wintershall dea

Q3 2022 Report

WINTERSHALL DEA

Wintershall Dea

GROUP MANAGEMENT REPORT

Q3 2022

1. CORPORATE PROFILE

1.1 BUSINESS MODEL AND STRUCTURE

Wintershall Dea is a leading European independent gas and oil company, complemented by a stable midstream business. The Group comprises Wintershall Dea AG as the parent company and its subsidiaries.

The Group's business is conducted in six segments:

› Northern Europe

› Russia

› Latin America

› Middle East/North Africa

› Midstream

› Other

The segments Northern Europe, Russia, Latin America and Middle East/North Africa comprise the E&P business and are further divided into eleven 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

› **Russia**: Russia

› **Latin America**: Argentina, Mexico and Brazil[1]

› **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 Other includes the Management Board and the corporate functions, such as Global Exploration, Carbon Management and Hydrogen and the trading activities managed by the headquarter as well as holding companies.

[1] Following the decision to terminate all activities in Brazil, the Brazilian subsidiary was deconsolidated as of 1 June 2022.

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 chapter 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 payments for/proceeds from acquisitions and proceeds from the disposal of non-current assets/divestitures, as shown in the Group's consolidated statement of cash flows.

The financial measure **capex** consists of payments for intangible assets, property, plant and equipment and investment properties, 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 liquids (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 July 2022 through 30 September 2022 and the comparison period comprises accordingly the period from 1 July 2021 through 30 September 2021. In addition, the results of operations for the first nine months 2022 (1 January 2022 – 30 September 2022) were compared with the results of operations for the first nine months 2021 (1 January 2021 – 30 September 2021).

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.

2.2 BUSINESS ENVIRONMENT

Macro fundamentals

Gas prices

Average TTF prices increased from $16.33/mscf in Q3 2021 to $57.94/mscf during the reporting period.

$/mscf	Q3 2022	Q3 2021	9M 2022	9M 2021
Average Gas price for the period[1]	57.94	16.33	39.86	10.58

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

Oil prices

Average Brent crude oil prices increased from $73.6/bbl in Q3 2021 to $101.2/bbl during the reporting period.

$/bbl	Q3 2022	Q3 2021	9M 2022	9M 2021
Average Brent price for the period[1]	101.2	73.6	105.5	67.9

[1] Source: Platts

Foreign currencies

Closing rates €1 =	30 Sep 2022	31 Dec 2021
Argentinian peso (ARS)	143.89	116.49
Russian rouble (RUB)	59.31	85.30
Norwegian krone (NOK)	10.58	9.99
US dollar (USD)	0.97	1.13
Average rates €1 =	**Q3 2022**	**Q3 2021**
Argentinian peso (ARS)	136.62	114.62
Russian rouble (RUB)	60.53	86.59
Norwegian krone (NOK)	10.06	10.33
US dollar (USD)	1.01	1.18

Realised prices

	Q3 2022	Q3 2021	9M 2022	9M 2021
Average realised gas price[1] (in $/mscf)	**9.16**	**3.39**	**7.39**	**2.63**
Northern Europe	23.06	7.23	17.59	6.14
Russia[2]	4.13	1.13	4.03	0.77
Latin America	4.02	3.91	3.53	3.16
Middle East/North Africa[3]	4.51	3.70	4.35	3.37
Average realised liquids price[1] (in $/bbl)	**58.3**	**51.5**	**61.4**	**43.4**
Northern Europe	71.8	62.3	78.9	56.9
Russia[2]	18.0	14.0	19.8	12.9
Latin America	63.7	57.8	68.7	53.0
Middle East/North Africa	82.7	65.0	97.5	62.5

[1] Includes commodity hedge result
[2] Includes the deduction of production costs and applicable taxes
[3] Includes the deduction of applicable taxes for Algeria

In Q3 2022, our realised gas price increased by 170% from $3.39/mscf to $9.16/mscf. This increase is lower than the increase in TTF prices, mainly due to the existence of domestic gas prices in certain of our jurisdictions, formula price contracts, hedges as well as a price cap in one of our gas producing regions in Russia according to a decree (No. 1554) published in September. During Q3 2022, gas hedges with a total volume of 298 mmscf/d were realised at an average of $5.58/mscf. Our realised liquids price increased by 13% from $51.5/bbl to $58.3/bbl, 24 percentage points lower than the increase in Brent prices mainly due to the existence of hedges with lower hedge prices compared to market prices and formula price contracts. During Q3 2022, crude oil hedges with a total volume of 21 mboe/d were realised at an average price of $58.20/bbl.

2.3 MAJOR BUSINESS ACTIVITIES IN THE REPORTING PERIOD

General

Wintershall Dea was awarded the global certification of the EQUAL-SALARY Foundation after an audit in accordance with the Foundations requirements carried out by PricewaterhouseCoopers (PwC). The non-profit Foundation, established in 2010, created a certification that allows companies to verify that they pay employees equally for the same work or work of the same value independent of their gender. Wintershall Dea is the first energy company worldwide to receive the globally valid EQUAL-SALARY-certification and is the third company to be globally certified.

Northern Europe – Norway

During the quarter, we achieved production volumes of 176 mboe/d, 3% higher than in Q3 2021.

In late July 2022, our own-operated Nova development came on stream and supports Europe's energy needs. The project is in its ramp-up phase and performs as planned. The expected recoverable gross reserves from the field are estimated at 90 million barrels of oil equivalent (boe), of which the majority is oil. The field has a low carbon-intensity and is a subsea tie-back to the nearby Gjøa platform, which is electrified with renewable power from shore.

Our remaining two major development projects Njord and Dvalin are progressing according to plan. Njord start-up is expected before the end of the year and Dvalin start-up is expected at the turn of the year.

During the third quarter, Wintershall Dea made a number of hydrocarbon discoveries in Norway, with total gross estimated volumes of 50 - 150 million barrels of recoverable oil equivalent.

In July 2022, Aker BP, with Wintershall Dea as a partner, made a gas discovery in the Storjo prospect (PL261) in the Norwegian Sea, where Wintershall Dea holds a 30% interest. The operator's provisional estimate for the size of the discovery is 25 – 80 million barrels of recoverable oil equivalent. The discovery will be evaluated as a possible tie-back to the nearby Skarv field.

In August 2022, we continued our record of successful near-field exploration with two new discoveries. In early August 2022, Aker BP, with Wintershall Dea as partner, made a gas discovery in the Newt prospect (PL941) in the Norwegian Sea, where Wintershall Dea holds a 10% interest. The operator's provisional estimate for the size of the discovery is 10 – 35 million barrels of recoverable oil equivalent. The discovery complements the previous Storjo find and will be evaluated as well as a possible tie-back to the nearby Skarv field. The Newt discovery is part of an M&A transaction yet to be sanctioned by the authorities.

In late August 2022, Wintershall Dea made another oil discovery as one of the partners in the Neptune Energy operated Ofelia prospect (PL929) in the Norwegian North Sea, where Wintershall Dea holds a 20% interest. Ofelia is estimated to contain between 16 – 39 million barrels of recoverable oil equivalent and will be evaluated as a possible tie-back to the nearby Gjøa field in conjunction with the Hamlet discovery, which was announced earlier this year.

In late September 2022, OMV, with Wintershall Dea as partner, made a gas-condensate discovery in the Oswig East prospect (PL1100) in the Norwegian North Sea, where Wintershall Dea holds a 20% interest. The evaluation of the size of the discovery is ongoing.

The Company continues to apply for new exploration acreage through participation in the annual Awards in Predefined Areas (APA) licensing round. In September 2022, Wintershall Dea submitted 15 applications in the APA 2022 round, thereof 9 new applications (3 as operator) and 6 area extensions (3 as operator). The awards by the Norwegian Ministry for Petroleum and Energy are expected in Q1 2023.

By the end of 2022, Wintershall Dea intends to submit several projects to the Norwegian authorities aiming to obtain approvals for development and operations. In order to execute these and other projects, Wintershall Dea entered into a strategic partnership with OMV for a joint rig charter. In late September 2022, both companies awarded a rig contract to Transocean for the use of the 'Transocean Norge' rig – a modern harsh-environment semi-submersible rig with a best-in class emission footprint – to drill 11 operated wells for Wintershall Dea and 6 operated wells for OMV. Additionally, both entered into an exclusive partnership with Transocean for the use of the same rig to drill all firm and all additional potential wells in the period 2023 to 2027.

Russia

Our three, self-financed joint ventures Achimgaz, Severneftegazprom and Achim Development continued to produce at planned levels throughout the third quarter. All maintenance work has been performed safely and successfully as planned.

In September 2022, the Russian government published a decree (No. 1554) which states, that from September on the gas sales prices of certain gas producing regions will be capped at the maximum price level set for the region in which the gas is resold. In Wintershall Dea, this affected our subsidiary YRGM Trading.

Latin America – Argentina

The production performance of our partner operated fields Cuenca Marina Austral 1 (CMA-1), Aguada Pichana Este and San Roque remains at a high level with average produced volumes of 66 mboe/d during the reporting period.

Wintershall Dea and its partners TotalEnergies and Pan American Energy took the final investment decision (FID) to develop the Fenix gas project offshore Tierra del Fuego. The total investment of the consortium, comprising amongst others the drilling of three wells and the construction of a 35-kilometre long subsea multiphase pipeline to the existing Vega Pléyade offshore platform, amounts to approximately $700 million. First gas from Fenix is projected for Q1 2025, and it is planned to reach a peak production of around 10 million cubic metres of gas per day (~65 mboe/d). Fenix is part of the CMA-1 concession in which Wintershall Dea and TotalEnergies (operator) each hold a 37.5% share while Pan American Energy holds the remaining 25%. Currently, the four gas fields Cañadón Alfa, Aries, Carina and

Vega Pléyade produce in CMA-1, already supplying about 16% of Argentina's natural gas demand.

Midstream

On 26 September 2022, Nord Stream AG announced a registered significant pressure drop on both strings of the Nord Stream 1 gas pipeline. Two damages have been identified and are located north-east of Bornholm in Swedish and Danish maritime exclusive economic zones, respectively. The reasons are being investigated. Since 31 August 2022, the shipper no longer nominated gas quantities due to unplanned maintenance measures in the Russian upstream system on compressor station Portovaya. Since then, flows on the Nord Stream 1 pipeline system have not resumed due to the technical issues as announced by Gazprom. The Nord Stream 1 pipeline system itself was available with full capacity until the pressure drop happened in late September 2022. Subsequent to the most recent events, Wintershall Dea prepared an updated weighted scenario analysis and reassessed its cost of equity assumptions for the Nord Stream 1 pipeline system, leading to a reduction of shareholding value in Nord Stream AG in the third quarter of 2022 by €175 million. The further development will be continuously monitored and might have an impact on future financial statements.

On 26 September 2022, a pressure drop in one string of the Nord Stream 2 pipeline has been registered as well. The reasons are being investigated by the authorities.

Wintershall Dea takes no operational decisions either as a shareholder of Nord Stream AG or as a financial investor of Nord Stream 2 AG. That is the responsibility of the management of the respective project companies and the competent authorities. Wintershall Dea is monitoring the situation continuously.

CCS / Hydrogen

In July 2022, Wintershall Dea announced its refined carbon management and hydrogen strategy, where we stated our ambition to abate 20-30 million tons of CO_2 per annum by 2040. On the way to achieving these goals, Wintershall Dea recently initiated further projects in the fields of carbon capture and storage (CCS) and low-carbon hydrogen production in North-Western Europe.

In August 2022, Wintershall Dea signed a Memorandum of Understanding (MoU) with Nord-West Oelleitung (NWO) to collaborate on Wintershall Dea's 'BlueHyNow' project feasibility study, which was announced in May 2022. 'BlueHyNow' is part of the 'EnergyHub' currently under construction in Wilhelmshaven (Germany) and is expected to have a low-carbon hydrogen production capacity of 5.6 TWh/year using green electricity and Norwegian natural gas. The CO_2 generated during production is expected to be shipped to offshore locations in Norway or Denmark and stored safely and permanently under the seabed in underground reservoirs. NWO owns pipeline infrastructure in the region of the planned 'EnergyHub', expertise in raw material transportation and storage, and a site at the deep-water port in Wilhelmshaven. The two companies plan to complete a feasibility study by the end of the year to explore the construction of a hydrogen production plant on the NWO site in

Wilhelmshaven. The hydrogen produced can be delivered by pipeline to industrial customers for use as a decarbonised energy source or as a raw material, so reducing their CO_2 emissions.

In late August 2022, Wintershall Dea and Equinor signed a collaboration agreement to jointly pursue the development of an extensive and safe Carbon Capture and Storage (CCS) value chain. The partnership intends to connect Germany, the largest CO_2 emitter in Europe, and Norway, holding Europe's largest CO_2 storage potential. The ambition of the Norwegian-German CCS project named 'NOR-GE' is to make a vital contribution to the reduction of greenhouse gas emissions in Europe. As early as 2032, the partnership plans to commission a 900-kilometre long pipeline for the safe transportation of CO_2 from the German North Sea Coast to the Norwegian North Sea with an annual capacity of up to 40 million tons, which is equivalent to around 20% of the annual industrial emissions in Germany[2]. In Norway, the carbon dioxide will be injected into suitable reservoirs and saline aquifers and stored long-term. The project will also consider an early deployment solution where CO_2 is planned to be transported by ship from the CO_2 export hub to the storage sites.

Wintershall Dea and Equinor also plan to jointly apply for offshore CO_2 storage licences, aiming to store between 15 and 20 million tons per year on the Norwegian Continental Shelf.

In early October 2022, Wintershall Dea and its partner CapeOmega were awarded a CO_2 storage licence in the Norwegian North Sea by the Ministry of Petroleum and Energy. Wintershall Dea will be operator of the 'Luna' licence which is located 120 kilometres west of Bergen, and is estimated to hold a CO_2 storage injection capacity of up to 5 million tonnes per year. Wintershall Dea regards the award as an important milestone in the development of an extensive Carbon Capture and Storage (CCS) value chain, connecting European heavy industry with North Sea reservoirs capable of storing carbon emissions.

[2] 181 mtpa, 2021, German Environment Agency (Umweltbundesamt)

2.4 OPERATIONAL PERFORMANCE

Production

Natural gas (mboe/d)[1]	Q3 2022	Q3 2021	9M 2022	9M 2021
Northern Europe	113	110	110	106
Russia	232	197	254	231
Latin America	61	61	59	63
Middle East/North Africa	39	48	40	42
	445	**416**	**463**	**442**

Liquids (mboe/d)[1]	Q3 2022	Q3 2021	9M 2022	9M 2021
Northern Europe	99	106	96	100
Russia	54	41	61	58
Latin America	8	8	8	8
Middle East/North Africa[2]	8	17	7	12
	169	**172**	**172**	**178**

Total production (mboe/d)[1]	Q3 2022	Q3 2021	9M 2022	9M 2021
Northern Europe	212	216	206	206
Russia	286	238	315	289
Latin America	69	69	67	71
Middle East/North Africa[2]	47	65	47	54
	614	**588**	**635**	**620**

[1] Mboe/d – thousand barrel of oil equivalent per day on a working interest basis including proportional production from at equity-accounted companies
[2] Excludes Libya onshore

In Q3 2022, the Group's daily production averaged 614 mboe/d consisting of 445 mboe/d of gas and 169 mboe/d of liquids, representing an increase of 26 mboe/d compared to Q3 2021. The higher gas production in Northern Europe was primarily a result of the optimised production efficiency as well as a restart of production in one of our assets in Norway, while the decrease in the region Middle East/North Africa was mainly attributable to a decline in existing fields. The lower liquids production in Northern Europe was due to maintenance as well as the stop of production in two of our assets which was partly compensated by the successful production start of our own-operated Nova field. The total production in Russia was higher compared to last year, primarily due to the temporary stop of all our production in Achimov 1A, 4A and 5A fields in Q3 2021 caused by a fire at a third party gas and condensate treatment plant. Total production in Latin America remained stable. The overall production in the Middle East/North Africa region was lower mainly due to the assignment of the entire interest in the Gulf of Suez to the Egyptian General Petroleum Corporation (EGPC).

Capex

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Northern Europe	-157	-174	-490	-561
Russia	-1	-1	-5	-3
Latin America	-22	-11	-47	-29
Middle East/North Africa	-38	-24	-96	-76
Other	-2	—	-4	-3
Total	**-220**	**-210**	**-642**	**-672**

In Q3 2022, capital expenditures amounted to €-220 million compared with €-210 million in Q3 2021. The increase was a result of rising investment activities in Middle East/North Africa and Latin America. This was partially compensated by a decline in Northern Europe, mainly due to the fact that Nova came on-stream in Q3 2022.

Net exploration expenditures

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Exploration capex	-31	-27	-66	-88
Northern Europe	-22	-14	-51	-67
Russia	—	—	—	—
Latin America	-9	-12	-15	-20
Middle East/North Africa	—	—	—	—
Other	—	—	—	—
Exploration expenses	-31	-25	-63	-109
Northern Europe	-21	-3	-36	-64
Russia	—	—	—	—
Latin America	-7	-19	-19	-40
Middle East/North Africa	-2	-1	-3	3
Other	-1	-1	-5	-8
Adjusted for dry well costs from prior years	2	6	2	10
Adjusted for gains/losses from disposal of exploration assets	—	—	—	31
Proceeds from disposal of exploration assets and acquisitions	—	—	—	13
Adjusted for changes in provisions	-2	-1	-3	-2
Total	**-62**	**-46**	**-129**	**-144**

Net exploration expenditures comprise capitalised exploration, exploration expenses as shown in the consolidated statement of income, adjusted for exploration expenses for prior-year dry well costs, adjusted for gains/losses from disposal of exploration assets, adding proceeds from the disposal of exploration assets and acquisitions and adjusted for changes in provisions.

In Q3 2022, exploration expenditures totalling €-31 million were capitalised. These expenditures related to four successful wells drilled in Northern Europe.

Exploration expenses include expenses for the acquisition of seismic data, licence fees and expenses for dry well costs. In Q3 2022, exploration expenses increased by 24% to €31 million compared to €25 million in Q3 2021, mainly due to higher seismic and dry hole costs in Northern Europe.

2.5 FINANCIAL PERFORMANCE

Earnings performance

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenues gas and oil	6,308	1,837	14,154	4,368
Revenues other	39	35	78	113
Net income from equity-accounted investments: gas and oil	98	34	169	59
Net income from equity-accounted investments: midstream	53	56	152	161
Other operating income	27	18	50	73
	6,525	**1,981**	**14,603**	**4,774**
Production and operating expenses	-3,617	-892	-7,778	-2,114
Production and similar taxes	-56	-37	-165	-84
Depreciation and amortisation	-374	-382	-1,051	-1,043
Net impairment on assets	-176	-3	-731	-70
Exploration expenses	-31	-25	-63	-109
General and administrative expenses	-103	-91	-349	-356
	2,169	**550**	**4,465**	**998**
Financial income	322	52	686	169
Financial expenses	-341	-92	-1,784	-246
	-18	**-40**	**-1,098**	**-77**
Income/loss (-) before taxes	**2,150**	**510**	**3,367**	**921**
Income taxes	-1,341	-295	-2,892	-483
Net income/loss (-)	**810**	**215**	**475**	**438**
Net income/loss (-) attributable to shareholders	799	204	444	409
Net income/loss (-) attributable to subordinated notes investors	11	11	31	29

EBITDAX

Revenues and other operating income

Revenues gas and oil increased by €4,471 million, or 243%, to €6,308 million, compared with €1,837 million in Q3 2021. Excluding revenues from gas trading activities managed by the headquarters, revenues gas and oil increased by 155% to €3,009 million, primarily due to significantly higher commodity prices. The realised gas price increased by 170% and the realised price for liquids increased by 13%.

Unrealised changes in fair values of commodity derivatives measured through profit or loss led to a gain of €175 million compared to a loss of €9 million in Q3 2021.

Revenues from the headquarters' trading activities also increased due to higher commodity prices as well as higher volumes, but were largely offset by a respective increase in the cost of trade goods.

Production and operating expenses

Production costs amounted to €168 million compared with €151 million in Q3 2021. The increase of €10 million in Northern Europe is primarily due to the start of production in several Norwegian assets, higher electricity prices as well as CO_2 costs. The production costs in Latin America increased due to a reduction of the crude oil stock and higher operating cost from non-operated areas whereas the production costs in the region Middle East/North Africa decreased in general due to the relinquishment of Gulf of Suez.

Overall, the specific production costs increased in total by €0.4/boe to €4.2/boe compared to €3.8/boe in Q3 2021.

	Production costs in € million		Production costs in €/boe	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Northern Europe	116	106	6.0	5.5
Russia	14	6	1.3	0.7
Latin America	26	15	4.0	2.4
Middle East/North Africa	13	24	3.0	4.1
Total	**168**	**151**	**4.2**	**3.8**

Besides the production costs, the production and operating expenses were impacted by the following items:

The change in over-/underlift related to the relatively high sales volumes in Northern Europe compared to our production volumes resulted in an increase in expenses of €48 million. Other costs increased by €18 million due to an addition to decommissioning provisions resulting from higher cost estimates for an asset that is not producing any longer in Northern Europe.

Cost of trade goods increased in parallel to the revenues from trading from €662 million in the comparison period to €3,296 million in the reporting period.

Production and similar taxes

Production and similar taxes increased by €19 million from €37 million in the comparison period to €56 million in the reporting period. The increase in production and similar taxes was primarily due to higher commodity prices in Germany and Latin America.

General and administrative expenses

General and administrative expenses amounted to €103 million compared to €91 million in Q3 2021, an increase of €12 million mainly due to timing effects of charge-outs.

RECONCILIATION OF EBITDAX

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenues gas and oil	6,308	1,837	14,154	4,368
adjusted for unrealised changes in fair value of commodity derivatives	-175	9	-97	15
Revenues other	39	35	78	113
Net income from equity-accounted investments: gas and oil	98	34	169	59
Net income from equity-accounted investments: midstream	53	56	152	161
Other operating income	27	18	50	73
adjusted for gains from sale of assets/changes in consolidation scope	-8	1	-9	-31
Production and operating expenses	-3,617	-892	-7,778	-2,114
adjusted for net impairments and write-offs on/from operating receivables	-3	—	-2	-2
adjusted for losses from sale of assets	1	1	6	9
adjusted for non-recurring items (merger related costs, acquisition costs, etc.)[1]	—	—	—	8
Production and similar taxes	-56	-37	-165	-84
General and administrative expenses	-103	-91	-349	-356
adjusted for losses from sale of assets/changes in consolidation scope	—	—	14	34
adjusted for non-recurring items (merger related costs, acquisition costs, etc.)[2]	7	12	16	70
EBITDAX	**2,571**	**983**	**6,239**	**2,323**

[1] 9M 2021: included restructuring costs of €8 million
[2] Q3 2022: included integration costs of €7 million; Q3 2021: includes integration costs of €12 million; 9M 2022: includes integration cost of €16 million; 9M 2021: includes integration cost of €32 million and restructuring cost of €37 million;

EBITDAX increased by €1,588 million from €983 million in Q3 2021 to €2,571 million in the reporting period, primarily due to higher commodity prices.

EBITDAX PER SEGMENT

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Northern Europe	1,750	634	4,005	1,503
Russia	518	131	1,572	347
Latin America	128	103	305	241
Middle East/North Africa	154	95	351	210
Midstream	52	56	151	161
Other	-30	-36	-145	-139
Total	**2,571**	**983**	**6,239**	**2,323**

RECONCILIATION OF ADJUSTED NET INCOME

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
EBITDAX	**2,571**	**983**	**6,239**	**2,323**
Depreciation and amortisation	-374	-382	-1,051	-1,043
Exploration expenses	-31	-25	-63	-109
adjusted for gains and losses from sale of assets	—	—	—	31
Financial income	322	52	686	169
Financial expenses	-341	-92	-1,784	-246
adjusted for net impairments on financial receivables, bank balances and other financial assets	1	—	1,012	—
Income taxes	-1,341	-295	-2,892	-483
adjusted for taxes on adjusted and disregarded items	43	-7	-19	-70
Adjusted net income	**851**	**234**	**2,128**	**573**

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 €6 million or 24%, to €31 million compared to €25 million in the period Q3 2021 (see Net exploration expenditures).

Financial result

The financial result amounted to €-18 million in the reporting period, an increase compared to €-40 million in Q3 2021. The increase in net foreign currency exchange gains (€252 million) was partially offset by the increase in net losses from financial derivatives (€239 million).

Income taxes

The income before taxes amounted to €2,150 million in the reporting period compared to €510 million in Q3 2021. In the reporting period, Wintershall Dea incurred a total tax expense of €1,341 million (comparison period: €295 million). The increase in tax expenses was mainly driven by the strong increase in the Norwegian income before taxes in Q3 2022 compared to Q3 2021.

The effective tax rate in the reporting period amounted to 62% (comparison period: 58%).

Adjusted net income

Adjusted net income amounted to €851 million in Q3 2022, compared to €234 million in Q3 2021. The increase in EBITDAX has been partly offset by increased income taxes.

Net impairments on assets are part of the net income/loss as reported in the consolidated statement of income but not included in the calculation of the adjusted net income. In the reporting period, net impairment losses amounted to €176 million and were significantly higher than in Q3 2021 (€3 million).

Financial Position

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Net income/loss (-)	**810**	**215**	**475**	**438**
Amortisation/depreciation/impairment losses/reversal of impairment losses	561	393	1,818	1,140
Changes in provisions	12	-8	-47	-41
Changes in deferred taxes	128	27	235	83
Gains (-)/losses from disposal of non-current assets	-5	8	13	53
Gains (-)/losses from deconsolidation	—	—	13	—
Other non-cash income/expenses and finance costs	-361	-96	495	-260
Changes in working capital	-93	-157	-73	-159
Changes in other balance sheet items	771	236	1,395	722
Cash flow from operating activities	**1,822**	**619**	**4,324**	**1,977**
Payments for intangible assets, property, plant and equipment and investment property	-251	-237	-708	-760
Payments for/proceeds from acquisitions	—	—	-10	25
Proceeds from the disposal of non-current assets/ divestitures	14	2	105	67
Payments for financial receivables	-1	—	-2	-32
Proceeds from financial receivables	—	20	—	20
Changes in financial receivables from cash pooling	6	4	4	-1
Cash flow from investing activities	**-232**	**-212**	**-611**	**-682**
Capital contribution into capital reserves	224	—	224	—
Capital contribution from subordinated notes investors	—	—	—	1,491
Dividend payments to shareholders	-224	—	-315	-686
Distributions paid to subordinated notes investors	-16	-8	-42	-8
Proceeds from debt to banks	—	—	11	28
Repayments of debt to banks	—	-5	-14	-1,864
Buybacks of bonds	—	—	-98	—
Changes in financial liabilities to related parties (cash pooling)	68	74	-114	124
Repayment of lease liabilities	-9	-14	-30	-45
Cash flow from financing activities	**43**	**47**	**-377**	**-960**
Change in cash and cash equivalents	**1,634**	**454**	**3,337**	**335**
Effects of foreign exchange rate changes, changes in the consolidation scope and other changes in value	75	17	721	54
Cash and cash equivalents at the beginning of the reporting period	**4,454**	**738**	**2,106**	**821**
Cash and cash equivalents at the end of the reporting period	**6,163**	**1,210**	**6,163**	**1,210**

Cash flow from operating activities

Cash flow from operating activities increased by €1,203 million from €619 million in Q3 2021 to €1,822 million in Q3 2022. The increase was mainly due to higher commodity prices, partially offset by significantly higher income tax payments in the reporting period compared to Q3 2021 and lower received dividends.

Cash flow from investing activities

Cash flow from investing activities, which includes capital expenditures, acquisitions, payments for and proceeds from financial receivables and proceeds from divestitures and disposals, amounted to €-232 million in Q3 2022 compared to €-212 million in Q3 2021. The reporting period included higher capital expenditures (€14 million) due to rising investment activities. Additionally, the comparison period included proceeds from financial receivables (€20 million). This was partly compensated by higher proceeds from divestitures (€12 million) mainly due to received instalments on the purchase price for our divestment in Argentina.

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Cash flow from operating activities	1,822	619	4,324	1,977
Cash flow from investing activities	-232	-212	-611	-682
less payments for/proceeds from acquisitions	—	—	10	-25
less proceeds from the disposal of non-current assets/ divestitures	-14	-2	-105	-67
Free cash flow	**1,577**	**405**	**3,618**	**1,203**

Free cash flow increased by €1,172 million or 289% from €405 million in Q3 2021 to €1,577 million in the reporting period, primarily due to higher commodity prices.

Cash flow from financing activities

Cash flow from financing activities changed by €-4 million and reflects mainly the decrease in liabilities from cash pooling with related parties (€-6 million) and higher payments to subordinated notes investors (€-8 million), partly offset by lower repayments of lease liabilities (€5 million).

Wintershall Dea believes the Group has sufficient funds available to meet its liquidity needs, including working capital, based on its current liquidity reserves, including €6,163 million in cash and cash equivalents at the end of the reporting period (up from €2,106 million as at 31 December 2021), and an undrawn committed revolving credit facility of €900 million. Cash and cash equivalents at our Russian subsidiaries amounted to €1,962 million as at 30 September 2022. The Group is constantly monitoring the current restrictions on foreign currency transfer.

Net assets

€ million	30 Sep 2022	31 Dec 2021
Intangible assets	6,047	5,292
Tangible assets	9,916	9,170
Equity-accounted investments	2,715	2,856
Financial receivables	213	1,159
Other assets/receivables	2,783	308
Non-current assets	**21,675**	**18,785**
Financial receivables	21	65
Trade and other receivables	2,592	1,745
Other current assets	6,908	2,728
Assets held for sale	372	129
Current assets	**9,894**	**4,666**
Assets	**31,569**	**23,452**

Non-current assets equalled €21,675 million as at 30 September 2022, amounting to 69% of total assets. Compared to €18,785 million as at 31 December 2021, non-current assets increased by €2,890 million or 15%.

Intangible assets increased by €755 million compared to 31 December 2021 and amounted to €6,047 million as at 30 September 2022. Goodwill, exploration assets and other intangible assets mainly increased by foreign currency translation effects (€947 million) as well as additions (€74 million), partly offset by the reclassification of the divestment in Norway to assets held for sale (€58 million) as well as reclassifications of exploration assets to tangible assets (€39 million) and amortisation (€168 million).

Tangible assets increased by 8% compared to 31 December 2021 and amounted to €9,916 million as at 30 September 2022. The increase resulted primarily from foreign currency translation effects (€1,243 million) and additions (€657 million), mainly for our Norwegian development projects, as well as reclassifications from exploration assets (€39 million). This was partially offset by depreciation (€912 million) and the reclassification to assets held for sale (€280 million).

Equity-accounted investments amounted to €2,715 million, a decrease of €141 million compared to 31 December 2021, primarily due to impairments (€720 million) and received dividends (€92 million). This was partially compensated by the underlying proportionate net income of the participations (€321 million), foreign currency translation effects (€303 million) and changes in the OCI (€47 million).

Non-current financial receivables decreased by €946 million to €213 million due to the impairment on financial receivables related to the financing of the Nord Stream 2 pipeline project.

Additionally, other assets and receivables increased by €2,475 million to €2,783 million, mainly driven by higher deferred tax assets (increase of €2,428 million) due to higher losses from hedging of the Norwegian and German gas production reported under other comprehensive income (OCI).

Current assets increased by 112% compared to 31 December 2021 and amounted to €9,894 million as at 30 September 2022.

Current financial receivables decreased by €44 million to €21 million, including the effect from the impairment described under non-current financial receivables (€56 million).

Trade and other receivables amounted to €2,592 million compared with €1,745 million as at 31 December 2021. The increase of €847 million was attributable to higher revenues as well as foreign currency translation effects.

The increase in cash and cash equivalents (included in other current assets) of €4,057 million (€2,106 million as at 31 December 2021) was mainly attributable to the strong free cash flow. Current derivative instruments amounted to €483 million, an increase of €42 million compared to 31 December 2021 (€441 million), attributable primarily to commodity derivatives measured at fair value through profit and loss.

Assets held for sale amounted to €372 million as at 30 September 2022, compared to €129 million as at 31 December 2021. The current value is relating to the agreed divestment in Norway whereas the assets held for the sale of Aguada Federal/Bandurria Norte in Argentina were derecognized following the completion of the sale.

€ million	30 Sep 2022	31 Dec 2021
Equity	**8,550**	**7,852**
Provisions	3,187	3,169
Financial debt	3,073	4,055
Other non-current liabilities	4,285	3,241
Non-current liabilities	**10,545**	**10,464**
Provisions	382	483
Financial debt	1,336	575
Trade and other payables	2,189	1,277
Other current liabilities	8,483	2,795
Liabilities directly associated with assets classified as held for sale	84	5
Current liabilities	**12,474**	**5,136**
Equity and liabilities	**31,569**	**23,452**

Equity increased by €698 million to €8,550 million compared with 31 December 2021. This increase was driven by positive effects from foreign currency translation (€1,734 million), the net result (€475 million) and the capital injection (€224 million), partly offset by significant adverse fair value changes of cash flow hedges (€-1,553 million), declared dividends to shareholders (€-316 million) and distributions to subordinated notes investors (€-42 million).

Compared with 31 December 2021, non-current liabilities increased by €81 million to €10,545 million as at 30 September 2022.

Pension provisions decreased by €249 million to €309 million, primarily due to an increase in discount rates.

Non-current financial debt decreased by €982 million to €3,073 million, mostly attributable to a reclassification of the bond with maturity of 2023 to current financial debt as well as buybacks of bonds by the issuer.

Deferred tax liabilities decreased by €1,821 million to €377 million, driven by higher losses from hedging of the Norwegian and German gas production reported under other comprehensive income (OCI). This decrease was partially offset by foreign currency translation effects on deferred taxes mainly in Norway, as well as changes in other taxable temporary differences.

The increase in derivative instruments (included in other non-current liabilities: €2,872 million and other current liabilities: €4,564 million) was attributable primarily to commodity derivatives in hedge relationships measured at fair value through other comprehensive income as well as commodity derivatives measured at fair value through profit and loss.

Current financial debt increased by €761 million, primarily due to a reclassification of the bond with maturity 2023 from non-current financial debt. This was partly compensated by a decline in cash pool liabilities.

Trade and other payables increased by €912 million to €2,189 million compared to €1,277 million as at 31 December 2021, mostly attributable to an increase in liabilities from gas trading (in line with the increase in receivables gas trading) as well as liabilities from value added tax due to increased prices.

Income tax liabilities increased to €1,785 million (31 December 2021: €661 million). This increase was primarily attributable to the strong result before taxes of our Norwegian subsidiary.

Liabilities directly associated with assets classified as held for sale amounted to €84 million as at 30 September 2022, which relate to the agreed divestment in Norway. The amounts shown as at 31 December 2021 related to the sale of Aguada Federal/Bandurria Norte in Argentina, which was completed in Q3 2022 and subsequently derecognized.

Net debt/EBITDAX ratio

€ million	30 Sep 2022	31 Dec 2021
Bonds	3,890	3,999
Debt to banks	—	3
Financial liabilities from cash pooling	421	536
Lease liabilities	78	90
Total debt	**4,390**	**4,628**
Financial receivables from cash pooling	-9	-13
Cash and cash equivalents	-6,163	-2,106
Net debt	**-1,783**	**2,510**
EBITDAX (LTM)[1]	**7,748**	**3,832**
Net debt/EBITDAX ratio	**-0.2**	**0.7**

[1] LTM = Last 12 months

Net debt as at 30 September 2022 amounted to €-1,783 million compared to €2,510 million as at 31 December 2021. Total debt has decreased by 5% to €4,390 million. In addition, cash and cash equivalents increased by 193% to €6,163 million, resulting in a net debt of €-1,783 million and a reduction in the net debt to EBITDAX (LTM) ratio from 0.7x to -0.2x.

The EBITDAX (LTM) for the segment Russia amounted to €1,953 million and the cash and cash equivalents to €1,962 million. Therefore, without the segment Russia the EBITDAX (LTM) amounted to €5,795 million, cash and cash equivalents increased by 132% to €4,201 million, resulting in a net debt of €179 million and net debt/EBITDAX ratio of 0.0x.

Wintershall Dea

CONSOLIDATED INTERIM FINANCIAL STATEMENTS Q3 and 9M 2022

CONSOLIDATED STATEMENT OF INCOME

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenues gas and oil	6,308	1,837	14,154	4,368
Revenues other	39	35	78	113
Net income from equity-accounted investments: gas and oil	98	34	169	59
Net income from equity-accounted investments: midstream	53	56	152	161
Other operating income	27	18	50	73
	6,525	**1,981**	**14,603**	**4,774**
Production and operating expenses	-3,617	-892	-7,778	-2,114
Production and similar taxes	-56	-37	-165	-84
Depreciation and amortisation	-374	-382	-1,051	-1,043
Net impairment on assets	-176	-3	-731	-70
Exploration expenses	-31	-25	-63	-109
General and administrative expenses	-103	-91	-349	-356
	2,169	**550**	**4,465**	**998**
Financial income	322	52	686	169
Financial expenses	-341	-92	-1,784	-246
	-18	**-40**	**-1,098**	**-77**
Income/loss (-) before taxes	**2,150**	**510**	**3,367**	**921**
Income taxes	-1,341	-295	-2,892	-483
Net income/loss (-)	**810**	**215**	**475**	**438**
Net income/loss (-) attributable to shareholders	799	204	444	409
Net income/loss (-) attributable to subordinated notes investors	11	11	31	29

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Net income/loss (-)	**810**	**215**	**475**	**438**
Actuarial gains/losses	15	15	177	77
Actuarial gains/losses from equity-accounted investments	-2	-1	—	-1
Income and expenses that will not be reclassified to the statement of income at a later date, recognised directly in equity	**13**	**14**	**177**	**76**
Unrealised gains/losses on currency translation	-19	136	1,431	326
Unrealised gains/losses on currency translation from equity-accounted investments	-49	30	303	110
Fair value changes in derivatives designated in cash flow hedges	-412	-1,287	-1,601	-1,889
Fair value changes in derivatives designated in cash flow hedges from equity-accounted investments	17	2	48	10
Income and expenses that will be reclassified to the statement of income at a later date, recognised directly in equity	**-464**	**-1,118**	**181**	**-1,443**
Other comprehensive income (net of tax)	**-451**	**-1,104**	**358**	**-1,367**
Total comprehensive income	**359**	**-890**	**832**	**-929**
Total comprehensive income attributable to shareholders	348	-900	801	-958
Total comprehensive income attributable to subordinated notes investors	11	11	31	29

CONSOLIDATED BALANCE SHEET

€ million	30 Sep 2022	31 Dec 2021
Assets		
Non-current assets		
Goodwill	2,819	2,435
Exploration assets	289	226
Other intangible assets	2,939	2,631
Property, plant and equipment and investment property	9,916	9,170
Equity-accounted investments	2,715	2,856
Other financial assets	10	13
Financial receivables	213	1,159
Derivative instruments	96	50
Other receivables	16	11
Deferred tax assets	2,662	234
	21,675	**18,785**
Current assets		
Inventories	224	177
Financial receivables	21	65
Trade and other receivables	2,592	1,745
Derivative instruments	483	441
Income tax assets	38	4
Cash and cash equivalents	6,163	2,106
Assets held for sale	372	129
	9,894	**4,666**
Total assets	**31,569**	**23,452**

€ million	30 Sep 2022	31 Dec 2021
Equity and liabilities		
Equity attributable to shareholders and subordinated notes investors		
Subscribed capital	189	189
Capital reserves	1,386	1,161
Retained earnings and other comprehensive income	5,461	4,976
Equity attributable to subordinated notes investors	1,514	1,525
	8,550	**7,852**
Non-current liabilities		
Pension provisions	309	558
Decommissioning provisions	2,700	2,467
Other provisions	178	143
Financial debt	3,073	4,055
Derivative instruments	3,860	988
Income tax liabilities	28	27
Other liabilities	19	27
Deferred tax liabilities	377	2,198
	10,545	**10,464**
Current liabilities		
Decommissioning provisions	142	193
Other provisions	241	291
Financial debt	1,336	575
Trade and other payables	2,189	1,277
Derivative instruments	6,698	2,134
Income tax liabilities	1,785	661
Liabilities directly associated with assets classified as held for sale	84	5
	12,474	**5,136**
Total equity and liabilities	**31,569**	**23,452**

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	Share-holder`s equity	Equity attribu-table to subordi-nated notes investors	**Total**
As at 1 Jan 2022	189	1,161	6,910	-172	-989	-773	6,327	1,525	**7,852**
Other comprehen-sive income	—	—	—	177	1,734	-1,553	358	—	**358**
Net income/ loss (-)	—	—	444	—	—	—	444	31	**475**
Total comprehen-sive income	—	—	444	177	1,734	-1,553	801	31	**832**
Capital increase/ decrease (–)	—	224	—	—	—	—	224	—	**224**
Dividends/ distributions	—	—	-316	—	—	—	-316	-42	**-358**
Other changes	—	—	—	—	—	—	—	—	**—**
As at 30 Sep 2022	**189**	**1,386**	**7,037**	**5**	**744**	**-2,326**	**7,036**	**1,514**	**8,550**
As at 1 Jan 2021	189	1,161	7,047	-225	-1,496	-241	6,435	—	**6,435**
Other comprehen-sive income	—	—	—	76	436	-1,879	-1,367	—	**-1,367**
Net income/ loss (-)	—	—	409	—	—	—	409	29	**438**
Total comprehen-sive income	—	—	409	76	436	-1,879	-958	29	**-929**
Capital increase/ decrease	—	—	—	—	—	—	—	1,491	**1,491**
Dividends/ distributions	—	—	-686	—	—	—	-686	-8	**-694**
Other changes	—	—	—	—	—	—	—	2	**2**
As at 30 Sep 2021	**189**	**1,161**	**6,770**	**-149**	**-1,060**	**-2,120**	**4,791**	**1,514**	**6,306**

[1] For further information, please refer to Note 7

CONSOLIDATED STATEMENT OF CASH FLOW

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Net income/loss (-)	**810**	**215**	**475**	**438**
Amortisation/depreciation/impairment losses/reversal of impairment losses	561	393	1,818	1,140
Changes in provisions	12	-8	-47	-41
Changes in deferred taxes	128	27	235	83
Gains (-)/losses from disposal of non-current assets	-5	8	13	53
Gains (-)/losses from deconsolidation	—	—	13	—
Other non-cash income/expenses and finance costs	-361	-96	495	-260
Changes in working capital	-93	-157	-73	-159
Changes in other balance sheet items	771	236	1,395	722
Cash flow from operating activities	**1,822**	**619**	**4,324**	**1,977**
Payments for intangible assets, property, plant and equipment and investment property	-251	-237	-708	-760
Payments for/proceeds from acquisitions	—	—	-10	25
Proceeds from the disposal of non-current assets/ divestitures	14	2	105	67
Payments for financial receivables	-1	—	-2	-32
Proceeds from financial receivables	—	20	—	20
Changes in financial receivables from cash pooling	6	4	4	-1
Cash flow from investing activities	**-232**	**-212**	**-611**	**-682**
Capital contribution into capital reserves	224	—	224	—
Capital contribution from subordinated notes investors	—	—	—	1,491
Dividend payments to shareholders	-224	—	-315	-686
Distributions paid to subordinated notes investors	-16	-8	-42	-8
Proceeds from debt to banks	—	—	11	28
Repayments of debt to banks	—	-5	-14	-1,864
Buybacks of bonds	—	—	-98	—
Changes in financial liabilities to related parties (cash pooling)	68	74	-114	124
Repayment of lease liabilities	-9	-14	-30	-45
Cash flow from financing activities	**43**	**47**	**-377**	**-960**

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Change in cash and cash equivalents	**1,634**	**454**	**3,337**	**335**
Effects of foreign exchange rate changes, changes in the consolidation scope and other changes in value	75	17	721	54
Cash and cash equivalents at the beginning of the reporting period	**4,454**	**738**	**2,106**	**821**
Cash and cash equivalents at the end of the reporting period	**6,163**	**1,210**	**6,163**	**1,210**

Supplementary information on cash flow from operating activities				
Income tax paid (less refunds)	-566	-69	-1,461	146
Interest paid	-45	-45	-51[1]	-54
Interest received	44	11	97	20
Dividends received gas and oil	2	20	3	24
Dividends received midstream	—	36	92	139

[1] Includes capitalised borrowing cost €-18 million shown as part of the payments for intangible assets, property plant and equipment and investment property in the cash flow from investing activities.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1 – BASIS 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 (Überseering 40 in 22297 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 third quarter (Q3) as well as the nine months period ended 30 September 2022 (9M). In line with IAS 34, the scope of the presentation is condensed compared to the scope applied to the annual consolidated financial statements as at 31 December 2021. The consolidated interim financial statements apply the same accounting policies and practices as those used in the 2021 annual consolidated financial statements, except where financial reporting standards have been applied for the first time in 2022 (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 Sep 2022	31 Dec 2021	9M 2022	9M 2021
Argentinian peso (ARS)	143.89	116.49	127.43	111.68
British pound (GBP)	0.88	0.84	0.85	0.86
Norwegian krone (NOK)	10.58	9.99	10.01	10.23
Russian rouble (RUB)	59.31	85.30	76.91	88.53
US dollar (USD)	0.97	1.13	1.06	1.20
Mexican peso (MXN)	19.64	23.14	21.55	24.08

Discount rates

The discount rates applied for decommissioning provisions remain unchanged between 0.0% and 8.69%. Pension provisions are discounted at an interest rate of 3.74% in Germany (31 December 2021: 1.15%) and at an interest rate of 1.50% in Norway (31 December 2021: 1.50%).

NOTE 2 – SCOPE OF CONSOLIDATION

The consolidated interim financial statements include 42 fully consolidated companies and one proportionally consolidated company (31 December 2021: 48 fully consolidated companies and one proportionally consolidated company) as well as 7 legal entities (joint ventures and associated companies) that are accounted for using the equity method (31 December 2021: 7).

Number of fully and proportionally consolidated companies

As at 1 Jan 2022	**49**
First-time consolidation	1
Deconsolidation	-1
Merged subsidiaries	-6
As at 30 Sep 2022	**43**

Wintershall Dea Technology Ventures GmbH, previously shown under other financial assets, was consolidated for the first time as of 1 January 2022.

Following the decision to terminate all activities in Brazil, Wintershall Dea do Brasil Exploração e Produção Ltda was deconsolidated due to materiality reasons as of 1 June 2022. The deconsolidation resulted in a loss of €13 million. This was primarily related to foreign currency translation losses that had to be reclassified from other comprehensive income to profit or loss (€12 million). Additionally, at the end of June Wintershall Dea merged five Mexican holding companies into Sierra Oil & Gas S. de R.L. de C.V. and merged one holding company into DEM Mexico Erdoel S.A.P.I. de C.V.

Moreover, the fully consolidated company Wintershall Dea Insurance Limited (first-time consolidation in 2021) has started its business operations. Wintershall Dea Insurance Limited acts as a captive reinsurance company within Wintershall Dea Group. Accordingly, the company covers intra-group risks through its reinsurance business. Risks from investments accounted for using the equity method (associated companies and joint ventures) are also insured to a minor extent. Therefore expenses, income, assets and liabilities resulting from the respective insurance contracts with other fully consolidated group companies are consolidated. As the reinsurance business with associated companies and joint ventures is negligible, IFRS 4 Insurance Contracts does not apply.

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

Group's shares in joint operations are accounted for by recognising its respective share in assets and liabilities as well as its income and expenses. The joint operation AO Achimgaz, Novy Urengoy/Russia is operated jointly with Gazprom to produce natural gas and condensate. Wintershall Dea holds a 50% interest in the company and controls the company jointly with Gazprom. The company was classified as a joint operation within the meaning of IFRS 11 and is proportionally consolidated.

With regard to our Russian subsidiaries, joint operations as well as associated companies accounted for using the equity method, the contractually stipulated corporate governance mechanisms continue to be rigorously applied and followed by shareholders.

Current facts and circumstances have not changed our initial assessment regarding control, joint control or significant influence.

NOTE 3 - DIVESTMENTS / ASSETS HELD FOR SALE

In May 2022, Wintershall Dea signed a sale and purchase agreement for the sale of the operated Brage oil field, the entire participating interest in the Ivar Aasen oil field as well as a 6% share of the Nova field. Since Q2, the concerned assets and associated liabilities were shown as assets held for sale. A proportional part of the goodwill related to Norway was allocated to the disposal group and triggered an impairment. The impairment loss of €11 million is shown under net impairments on assets.

The sale is subject to customary approval by the authorities and is expected to be completed in Q4 2022.

€ million	30 Sep 2022
Assets held for sale	
Goodwill	46
Other intangible assets	5
Property, plant and equipment	280
Inventories	24
Other receivables (current)	17
	372
Liabilities directly associated with assets held for sale	
Decommissioning provision (non-current)	84
	84

The assets and associated liabilities concerning our 50% interest in Aquada Federal/ Bandurria Norte in Argentina, which had previously been shown under held for sale, were derecognised following the approval of the divestiture from the authorities in September 2022. A final loss from disposal of €1 million was recognised under production and other operating expenses.

NOTE 4 – CHANGES IN ACCOUNTING POLICIES

The International Accounting Standards Board (IASB) has adopted changes in existing International Financial Reporting Standards (IFRS), which became effective as at 1 January 2022:

	Effective date (IASB)
Amendments to IFRS 3 (2020) 'Reference to the Conceptual Framework'	1 January 2022
Amendments to IAS 16 (2020) 'Property, Plant and Equipment — Proceeds before Intended Use'	1 January 2022
Amendments to IAS 37 (2020) 'Onerous Contracts – Cost of Fulfilling a Contract'	1 January 2022
Amendments to Annual Improvements 2018 – 2020 (2020)	1 January 2022

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

NOTE 5 – SUPPLEMENTARY INFORMATION ON CONSOLIDATED STATEMENT OF INCOME

Revenues and other income

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenues gas				
Gas sales own production	1,696	517	3,733	1,284
Gas sales trading	3,562	708	7,807	1,468
Unrealised gains/losses from gas derivatives	175	-9	97	-15
	5,434	**1,216**	**11,638**	**2,737**
Revenues oil				
Oil sales own production	870	612	2,508	1,620
Oil sales trading	5	9	9	11
	875	**622**	**2,516**	**1,631**
Total revenues gas and oil	**6,308**	**1,837**	**14,154**	**4,368**
Revenues other	39	35	78	113
Total	**6,347**	**1,872**	**14,232**	**4,481**

Gas and oil revenues from own production also include revenues from service fees for extraction services in Russia. 'Revenues other' mainly comprise revenues from construction services provided from Achimgaz to Achim Development.

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 headquarters' trading activities for the purpose of margin improvement and 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 are qualifying 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, 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 €46 million. In addition, revenues gas include realised losses of €2,806 million for fixed-price contracts for which hedge accounting is applied. Revenues oil include realised losses from oil swaps amounting to €271 million. These gains and losses are not within the scope of IFRS 15.

Production and operating expenses

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Production costs	168	151	513	450
Change over-/underlift	30	-18	37	-9
Transport fees and leases	61	59	181	170
Development costs	19	5	48	8
Cost of trade goods	3,296	662	6,913	1,377
Other cost of sales	25	32	48	103
Other costs	18	—	37	15
Total	**3,617**	**892**	**7,778**	**2,114**

Production costs also comprise gas and condensate extraction service costs in Russia. Other cost of sales includes mainly expenses related to construction services for Achim Development.

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

Net impairments on assets

Russian and Midstream assets

Following the Russian war against Ukraine started in February, a trigger-based impairment test was carried out for our Russian and Midstream assets as well as equity-accounted investments. The impairment calculations are based on a weighted scenario analysis or revised cash flow assumptions. The applied gas and oil price scenario is unchanged compared to the impairment test for year-end 2021.

The scenarios and assumptions used for the impairment test are in line with the current risk assessment of the management and are reviewed based on the latest available information on a quarterly basis. This includes the damage of the Nord Stream pipeline system as well as the impact of Decree 1554 on the Yuzhno-Russkoye project.

However, the future outcome of these scenarios and assumptions is highly uncertain and may lead to adjustments in the considered assumptions in the future which, in turn, may result in further material impairment losses or reversal of impairments, although with different likelihoods and impacts.

In Q1 2022, impairment losses in the amount of €545 million were recognised. In addition, following the updated weighted scenario analysis and an increase in the discount rate (cost of equity), which was triggered by the damage of the pipeline and the inherent increase of uncertainties and risks, an impairment on the equity-accounted investment Nord Stream AG (€175 million) was carried out in Q3 2022.

Goodwill

Impairment losses also comprise impairments on the portion of the Norwegian goodwill that was allocated to the agreed divestment shown under assets held for sale (refer to Note 3) in the amount of €11 million.

Financial result

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Interest income from third parties	50	32	118	91
Interest income from related parties	—	3	1	6
Foreign currency exchange gains, net	267	15	560	68
Income from investments	2	2	3	4
Other financial income	3	—	3	—
Financial income	**322**	**52**	**686**	**169**
Interest expenses to third parties	13	13	42	44
Less capitalised borrowing costs	-6	-5	-18	-14
Losses from financial derivatives, net	315	76	694	196
Interest from addition to provisions	12	6	33	18
Net impairments on other financial assets	—	—	6	—
Net impairment on financial receivables and bank balances	1	—	1,006	—
Other financial expenses	6	2	20	2
Financial expenses	**341**	**92**	**1,784**	**246**
Total financial result	**-18**	**-40**	**-1,098**	**-77**

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

Subsequent to the sanctions imposed on the Nord Stream 2 operator, Wintershall Dea fully impaired its financial receivables (including accrued interest until February) related to the financing of the Nord Stream 2 pipeline project (€1,003 million) in Q1 2022 as repayments are currently no longer expected to occur.

Income taxes

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Current income tax expenses	1,213	268	2,658	399
Deferred taxes	128	27	235	84
Income taxes	**1,341**	**295**	**2,892**	**483**

The full impairment of the financial receivable related to the financing of the Nord Stream 2 pipeline project increases the tax loss carry forwards in Germany. However, Wintershall Dea has not recorded a deferred tax asset of €333 million in the first nine months of 2022 as it is not probable that sufficient taxable profit will be available to utilize the entire German tax loss carry forwards within the business plan period.

The assessment of the availability of future taxable profit is based on planning assumptions such as assumptions for the macroeconomic environment, reserves and production. The war in Ukraine increased the level of uncertainty in regard to the planning of future taxable result in Germany for periods beyond the business plan period of 5 years. Therefore, Wintershall Dea recognises deferred tax assets for its German tax loss carryforwards only to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of those deferred tax assets to be utilized within the business plan period of 5 years. The change in accounting estimate resulted in a deferred tax expense of €4 million in the first nine months 2022.

NOTE 6 – SEGMENT REPORT

The Group's business is conducted in six segments:

› Northern Europe

› Russia

› Latin America

› Middle East/North Africa

› Midstream

› Other

The segments Northern Europe, Russia, Latin America and Middle East/North Africa comprise the E&P business and are further divided into eleven 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

› **Russia:** Russia

› **Latin America:** Argentina, Mexico and Brazil[3]

› **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 Other includes the Management Board and the corporate functions, such as Global Exploration, Carbon Management and Hydrogen and the trading activities managed by the headquarter as well as 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 price.

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.

[3] Following the decision to terminate all activities in Brazil, the Brazilian subsidiary was deconsolidated as of 1 June 2022.

	Q3 2022							
€ million/mboe/d	Northern Europe	Russia	Latin America	Middle East/North Africa	Midstream	Other	Consolidation	**Total**
External revenues	1,005	530	188	149	—	4,476	—	**6,347**
Inter-segment revenues	990	—	—	—	—	45	-1,036	**—**
Segment revenues	1,995	530	188	149	—	4,521	-1,036	**6,347**
Depreciation and amortisation	-272	-11	-49	-41	—	-1	—	**-374**
Net impairment on assets	—	—	—	—	-175	—	—	**-176**
Exploration expenses	-21	—	-7	-2	—	-1	—	**-31**
Income tax	-1,145	-103	6	-10	-4	-85	—	**-1,341**
Adjusted net income	297	422	58	75	48	-49	—	**851**
EBITDAX	1,750	518	128	154	52	-30	—	**2,571**
of which net income from equity-accounted investments	37	38	—	23	53	—	—	**151**
Non-current assets[1]	13,907	2,674	2,153	1,093	1,426	2,599	-2,178	**21,675**
Total capex[2]	-179	-1	-31	-38	—	-2	—	**-251**
of which production and development capex	-157	-1	-22	-38	—	-2	—	**-220**
of which exploration capex	-22	—	-9	—	—	—	—	**-31**
Free cash flow	957	409	64	96	1	50	—	**1,577**
Production[3]	212	286	69	47[4]	—	—	—	**614**
of which gas	113	232	61	39	—	—	—	**445**
of which liquids	99	54	8	8	—	—	—	**169**

[1] As of 30 Sep 2022
[2] Cash outflows for intangible assets, property, plant and equipment and investment property
[3] On a working-interest basis, including proportional production from at equity-accounted companies
[4] Excluding Libya onshore

	Q3 2021							
€ million/mboe/d	Northern Europe	Russia	Latin America	Middle East/North Africa	Midstream	Other	Consolidation	**Total**
External revenues	630	163	139	115	1	825	—	**1,872**
Inter-segment revenues	183	—	—	—	—	14	-198	**—**
Segment revenues	814	163	139	115	1	839	-198	**1,872**
Depreciation and amortisation	-296	-7	-41	-36	—	-2	—	**-382**
Net impairment on assets	—	—	—	-3	—	—	—	**-3**
Exploration expenses	-3	—	-19	-1	—	-1	—	**-25**
Income tax	-254	-25	-22	—	—	6	—	**-295**
Adjusted net income	64	101	-17	45	57	-17	—	**234**
EBITDAX	634	131	103	95	56	-36	—	**983**
of which net income from equity-accounted investments	7	16	—	11	56	—	—	**90**
Non-current assets[1]	10,267	2,244	2,123	1,225	2,551	2,010	-797	**19,624**
Total capex[2]	-188	-1	-24	-24	—	—	—	**-237**
of which production and development capex	-174	-1	-11	-24	—	—	—	**-210**
of which exploration capex	-14	—	-12	—	—	—	—	**-27**
Free cash flow	205	84	32	28	60	-4	—	**405**
Production[3]	216	238	69	65[4]	—	—	—	**588**
of which gas	110	197	61	48	—	—	—	**416**
of which liquids	106	41	8	17	—	—	—	**172**

[1] As of 30 Sep 2021
[2] Cash outflows for intangible assets, property, plant and equipment and investment property
[3] On a working-interest basis, including proportional production from at equity-accounted companies
[4] Excluding Libya onshore

	9M 2022							
€ million/mboe/d	Northern Europe	Russia	Latin America	Middle East/North Africa	Midstream	Other	Consolidation	**Total**
External revenues	2,665	1,607	449	380	1	9,129	—	**14,232**
Inter-segment revenues	2,116	—	—	—	—	85	-2,201	**—**
Segment revenues	4,781	1,607	449	380	1	9,214	-2,201	**14,232**
Depreciation and amortisation	-764	-29	-137	-116	—	-5	—	**-1,051**
Net impairment on assets	-11	-348	—	—	-372	—	—	**-731**
Exploration expenses	-36	—	-19	-3	—	-5	—	**-63**
Income tax	-2,486	-320	-22	-28	29	-66	—	**-2,892**
Adjusted net income	673	1,272	46	153	147	-164	—	**2,128**
EBITDAX	4,005	1,572	305	351	151	-145	—	**6,239**
of which net income from equity-accounted investments	76	71	—	22	152	—	—	**321**
Non-current assets[1]	13,907	2,674	2,153	1,093	1,426	2,599	-2,178	**21,675**
Total capex[2]	-541	-5	-62	-96	—	-4	—	**-708**
of which production and development capex	-490	-5	-47	-96	—	-4	—	**-642**
of which exploration capex	-51	—	-15	—	—	—	—	**-66**
Free cash flow	2,071	1,285	27	196	99	-60	—	**3,618**
Production[3]	206	315	67	47[4]	—	—	—	**635**
of which gas	110	254	59	40	—	—	—	**463**
of which liquids	96	61	8	7	—	—	—	**172**

[1] As of 30 Sep 2022
[2] Cash outflows for intangible assets, property, plant and equipment and investment property
[3] On a working-interest basis, including proportional production from at equity-accounted companies
[4] Excluding Libya onshore

	9M 2021							
€ million/mboe/d	Northern Europe	Russia	Latin America	Middle East/North Africa	Midstream	Other	Consolidation	**Total**
External revenues	1,570	468	342	249	1	1,851	—	**4,481**
Inter-segment revenues	515	—	—	—	—	31	-546	**—**
Segment revenues	2,084	468	342	249	1	1,882	-546	**4,481**
Depreciation and amortisation	-799	-29	-125	-85	—	-6	—	**-1,043**
Net impairment on assets	-1	—	-64	-5	—	—	—	**-70**
Exploration expenses	-64	—	-40	3	—	-8	—	**-109**
Income tax	-381	-68	-17	1	—	-17	—	**-483**
Adjusted net income	211	254	-39	95	162	-110	—	**573**
EBITDAX	1,503	347	241	210	161	-139	—	**2,323**
of which net income from equity-accounted investments	9	31	—	19	161	—	—	**220**
Non-current assets[1]	10,267	2,244	2,123	1,225	2,551	2,010	-797	**19,624**
Total capex[2]	-628	-3	-50	-76	—	-3	—	**-760**
of which production and development capex	-561	-3	-29	-76	—	-3	—	**-672**
of which exploration capex	-67	—	-20	—	—	—	—	**-88**
Free cash flow	916	270	64	7	118	-171	—	**1,203**
Production[3]	206	289	71	54[4]	—	—	—	**620**
of which gas	106	231	63	42	—	—	—	**442**
of which liquids	100	58	8	12	—	—	—	**178**

[1] As of 30 Sep 2021
[2] Cash outflows for intangible assets, property, plant and equipment and investment property
[3] On a working-interest basis, including proportional production from at equity-accounted companies
[4] Excluding Libya onshore

External revenues are allocated to the following divisions:

External revenues

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
Norway	898	532	2,323	1,270
Germany	108	98	324	288
The Netherlands/UK/Denmark	-1	—	19	12
Northern Europe	**1,005**	**630**	**2,665**	**1,570**
Russia	**530**	**163**	**1,607**	**468**
Argentina	160	124	369	301
Mexico	27	15	79	42
Latin America	**188**	**139**	**449**	**342**
Egypt	103	99	270	214
Libya	24	—	52	—
Algeria	21	15	58	35
Middle East/North Africa	**149**	**115**	**380**	**249**
Midstream	**—**	**1**	**1**	**1**
Other	**4,476**	**825**	**9,129**	**1,851**
Total	**6,347**	**1,872**	**14,232**	**4,481**

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	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenues gas and oil	6,308	1,837	14,154	4,368
adjusted for unrealised changes in fair value of commodity derivatives	-175	9	-97	15
Revenues other	39	35	78	113
Net income from equity-accounted investments: gas and oil	98	34	169	59
Net income from equity-accounted investments: midstream	53	56	152	161
Other operating income	27	18	50	73
adjusted for gains from sale of assets/changes in consolidation scope	-8	1	-9	-31
Production and operating expenses	-3,617	-892	-7,778	-2,114
adjusted for net impairments and write-offs on/ from operating receivables	-3	—	-2	-2
adjusted for losses from sale of assets	1	1	6	9
adjusted for non-recurring items (merger-related costs, acquisition costs, etc.)	—	—	—	8
Production and similar taxes	-56	-37	-165	-84
General and administrative expenses	-103	-91	-349	-356
adjusted for losses from sale of assets/changes in consolidation scope	—	—	14	34
adjusted for non-recurring items (merger-related costs, acquisition costs, etc.)	7	12	16	70
EBITDAX	**2,571**	**983**	**6,239**	**2,323**

€ million	Q3 2022	Q3 2021	9M 2022	9M 2021
EBITDAX	**2,571**	**983**	**6,239**	**2,323**
Depreciation and amortisation	-374	-382	-1,051	-1,043
Exploration expenses	-31	-25	-63	-109
adjusted for gains and losses from sale of assets	—	—	—	31
Financial income	322	52	686	169
Financial expenses	-341	-92	-1,784	-246
adjusted for net impairments on financial receivables, bank balances and other financial assets	1	—	1,012	—
Income taxes	-1,341	-295	-2,892	-483
adjusted for taxes on adjusted and disregarded items	43	-7	-19	-70
Adjusted net income	**851**	**234**	**2,128**	**573**

NOTE 7 – SUPPLEMENTARY INFORMATION ON BALANCE SHEET

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	—	-28	—	**-28**
Additions	—	66	8	**74**
Disposals	—	-2	-16	**-18**
Transfers	-54	-39	-4	**-97**
Currency translation effect	438	70	758	**1,266**
As at 30 Sep 2022	**2,819**	**577**	**4,796**	**8,191**
Accumulated amortisation				
As at 1 Jan 2022	—	284	1,418	**1,703**
Change in scope of consolidation	—	-28	—	**-28**
Amortisation/depreciation	—	—	168	**168**
Disposals	—	—	-16	**-16**
Currency translation effect	—	32	287	**319**
As at 30 Sep 2022	**—**	**288**	**1,857**	**2,145**
Net carrying amount as at 30 Sep 2022	**2,819**	**289**	**2,939**	**6,047**

Intangible assets

€ million	Goodwill	Exploration assets	Other intangible assets	**Total**
Cost of acquisition and production				
As at 1 Jan 2021	2,298	827	3,839	**6,964**
Additions	—	88	7	**95**
Disposals	—	-61	-5	**-66**
Transfers	—	-307	—	**-307**
Currency translation effect	127	33	205	**365**
As at 30 Sep 2021	**2,425**	**581**	**4,046**	**7,052**
Accumulated amortisation				
As at 1 Jan 2021	—	185	1,150	**1,335**
Amortisation/depreciation	—	7	153	**160**
Impairments	—	—	70	**70**
Disposals	—	—	-5	**-5**
Currency translation effect	—	8	60	**68**
As at 30 Sep 2021	**—**	**200**	**1,428**	**1,628**
Net carrying amount as at 30 Sep 2021	**2,425**	**381**	**2,618**	**5,424**

Property, plant and equipment and investment property

€ 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	2	652	—	2	**657**
Disposals	-1	-707	—	-5	**-714**
Transfers	-1	-1,027	—	—	**-1,028**
Currency translation effect	15	2,462	5	4	**2,487**
As at 30 Sep 2022	**200**	**20,774**	**31**	**91**	**21,096**
Accumulated amortisation					
As at 1 Jan 2022	81	10,366	18	61	**10,526**
Change in scope of consolidation	—	—	—	-2	**-2**
Amortisation/depreciation	10	896	—	6	**912**
Disposals	—	-684	—	-5	**-689**
Transfers	—	-810	—	—	**-811**
Currency translation effect	4	1,235	2	3	**1,244**
As at 30 Sep 2022	**93**	**11,004**	**20**	**63**	**11,180**
Net carrying amount as at 30 Sep 2022	**107**	**9,770**	**11**	**28**	**9,916**

[1] Land and buildings include investment property.

Property, plant and equipment and investment property

€ 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 2021	186	17,671	25	95	**17,977**
Additions	5	720	—	3	**729**
Disposals	-15	-402	—	-9	**-427**
Transfers	1	296	—	10	**307**
Currency translation effect	4	824	1	1	**830**
As at 30 Sep 2021	**181**	**19,110**	**26**	**101**	**19,417**
Accumulated amortisation					
As at 1 Jan 2021	62	9,053	17	69	**9,201**
Amortisation/depreciation	17	886	—	7	**910**
Impairments	1	—	—	—	**1**
Disposals	-5	-293	—	-9	**-306**
Currency translation effect	1	420	—	1	**422**
As at 30 Sep 2021	**77**	**10,064**	**17**	**69**	**10,228**
Net carrying amount as at 30 Sep 2021	**104**	**9,046**	**8**	**31**	**9,189**

[1] Land and buildings include investment property.

Equity

Shareholder's equity

Following the conversion of the preference shares held by BASF Handels- und Exportgesellschaft mbH (32,721,027) into ordinary shares on 1 May 2022, the common ownership of the company is BASF 72.7% and L1 Energy Capital Management Services S.à r.l. (LetterOne) 27.3 %.

As at 30 September 2022, 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.

Due to a compensation claim from BASF towards LetterOne and according to a contractual arrangement between the parties, LetterOne made payments in the amount of €224 million into Wintershall Dea`s free capital reserve. The same amount has been distributed to BASF as dividends whereas for these specific dividend distributions LetterOne waived its right for payment of dividends reflecting their ordinary shares in the company.

Moreover, a dividend on preference shares in the amount of €86 million and a common dividend based on the statutory minimum of €6 million were distributed in April 2022.

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 classified entirely 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 increase equity, whereas the distribution of interest payments reduces equity.

The net proceeds from subordinated notes issues are shown as capital contribution in the consolidated statement of cash flows.

Financial Debt

€ million	30 Sep 2022 Non-current	30 Sep 2022 Current	31 Dec 2021 Non-current	31 Dec 2021 Current
Bonds	3,000	901	4,000	12
less transaction cost	-9	-1	-13	—
	2,991	**900**	**3,987**	**12**
Debt to banks	—	—	—	3
	—	—	**—**	**3**
Financial liabilities to related parties	—	423	—	538
Lease liabilities	65	13	67	23
Other financial liabilities	18	—	—	—
Total	**3,073**	**1,336**	**4,055**	**575**

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 Q2 2022, Wintershall Dea Finance B.V. repurchased €99 million in aggregate principal amount of its bonds due in 2023. The redemption was executed between 12 May 2022 and 20 June 2022 pursuant to an open market repurchase program. The bond with maturity of 2023 repurchased in this transaction have been cancelled by the issuer. The weighted average price for the transactions was 98.18%, resulting in a gain of €2 million.

Bonds	%	Maturity	Currency	Nominal value (€ million)	Fair value 30 Sep 2022 (€ million)	**Carrying amount 30 Sep 2022 (€ million)**
Bond ISIN XS2054209320	0.452	2023	EUR	901	874	**900**
Bond ISIN XS2054209833	0.840	2025	EUR	1,000	908	**998**
Bond ISIN XS2054210252	1.332	2028	EUR	1,000	821	**997**
Bond ISIN XS2055079904	1.823	2031	EUR	1,000	755	**996**
Total				**3,901**	**3,358**	**3,890**

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 Sep 2022	31 Dec 2021
Bonds	3,890	3,999
Debt to banks	—	3
Financial liabilities from cash pooling	421	536
Lease liabilities	78	90
Total debt	**4,390**	**4,628**
Financial receivables from cash pooling	-9	-13
Cash and cash equivalents	-6,163	-2,106
Total	**-1,783**	**2,510**

The cash and cash equivalents from our Russian subsidiaries amount to €1,962 million. The Group is constantly monitoring the current restrictions on foreign currency transfer.

NOTE 8 – CONTRACTUAL COMMITMENTS

As at 30 September 2022, the Group has obligations based on firm orders for property, plant and equipment, as well as from field development projects in the amount of €496 million (31 December 2021: €313 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 €106 million (31 December 2021: €121 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 €704 million as at 30 September 2022 (31 December 2021: €291 million).

Obligations arising from commodity purchase contracts

€ million	30 Sep 2022	31 Dec 2021
2022	121	160
2023	377	80
2024	148	33
2025	51	13
2026	3	1
2027	1	1
2028 and subsequent maturities	3	2
Total	**704**	**291**

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

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	9M 2022	9M 2021
Joint ventures/associated companies	126	138
Shareholders and their affiliates	1,585	346
Total	**1,712**	**484**

Trade accounts receivable from/trade accounts payable to related parties

	Trade accounts receivable		Trade accounts payable	
€ million	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
Non-consolidated subsidiaries	8	8	17	—
Joint ventures/associated companies	69	15	7	24
Shareholders and their affiliates	349	169	—	—
Total	**426**	**192**	**23**	**25**

Financial and other receivables from/financial and other liabilities to related parties

	Financial and other receivables		Financial and other liabilities	
€ million	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021
Non-consolidated subsidiaries	22	36	3	15
Joint ventures/associated companies	201	200	418	523
Shareholders and their affiliates	2	2	5	5
Total	**225**	**239**	**426**	**542**

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

Derivatives financial instruments and hedge accounting

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 with physical delivery at liquid locations are used as hedging instruments for gas sales. 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, the critical terms match method is applied to assess hedge effectiveness.

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 instruments. 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 Sep 2022/9M 2022		
€ million	Commodity derivatives (fixed-price gas sales)	Commodity derivatives (oil swaps)	Foreign currency derivatives
Carrying amount			
Derivative assets	—	2	—
Derivative liabilities	9,455	154	345
Nominal amount	1,916	865	2,394
Maturity date	10/2022-12/2025	10/2022-12/2025	10/2022-09/2028
Quantity	243,871 mmscf	13,134 mbbl	
Average price or rate	€26.81/MWh	$65.90/bbl	$1.11/€
Amounts recognised in profit or loss and other comprehensive income (net)			
Changes in fair value of hedging instruments recognised in OCI (gross)	-9,154	-225	-302
Deferred taxes on change in fair value of hedging instruments recognised in OCI	6,754	46	0
Reclassified from OCI to profit or loss (gross)	2,806	271	350
Deferred taxes on reclassification from OCI to profit or loss	-2,092	-53	—
	-1,687	**39**	**47**

Measurement 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 primarily to affiliated companies and investments that are not fully consolidated or recognised as equity-accounted investments for materiality reasons. Other investments shown under this position are not material and are therefore also recognised at cost. For financial debt other than bonds as well as trade and other payables, the carrying amount approximates the fair value.

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 Sep 2022			
€ million	**Total**	Level 1[1]	Level 2[2]	Level 3[3]
Trade accounts receivable	**58**	—	—	58
Derivative financial assets	**579**	—	579	—
of which commodity derivatives	**563**	—	563	—
of which currency derivatives	**17**	—	17	—
Derivative financial liabilities	**10,559**	—	10,559	—
of which commodity derivatives	**10,087**	—	10,087	—
of which currency derivatives	**472**	—	472	—
Other financial liabilities	**18**	—	—	18

[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.

Fair value hierarchy

	31 Dec 2021			
€ million	**Total**	Level 1[1]	Level 2[2]	Level 3[3]
Derivative financial assets	**492**	—	492	—
of which commodity derivatives	**481**	—	481	—
of which currency derivatives	**10**	—	10	—
Derivative financial liabilities	**3,122**	—	3,122	—
of which commodity derivatives	**3,041**	—	3,041	—
of which currency derivatives	**81**	—	81	—

[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.

In Q3 2022, the Group decided for a sub-portfolio of its trade accounts receivable to change its business model from "hold in order to collect the contractual cash flows" to "sale". Accordingly, this sub-portfolio is measured at fair value through profit and loss. The valuation is based on the expected cash flows to be realised less expected credit losses. As at 30 September 2022 the fair value amounts to €58 million.

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 Q1 2022. The determination of the fair value is based on a weighted scenario analysis. The probability of being claimed under the financial guarantee is considered to be very low. As at 30 September 2022 the negative fair value of the financial guarantee amounts to €18 million. The underlying assumptions have not changed in their essence compared to the initial recognition. The change of €6 million is predominately related to foreign currency translation.

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

NOTE 11 – EVENTS AFTER THE BALANCE SHEET DATE

On 20 October 2022, Wintershall Dea received the final governmental approval from the Ministry of Finance in Norway for the divestment of the operated Brage oil field, the entire participating interest in Ivar Aasen oil field as well as a 6% share of the Nova field. The transaction will be closed as of 1 November 2022.

On 24 October 2022, Wintershall Dea signed an agreement with Hokchi Energy, the Mexican subsidiary of Pan American Energy, to acquire a 37% non-operated participating interest in the producing Hokchi Block. The transaction is subject to obtaining customary governmental approvals.

Kassel/Hamburg, 24 October 2022

The Management Board

Mehren Smith Dijkgraaf Summers Wieland