inter-segment revenues	1,226	—	—	—	128	-1,354	**—**
Segment revenues	2,386	262	210	1	3,846[1]	-1,354	**5,352**
Depreciation and amortisation	-433	-60	-98	—	-4	—	**-594**
Exploration expenses	-16	-37	-5	—	-4	—	**-62**
Income taxes	-979	67	-12	—	32	—	**-892**
Adjusted net income	318	93	79	55	-45	—	**501**
EBITDAX	1,738	160	217	55	-53	—	**2,116**
of which net income from equity-accounted investments	8	—	39	55	—	—	**101**
Non-current assets[2]	9,883	2,037	1,137	536	3,126	-2,444	**14,275**
Total capex[3]	314	104	83	—	8	—	**509**
of which capex	306	84	83	—	8	—	**482**
of which exploration	8	19	—	—	—	—	**27**
Free cash flow	101	-42	-61	—	-357	—	**-358**
Production[4]	204	70	47[5]	—	—	—	**321**
of which gas	111	59	39	—	—	—	**209**
of which oil	93	11	7	—	—	—	**112**

[1] The segment revenues are exclusively related to trading activities managed by the headquarter (€3,846 million including trading activities for the Group's own production).

[2] As at 30 Jun 2023

[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] Excluding Libya onshore

	H1 2022							
€ million/mboe/d	Northern Europe	Russia[1]	Latin America	Middle East/ North Africa	Midstream	HQ and Other	Consolidation	**Total**
External revenues	1,660	1,078	261	232	1	4,653	—	**7,885**
Inter-segment revenues	1,125	—	—	—	—	40	-1,165	**—**
Segment revenues	2,785	1,078	261	232	1	4,692[2]	-1,165	**7,885**
Depreciation and amortisation	-492	-19	-88	-75	—	-3	—	**-677**
Net impairment on assets	-11	-348	—	—	-197	—	—	**-556**
Exploration expenses	-15	—	-12	-1	—	-4	—	**-32**
Income taxes	-1,341	-217	-28	-17	33	19	—	**-1,552**
Adjusted net income	376	850	-12	78	99	-115	—	**1,277**
EBITDAX	2,255	1,054	177	197	99	-114	—	**3,667**
of which net income from equity-accounted investments	39	33	—	-1	100	—	—	**171**
Non-current assets[3]	11,362	2,788	2,075	1,068	1,536	2,982	-2,596	**19,215**
Total capex[4]	362	4	31	59	—	2	—	**457**
of which capex	333	4	25	58	—	2	—	**422**
of which exploration	29	—	6	—	—	—	—	**35**
Free cash flow	1,114	876	-37	100	98	-110	—	**2,041**
Production[5]	205	330	65	46[6]	—	—	—	**646**
of which gas	109	265	57	40	—	—	—	**471**
of which oil	96	65	8	6	—	—	—	**175**

[1] Deconsolidation of Russian subsidiaries in Q4 2022

[2] The segment revenues are exclusively related to trading activities managed by the headquarter (€4,692 million including trading activities for the Group's own production).

[3] As at 30 Jun 2022

[4] Cash outflows for intangible assets and property, plant and equipment

[5] On a working-interest basis, including proportional production from at equity-accounted companies

[6] Excluding Libya onshore

External revenues are allocated to the following divisions:

EXTERNAL REVENUES

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Norway	463	586	847	1,425
Germany	194	102	297	216
The Netherlands/UK/Denmark	—	—	17	20
Northern Europe	**658**	**688**	**1,161**	**1,660**
Russia[1]	**—**	**553**	**—**	**1,078**
Argentina	119	122	233	209
Mexico	14	29	29	52
Latin America	**133**	**151**	**262**	**261**
Egypt	69	83	154	167
Libya	-1	28	26	28
Algeria	14	20	29	37
Middle East/North Africa	**82**	**131**	**210**	**232**
Midstream	**—**	**—**	**1**	**1**
HQ and Other	**1,272**	**2,530**	**3,719**	**4,653**
Total	**2,145**	**4,053**	**5,352**	**7,885**

[1] Deconsolidation of Russian subsidiaries in Q4 2022

EBITDAX and adjusted net income

EBITDAX is defined as revenues and other income, less production and operating expenses, less production and similar taxes, less general and administrative expenses, adjusted for special items.

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).

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenues gas and oil	2,147	4,027	5,337	7,846
adjusted for unrealised changes in fair value of commodity derivatives	14	-131	34	78
Revenues other	-2	26	15	39
Net income from equity-accounted investments: gas and oil	14	37	47	71
Net income from equity-accounted investments: midstream	26	66	55	100
Other operating income	12	16	17	23
adjusted for gains from sale of assets/changes in consolidation scope	—	—	-3	-1
Production and operating expenses	-1,138	-2,040	-3,132	-4,161
adjusted for net impairments and write-offs on/from operating receivables	4	-8	5	1
adjusted for losses from sale of assets	—	4	2	5
Production and similar taxes	-39	-60	-87	-109
General and administrative expenses	-95	-128	-210	-246
adjusted for losses from sale of assets/changes in consolidation scope	1	14	1	14
adjusted for non-recurring items	31	5	36	8
EBITDAX	**975**	**1,828**	**2,116**	**3,667**

€ million	Q2 2023	Q2 2022	H1 2023	H1 2022
EBITDAX	**975**	**1,828**	**2,116**	**3,667**
Depreciation and amortisation	-321	-351	-594	-677
Exploration expenses	-40	-15	-62	-32
Financial income	73	329	147	363
adjusted for gains from disposal of other financial assets	—	—	-3	—
Financial expenses	-94	-351	-192	-1,443
adjusted for net impairments on financial receivables, bank balances and other financial assets	-8	7	—	1,011
Income taxes	-370	-877	-892	-1,552
adjusted for taxes on adjusted and disregarded items	-13	38	-18	-61
Adjusted net income	**203**	**608**	**501**	**1,277**

NOTE 7 – SUPPLEMENTARY INFORMATION ON CONSOLIDATED BALANCE SHEET

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**
Additions	—	27	45	**72**
Disposals	—	-7	—	**-7**
Transfers	—	—	-1	**-1**
Currency translation effect	-34	-9	-50	**-93**
As at 30 Jun 2023	**2,122**	**581**	**3,406**	**6,109**
Accumulated amortisation				
As at 1 Jan 2023	—	272	1,500	**1,772**
Amortisation/depreciation	—	—	100	**100**
Currency translation effect	—	-3	-19	**-22**
As at 30 Jun 2023	**—**	**268**	**1,581**	**1,849**
Net carrying amount as at 30 Jun 2023	**2,122**	**312**	**1,825**	**4,259**

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	—	-27	—	**-27**
Additions	—	35	2	**37**
Disposals	—	—	-16	**-16**
Transfers	-52	-38	-4	**-95**
Currency translation effect	340	38	635	**1,013**
As at 30 Jun 2022	**2,722**	**519**	**4,666**	**7,908**
Accumulated amortisation				
As at 1 Jan 2022	—	284	1,418	**1,703**
Change in scope of consolidation	—	-27	—	**-27**
Amortisation/depreciation	—	—	105	**105**
Disposals	—	—	-16	**-16**
Currency translation effect	—	18	273	**291**
As at 30 Jun 2022	**—**	**276**	**1,780**	**2,056**
Net carrying amount as at 30 Jun 2022	**2,722**	**243**	**2,886**	**5,852**

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	39	821	1	1	862
Disposals	-6	-6	—	-1	-13
Transfers	2	12	-13	—	1
Currency translation effect	-1	-257	—	—	-258
As at 30 Jun 2023	213	18,791	1	84	19,088
Accumulated amortisation					
As at 1 Jan 2023	88	10,094	13	56	10,251
Amortisation/depreciation	7	485	—	3	495
Disposals	-4	-5	—	-1	-10
Transfers	—	13	-13	—	—
Currency translation effect	—	-138	—	—	-139
As at 30 Jun 2023	91	10,448	—	58	10,598
Net carrying amount as at 30 Jun 2023	122	8,343	1	26	8,491

[1] Land and buildings include investment property.

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 2022	185	19,393	26	92	**19,696**
Change in scope of consolidation	—	—	—	-2	**-2**
Additions	1	430	—	1	**431**
Disposals	-1	-664	—	-3	**-667**
Transfers	-1	-985	—	—	**-986**
Currency translation effect	11	1,513	6	4	**1,534**
As at 30 Jun 2022	**195**	**19,687**	**32**	**92**	**20,007**
Accumulated amortisation					
As at 1 Jan 2022	81	10,366	18	61	**10,526**
Change in scope of consolidation	—	—	—	-2	**-2**
Amortisation/depreciation	6	580	—	4	**590**
Disposals	—	-660	—	-2	**-662**
Transfers	—	-787	—	—	**-787**
Currency translation effect	2	724	2	3	**731**
As at 30 Jun 2022	**89**	**10,224**	**20**	**64**	**10,397**
Net carrying amount as at 30 Jun 2022	**106**	**9,464**	**12**	**28**	**9,610**

[1] Land and buildings include investment property.

Equity

Shareholder's equity

As at 30 June 2023, the common ownership of Wintershall Dea AG is BASF 72.7% and L1 Energy Capital Management Services S.à r.l. (LetterOne) 27.3 %.

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. In April 2023, a common dividend on ordinary shares in the amount of €400 million was distributed.

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.

Financial debt

	30 Jun 2023		31 Dec 2022	
€ million	Non-current	Current	Non-current	Current
Bonds	3,000	934	3,000	912
less transaction cost	-8	—	-9	-1
	2,992	**934**	**2,991**	**911**
Financial liabilities to related parties	—	722	—	410
Lease liabilities	120	31	75	18
Other financial liabilities	3	13	1	16
Total	**3,115**	**1,700**	**3,067**	**1,356**

Bonds

In September 2019, Wintershall Dea Finance B.V., a fully owned subsidiary of Wintershall Dea AG, issued bonds in the amount of €4,000 million. The transaction comprised four tranches.

Transaction costs were capitalised as a reduction in the bond amount and are being amortised over the expected life applying the effective interest method.

In 2022, Wintershall Dea Finance B.V. repurchased €99 million in aggregate principal amount of its bonds due in 2023. The bonds were cancelled by the issuer.

Bonds	%	Maturity	Currency	Nominal value (€ million)	Fair value 30 Jun 2023 (€ million)	Carrying amount 30 Jun 2023 (€ million)[1]
Bond ISIN XS2054209320	0.452	2023	EUR	901	895	900
Bond ISIN XS2054209833	0.840	2025	EUR	1,000	929	998
Bond ISIN XS2054210252	1.332	2028	EUR	1,000	856	997
Bond ISIN XS2055079904	1.823	2031	EUR	1,000	803	997
Total				**3,901**	**3,483**	**3,892**

[1] Excluding accrued interest

The fair value is determined using quoted prices on an active market. The Group's repayment obligation remains at €3,901 million.

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.

Net debt

€ million	30 Jun 2023	31 Dec 2022
Bonds	3,926	3,903
Financial liabilities from cash pooling	722	410
Lease liabilities	152	93
Total debt	**4,799**	**4,406**
Financial receivables from cash pooling	-13	-13
Cash and cash equivalents	-2,320	-3,089
Total	**2,466**	**1,303**

NOTE 8 – CONTRACTUAL OBLIGATIONS

As at 30 June 2023, the Group has obligations based on firm orders for property, plant and equipment, as well as from field development projects in the amount of €1,817 million (31 December 2022: €627 million).

Furthermore, Wintershall Dea is committed to a certain number of exploration wells and seismic surveys within the context of exploration licences. The estimated expenditures amount to €177 million (31 December 2022: €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 amount to €152 million as at 30 June 2023 (31 December 2022: €311 million).

OBLIGATIONS ARISING FROM COMMODITY PURCHASE CONTRACTS

€ million	30 Jun 2023	31 Dec 2022
2023	49	174
2024	64	96
2025	28	36
2026	3	2
2027 and beyond	9	4
Total	**152**	**311**

NOTE 9 – 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	H1 2023	H1 2022
Joint ventures/associated companies	25	50
Shareholders and their affiliates	432	814
Total	**456**	**864**

TRADE ACCOUNTS RECEIVABLE FROM/TRADE ACCOUNTS PAYABLE TO RELATED PARTIES

	Trade accounts receivable		Trade accounts payable	
€ million	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Non-consolidated subsidiaries	15	17	14	18
Joint ventures/associated companies	15	15	6	23
Shareholders and their affiliates	53	185	—	—
Total	**83**	**217**	**20**	**42**

FINANCIAL AND OTHER RECEIVABLES FROM/FINANCIAL AND OTHER LIABILITIES TO RELATED PARTIES

	Financial and other receivables		Financial and other liabilities	
€ million	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Non-consolidated subsidiaries	26	28	1	7
Joint ventures/associated companies	203	201	721	404
Shareholders and their affiliates	2	2	3	4
Total	**231**	**231**	**725**	**414**

Revenues, trade accounts receivable and trade accounts payable from related parties comprise transactions mainly in the Group's own products, 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.

NOTE 10 – REPORTING ON FINANCIAL INSTRUMENTS

Commodity derivatives

The Group has designated oil swaps 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.

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. Furthermore, 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.

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 51,828 mmscf at an average price of €14.30/mscf maturing between 07/2023 and 12/2025, to which the own use exemption applies, are used to hedge gas prices.

Existing derivatives related to the gas trading business 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.

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.

EFFECTS OF HEDGE ACCOUNTING ON THE CONSOLIDATED BALANCE SHEET AND CONSOLIDATED STATEMENT OF INCOME

	30 Jun 2023/H1 2023		
€ million	Commodity derivatives (fixed-price gas sales)	Commodity derivatives (oil swaps)	Foreign currency derivatives
Carrying amount			
Derivative assets	109	27	—
Derivative liabilities	931	68	70
Nominal amount	1,557	757	2,116
Maturity date	07/2023-12/2025	07/2023-12/2025	07/2023-09/2028
Quantity	169,201 mmscf	10,938 mbbl	
Average price or rate	€9.20/mscf	$69.24/bbl	$1.10/€
Amounts recognised in profit or loss and other comprehensive income (net)			
Changes in fair value of hedging instruments recognised in OCI	1,944	56	24
Deferred taxes on change in fair value of hedging instruments recognised in OCI	-1,449	-12	—
Reclassified from OCI to profit or loss	296	48	-19
Deferred taxes on reclassification from OCI to profit or loss	-260	-9	—
	532	**83**	**5**

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.

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

FAIR VALUE HIERARCHY

	30 Jun 2023			
€ million	Total	Level 1[1]	Level 2[2]	Level 3[3]
Other financial assets	259	—	—	259
Derivative financial assets	250	—	250	—
of which commodity derivatives	243	—	243	—
of which currency derivatives	7	—	7	—
Derivative financial liabilities	1,126	—	1,126	—
of which commodity derivatives	1,031	—	1,031	—
of which currency derivatives	95	—	95	—
Other financial liabilities	13	—	—	13

[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 mainly Wintershall Dea's participations in all Russian entities that are recognised at fair value through OCI since Q4 2022. The fair value remains unchanged at €248 million.

For a sub-portfolio of trade accounts receivable, which was until Q1 classified at fair value, the sale intention was revised and the receivables were reclassified to the measurement category at amortized cost accordingly.

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.

Other financial liabilities measured at fair value comprise a financial guarantee that was issued in 2022. The determination of the fair value was based on a weighted scenario analysis. The probability of being claimed under the financial guarantee is considered to be very low.

As at 30 June 2023, the negative fair value of the financial guarantee amounts to €13 million (31 December 2022: €16 million). The underlying assumptions are unchanged compared to the initial recognition. The decrease of €3 million is related to foreign currency translation effects only.

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

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 financial assets	**431**	—	431	—
of which commodity derivatives	**384**	—	384	—
of which currency derivatives	**48**	—	48	—
Derivative financial 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.

NOTE 11 – 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 interim financial statements.

Kassel/Hamburg, 21 July 2023
The Management Board

Mehren **Smith** **Dijkgraaf** **Summers**