wintershall dea

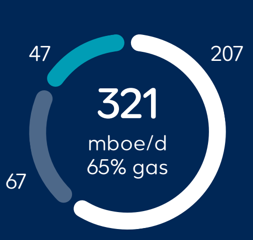
ENERGY IN TRANSITION

WINTERSHALL DEA
ANNUAL REPORT

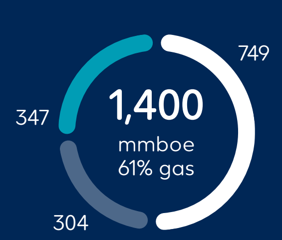
2022

WINTERSHALL DEA
AT A GLANCE

KEY FIGURES 2022[1]

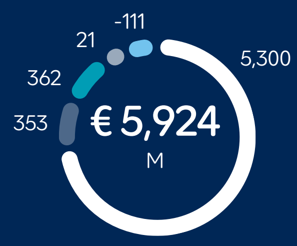


PRODUCTION[2]



2P RESERVES

CAPEX



EBITDAX

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

€3.4 BN
OPERATING CASH FLOW

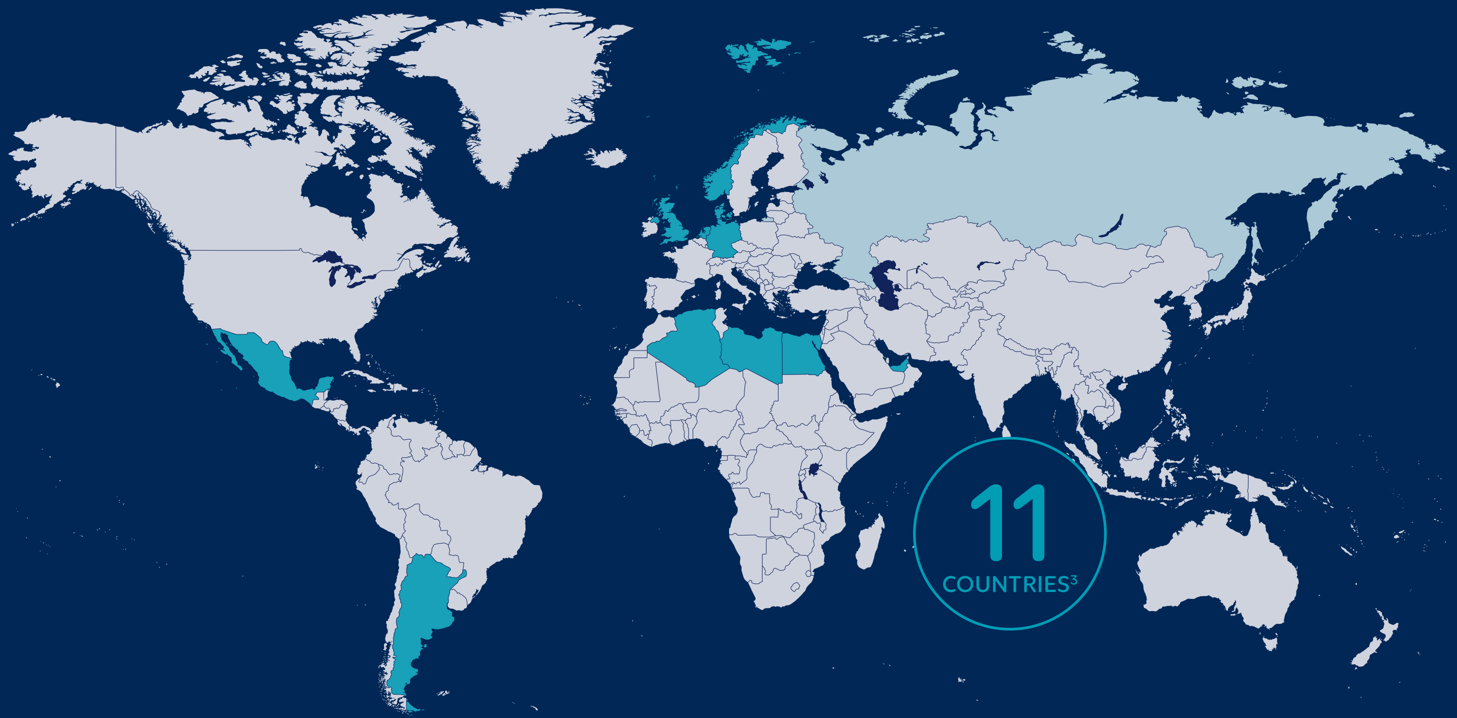
€2.5 BN
FREE CASH FLOW

€928 M
ADJUSTED NET INCOME

€5.8 PER BOE
PRODUCTION COSTS

2,025 EMPLOYEES
FROM AROUND 60 NATIONS

OUR GLOBAL PRESENCE



[1] Wintershall Dea financial and operational metrics shown without the contribution from segment Russia
[2] Excluding Libya onshore production
[3] Intention to fully exit Russia, announced in January 2023

WINTERSHALL DEA
OUR RESULTS[1]

SAFETY

TRIR	
2022	3.37
2021	2.41
2020	2.11

LTIR	
2022	1.08
2021	0.12
2020	1.05

OPERATIONAL

Production[2] (mboe/d)	
2022	321
2021	634
2020	623

2P reserves (bn boe)	
2022	1.4
2021	3.4
2020	3.6

Production costs (€/boe)	
2022	5.8
2021[3]	3.8
2020[3]	3.5

FINANCIAL

EBITDAX (€ million)	
2022	5,924
2021	3,832
2020	1,643

Adjusted Net Income[4] (€ million)	
2022	928
2021	950
2020	195

Free Cash Flow (€ million)	
2022	2,484
2021	2,082
2020	159

Leverage[5]	
2022	0.2
2021	0.7
2020	3.4

[1] Wintershall Dea FY 2022 financial and operational metrics shown without the contribution from segment Russia
[2] On a working interest basis, including proportional production from at equity accounted companies, excluding Libya onshore production
[3] Excluding one-off effects in Q4 2021 and Q4 2020 related to a pre-merger commercial settlement with a third party
[4] Defined as EBITDAX less depreciation and amortisation, less exploration expenses, plus financial income, less financial expenses and less income taxes, adjusted for special items as well as tax effects on adjusted special items or disregarded items
[5] Net debt divided by last twelve months EBITDAX

TABLE OF CONTENTS

ONLINE ANNUAL REPORT SUMMARY 2022

Discover online now

SUSTAINABILITY REPORT 2022

Release in March / April 2023

FURTHER EXPLANATIONS

You will find further information on the Internet.

You will find further information in this report.

A

ABOUT WINTERSHALL DEA

ABOUT THIS REPORT

Wintershall Dea's annual report is intended to provide a thorough and transparent overview of our activities, including our financial performance for fiscal year 2022.

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

- Report to our stakeholders (including sustainability reporting in accordance with the relevant disclosure standards)
- Group Management Report
- Consolidated Financial Statements

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

Unless otherwise stated, "Group", "Wintershall Dea", "Wintershall Dea Group" and "we" refer to Wintershall Dea AG and its consolidated and equity-accounted subsidiaries. All reserves and resource figures in this report are shown based on Petroleum Resources Management System (PRMS) definitions. All production figures are shown based on working interest volumes, unless otherwise stated. "Net zero by 2030", "net zero GHG emissions by 2030" or similar expressions used in this report refer to our target to reduce our Scope 1 and Scope 2 greenhouse gas emissions of our upstream activities, operated and non-operated at equity (share) basis to net zero by 2030, with an intermediary target of a 25% net reduction by 2025 compared to the 2020 baseline year.

DISCLAIMER

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

Mario Mehren
CEO of Wintershall Dea

CHIEF EXECUTIVE LETTER

DEAR STAKEHOLDERS,

In 2022, the Wintershall Dea team drew on all its resilience and flexibility to withstand a challenging year. The Russian war of aggression against Ukraine has been a turning point for international politics and economic co-operation. So too was it a turning point for Wintershall Dea. Our year 2023 started with the announcement that we will fully exit Russia.

A turning point for Wintershall Dea

We have been clear in our condemnation of the war since its very start on 24 February 2022. We quickly took initial measures, saying a clear 'no' to new projects in Russia, or with Russian partners. Since then, we constantly assessed the situation.

Our ultimate decision to fully exit Russia was difficult, but the only possible decision to take. Continuing to operate in Russia is not tenable. The war is incompatible with our values. It has destroyed co-operation between Russia and Europe. Limitations imposed by the Russian government have made it impossible for us to operate in Russia as before. We will now fully exit the country in an orderly manner complying with all applicable laws and regulations.

Strong operational and financial performance

Without considering the Russian business, our full year production stood at 321 mboe/d in 2022. We have delivered again a very solid operational performance. Our teams have stayed focused on their jobs: producing every possible barrel of oil and cubic meter of gas in a safe and efficient way.

Wintershall Dea now looks to the future as a resilient and focused business. We do so from a strong financial basis, having prudently built financial flexibility, a strong balance sheet and having controlled our cost base despite global inflationary pressures.

Strategic outlook: moderate growth and decarbonisation

During 2022 we developed a new strategy for our business that defines how we will go forward and thrive in our new world. Our priorities are aligned with the world's energy challenges: securing supply while tackling climate change. We target moderate growth for our natural-gas weighted E&P business, driven by focused exploration and value-accretive M&A activity to complement our geographically diverse portfolio. At the same time, we aim to build-up our carbon management and hydrogen business, developing and implementing a growing portfolio of projects.

From being Europe's leading independent gas and oil company, we are working to become a leading independent European gas and carbon management company.

A focused portfolio and project successes

Our project successes in 2022 give me great confidence that we can and will continue to achieve our goals.

We have developed our portfolio in line with our strategic priorities. We made a first step in our growth plans for Algeria, increasing our stake at the Reggane Nord gas project. We also secured additional cost- and emissions-efficient barrels by entering the Hokchi project in Mexico. Meanwhile we exited assets in Argentina, Egypt and Norway; and we terminated our activities in Brazil.

We delivered additional production at a time when it was sorely needed in Europe. In Norway we started production at the operated Nova oil field, and saw out the year with the restart of production at the Njord platform. And we are positive about our E&P project pipeline. We submitted development plans in 2022 for our own-operated Maria Phase 2 and Dvalin North in Norway in addition to six partner operated developments, and we took the final investment decision for the Fénix gas field in Argentina.

Our exploration strategy continues to focus on well-explored areas, close to existing infrastructure, with possibilities for efficient development. In Norway we participated in discoveries with combined estimated gross volumes of 88 to 286 million boe recoverable, and secured 11 new exploration licenses, three as operator, in the latest license round. In Egypt we discovered natural gas at our East Damanhour project, close to our Disouq facilities; and we added a new exploration block, North West Abu Qir, to our portfolio.

Underpinning all of our portfolio and operational decision-making is our clear pathway to net zero scope 1 and 2 emissions by 2030, based on an equity share of production.

Developing our carbon management and hydrogen business

We see significant market potential in carbon capture and storage (CCS) and hydrogen, areas where our expertise is tailor-made to deliver. Our ambition is to abate 20 to 30 million tonnes of CO_2 per year by 2040, and in 2022 we significantly developed our project portfolio.

We have progressed Project Greensand in Denmark which is about to start the pilot phase for the first CO_2 injection. We established plans for a CO_2 hub and hydrogen hub at Wilhelmshaven in Germany, and secured our first CO_2 storage license in the Norwegian North Sea, the Luna license. And we have established the NOR-GE project to connect Germany, Europe's largest CO_2 emitter, with Norway's CO_2 storage capacity. NOR-GE aims to establish the world's first end-to-end CCS value chain, and ultimately to construct a 900-kilometre CO_2 transport pipeline. The ambition of the project reflects our own ambition for carbon management and hydrogen.

Wintershall Dea now looks to the future

Ultimately our ability to deliver and succeed rests on our talented team of more than 2,000 colleagues. I thank all members of #teamwintershalldea for their intensive and responsible work in a year that was often very difficult and demanding. What our team delivers, day-in-day-out, is essential for the wellbeing of societies in Europe and worldwide.

Wintershall Dea now looks to the future. As a changed company, but a healthy, resilient and flexible company. That is the basis on which we will shape our future.

Mario Mehren
Chief Executive Officer

Dr Hans-Ulrich Engel
Chairman of the Supervisory Board of Wintershall Dea AG

REPORT OF THE SUPERVISORY BOARD OF WINTERSHALL DEA AG

FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2022

In the period from 1 January to 31 December 2022, the Supervisory Board performed the duties incumbent upon it under the law and the Articles of Association and continuously monitored the management of the company. During the reporting period, the Management Board provided regular information, both in writing and at Supervisory Board meetings, on corporate activities and corporate policy issues. The business policy planned by the Management Board and the situation and development of the company were discussed in detail. In addition, the Supervisory Board received regular reports on ongoing projects. The Chairman of the Supervisory Board also discussed important business policy matters with the Management Board and was informed about the situation and development of the company in individual meetings.

Four ordinary meetings and one extraordinary meeting of the Supervisory Board were held in 2022. In view of the continuing circumstances arising from the COVID-19 developments and the associated travel recommendations, the members of the Supervisory Board also agreed on the possibility of virtual participation via video conference in addition to physical attendance at meetings.

In addition, the Supervisory Board approved by written procedure the sale of 50 per cent of the shares and the transfer of operations at Aguada Federal and Bandurria Norte to Vista Oil & Gas Argentina S. A. U. Following oral deliberations, the Supervisory Board decided by written procedure, on the recommendation of the Personnel Committee, on contract extensions with four members of the Management Board and the STI 2022 and LTI programs 2019, 2020, 2021 and 2022. Furthermore, the Supervisory Board approved by written procedure the submission of a binding offer to acquire up to 40 per cent of a non-operated interest in Mexico, the resolution proposal to the General Meeting to pay a dividend to shareholders in the fourth quarter, and investments in two additional projects.

Since 24 February 2022, Russia's war of aggression against Ukraine has led to far-reaching consequences for the company. The Management Board regularly informed the Supervisory Board about current developments, including in an extraordinary meeting on 3 March 2022.

On 15 March 2022, German Khan resigned from the Supervisory Board with immediate effect. On 10 May 2022, the General Meeting elected Mr. Timothy Summers as a new member of the Supervisory Board at the proposal of the Supervisory Board. With German Khan's resignation, his mandates on the Personnel Committee and the Nomination Committee also ended. The Supervisory Board elected Timothy Summers as his successor on both committees by written procedure.

The Supervisory Board monitored the accounting processes, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the audit of the financial statements, and dealt with the selection and independence of the auditor. A further focus of its deliberations was the company's hedging policy.

The Supervisory Board regularly dealt with the development of business, production, costs and revenues, as well as the earnings situation, planning and all important business transactions of the company. In addition, the Supervisory Board received reports relating to the market environment for oil and gas prices, measures to hedge business risks, corporate development, the business model and corporate strategy. Furthermore, as part of the HSE reporting, the Supervisory Board was also informed about the HSE results, which include personal safety, process safety and results in environmental matters. Furthermore, the financial results were discussed in detail.

The annual financial statements and consolidated financial statements prepared by the Management Board for Wintershall Dea AG for the financial year from 1 January to 31 December 2022, as well as the management reports for the Group and Wintershall Dea AG, were audited by the appointed auditors KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. The auditor issued an unqualified audit opinion. The annual financial statements and the consolidated financial statements of Wintershall Dea AG for the financial year from 1 January to 31 December 2022, the management reports of the Group and Wintershall Dea AG, and the corresponding audit reports of the auditor were submitted to the Supervisory Board in a timely manner prior to the balance sheet meeting on 17 February 2023.

The auditor took part in the discussion of the annual financial statements and consolidated financial statements. He reported on the main findings of the audit and was available to answer questions. The Supervisory Board noted the report and the explanations with approval. The Supervisory Board approved the results of the audit with regard to the annual and consolidated financial statements for the fiscal year from 1 January to 31 December 2022.

The Supervisory Board examined the annual financial statements and consolidated financial statements prepared by the Management Board and the management reports of the Group and Wintershall Dea AG. The audit of the financial statements did not give rise to any objections. The Supervisory Board approved the annual financial statements and the consolidated financial statements for the financial year from 1 January to 31 December 2022.

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

Kassel, 17 February 2023

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

OUR FOUNDATION

OUR GUIDING PRINCIPLES

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

WHAT WE DO

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

WHY WE DO WHAT WE DO

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

HOW WE DO WHAT WE DO

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

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

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

OUR VALUES

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

TRUST

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

CARE

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

ARE OPEN-MINDED

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

ARE BRAVE

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

OUR MANAGEMENT BOARD

Corporate Governance – Management Board

Above, from left to right

Mario Mehren
Chief Executive Officer, CEO

Dawn Summers
Chief Operating Officer, COO

Thilo Wieland
Member of the Board,
Region Russia, Latin America
and Midstream

Below, from left to right

Hugo Dijkgraaf
Chief Technology Officer, CTO

Paul Smith
Chief Financial Officer, CFO

OUR STRATEGY

Wintershall Dea is on the path to transforming from the leading European independent gas and oil company into a leading European independent gas and carbon management company. We will pursue moderate growth for our international E&P business while simultaneously establishing a complementary carbon management and hydrogen business.

Our Energy Transition Pathway which is based on portfolio optimisation, emissions management, innovative technologies and offsetting, is the compass guiding us towards achieving our net zero 2030 Scope 1 and 2 target[1] and establishling a carbon management and hydrogen business to potentially abate 20 to 30 million tonnes of CO_2 per annum by 2040.

Our purpose is to provide the world with sustainable and affordable energy and actively contribute to the energy transition. To reach these goals, we aim to build our future on a strong, diversified and decarbonised portfolio.

OUR EVOLUTION

FROM:

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

TOWARDS BECOMING:

A leading European independent gas and carbon management company.
We explore and produce worldwide in the most efficient and responsible way. And we implement innovative carbon management and low carbon hydrogen solutions in order to pursue climate targets while securing energy supply.

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

MACROECONOMIC ENVIRONMENT

- The start of the war in Ukraine in February 2022 has resulted in an irreversible pivot for Europe and Wintershall Dea in a number of dimensions. Massive changes in the global market, business, political and societal environments have had a wide impact on Wintershall Dea.
- Developments in the past few years are often described as "multiple crises", characterised by immense volatility and uncertainty. The global economy as a whole is stressed due to the effects of the COVID-19 pandemic as well as geopolitical conflicts and the resulting disruptions in the energy supply and value chains.
- At a global level, effectively and consistently reducing emissions depends on broad industrial reorganisation and openness to technology. Global solutions, however, need to overcome hurdles as multilateralism is constrained by the tendency of political fragmentation. In order to effectively reduce greenhouse gas emissions, carbon is expected to be priced in the global economy, creating challenges for the industry but also opportunities, for example in low carbon hydrogen and carbon storage solutions.
- Despite the global challenges and tightening stakeholder scrutiny, the industry's mid-term perspective remains robust.

OUR STRATEGIC PILLARS

ADVANTAGED UPSTREAM PORTFOLIO

- Gas-weighted E&P business in attractive markets maintained at 350 to 400 mboe/d production
- Increasing resilience and returns through low-cost, low-emission operations and constant portfolio high-grading

PROFITABLE GROWTH DRIVING COMPETITIVE SHAREHOLDER RETURNS

- Pursue focused, value-accretive M&A to further enhance returns
- Highly focused exploration

GROWTH IN LOW CARBON SOLUTION

Focus on Sustainability

- Reduce Scope 1 & 2 GHG emissions to net zero by 2030[1]
- Intermediate goal of 25% net reduction of Scope 1 & 2 emissions by 2025 from 2020 levels[1]

Carbon Management & Hydrogen

- Develop opportunities in the complementary carbon management and hydrogen business in a phased manner
- Support global decarbonisation efforts by building up a carbon management and hydrogen business to potentially abate 20 to 30 million tons of CO_2 per annum by 2040

CAPABILITIES

- Sustain operational excellence to safeguard our licence to operate
- Build on existing strengths and capabilities
- Expand, develop and deploy the necessary skill sets to facilitate the transition to a low-carbon world
- Ensure strong data management, digital skills and innovative technologies

ROBUST FINANCIAL FRAMEWORK

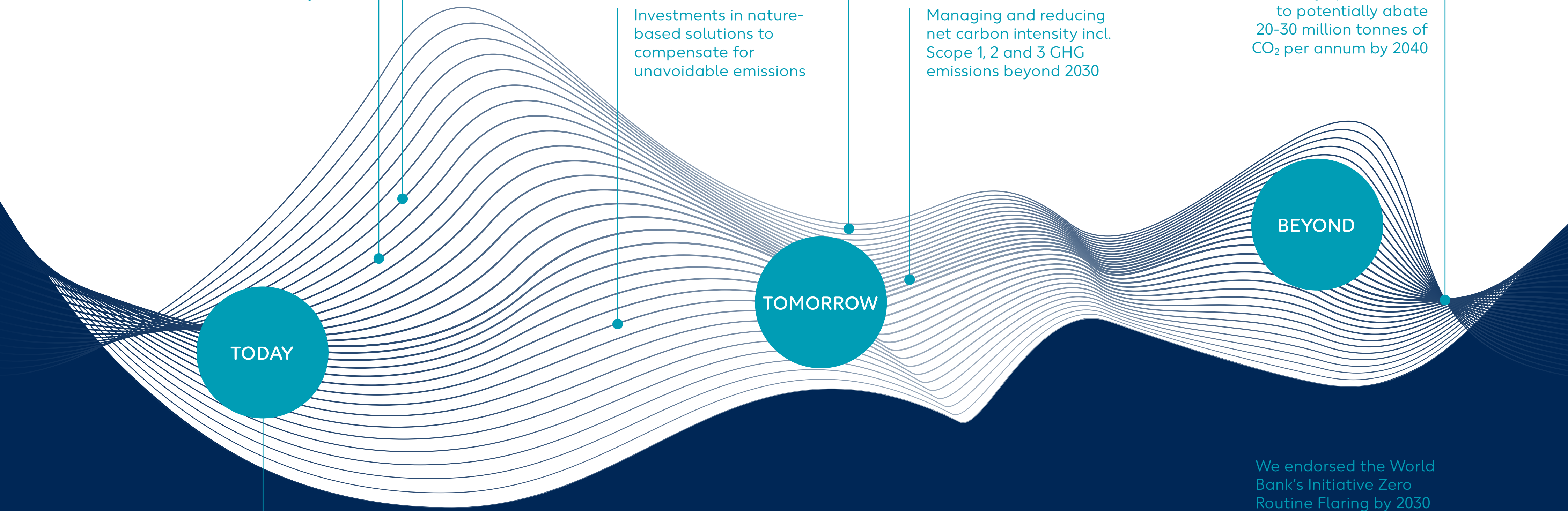
1. Maintain strong balance sheet and investment grade rating
2. Progressive base dividend
3. Sustaining CAPEX
4. Disciplined investments to enhance returns
5. Additional shareholder returns

[1] Operated and non-operated upstream activities at equity (share) basis

OUR ENERGY TRANSITION PATHWAY

TARGETS

- Reduce methane emission intensity to below 0.1% by 2025*
- 25% net reduction by 2025 (vs. 2020)**
- Investments in nature-based solutions to compensate for unavoidable emissions
- Net zero by 2030**
- Managing and reducing net carbon intensity incl. Scope 1, 2 and 3 GHG emissions beyond 2030
- Support global decarbonisation efforts by building up a business to potentially abate 20-30 million tonnes of CO_2 per annum by 2040



ENGAGEMENT

- Founding member of the Methane Guiding Principles industry initiative
- Supporter of the recommendations of the Task Force on Climate-related Financial Disclosures
- Member of the Oil and Gas Methane Partnership 2.0
- Member of the Aiming For Zero Methane Emissions Initiative
- We endorsed the World Bank's Initiative Zero Routine Flaring by 2030 and continue to support the initiative aimed at eliminating routine flaring in operated assets by 2030

* 100% volume of methane emissions of Wintershall Dea's operated assets divided by the volume of the own-operated gas marketed
** Scope 1 and Scope 2 GHG emissions, operated and non-operated upstream activities at equity (share) basis

SHAPING THE TRANSFORMATION

Alongside climate change and the pandemic, the past year has brought us a new global challenge: the Russian war of aggression against Ukraine and its global consequences for the energy market. Faced with this situation, Wintershall Dea systematically drove forward its own transformation – from being Europe's leading independent gas and oil company to becoming a leading European gas and carbon management company. Our Carbon Management & Hydrogen team has initiated a wide range of projects to help us achieve this mission. In the interests of safeguarding the current energy supply for industry and society as a whole, we have been continuing our targeted E&P activities and have launched new initiatives. Following the decision to leave Russia, our aim is to strengthen our business model and diversify it at a global level.

With this in mind, the next three chapters describe how we are positioning ourselves in E&P and the carbon management business, and what makes us a good employer.

ADVANCING TARGETED AND EFFICIENT E&P BUSINESS

Natural gas and oil continue to be essential for supplying energy around the world and for fair, global prosperity. Wintershall Dea's goal is therefore to deliver the energy that industry and society urgently need today while contributing to the necessary energy transformation for tomorrow. This means strategically focusing our E&P business on selected regions where the company is carrying out exploration and production in a responsible manner.

Read more about our positioning in our corporate strategy

Dawn Summers is satisfied as she looks at an onshore station monitor in Dieksand, Schleswig-Holstein displaying the latest production figures from the associated Mittelplate drilling and production platform in the Wadden Sea. As Chief Operating Officer at Wintershall Dea, she is closely following the performance of Germany's largest and most productive oil field, especially in light of the global events. "Every additional tonne of oil and cubic metre of natural gas that we safely and sustainably produce in Germany means one less that needs to be imported," she says.

Mittelplate is an excellent example of Wintershall Dea's continuous involvement at locations in Germany, where the company has its roots. Since starting production in 1987, the Mittelplate island has been demonstrating how to produce oil responsibly in sensitive surroundings while also protecting the habitat. More than 35 years of uninterrupted operations by Wintershall Dea have made the artificial island an internationally recognised pioneer in highly sustainable production. Elsewhere in the country, Wintershall Dea also applies the highest safety and environmental standards to its natural gas and oil production in the Lower Saxony region.

1987

Production starts on the Mittelplate platform

These examples give Germany a chance to demonstrate how exploring, developing and producing much needed hydrocarbons whilst maintaining the highest level of standards can go hand in hand. The drilling technologies and environmental as well as safety standards developed here set the benchmark for Wintershall Dea's projects around the world.

Mittelplate, Germany's largest crude oil field, is located off the German North Sea coast on the southern edge of Schleswig-Holstein Wadden Sea.

Strengthening partnership with Norway

A key international focus is on the country in the far north. And that is no coincidence. Wintershall Dea has worked in partnership with Norway for almost 50 years and holds about 100 gas and oil licences on the Norwegian continental shelf. As the world's second-largest gas exporter, Norway's key role in supplying energy to Europe, and particularly to Germany, has become even more significant over the past year. Wintershall Dea is playing its part in these efforts and has increased production in 2022 by re-commissioning the Equinor-operated Njord platform, among other activities. "In times of greater demand, Norway is a reliable supplier of the necessary energy to the EU and a trustworthy energy partner for Europe."

> "Our aim is to diversify and decarbonise our portfolio to support security of supply and meet climate goals."

Dawn Summers
Chief Operating Officer

COO Dawn Summers and CFO Paul Smith visiting the Njord-A platform in Norway.

Wintershall Dea's highly efficient approach involves exploring and developing new fields as subsea production facilities near existing infrastructure. The operated Nova oil field in Norway is a good example. In cooperation with project partners, the field began production in the summer of 2022. The subsea oil field's energy supply comes from a connection to the nearby Gjøa platform, which is powered with electricity from the mainland. A similar strategy is being pursued with the evolution of the Maria oil field, which started production in 2017. Phase 2 of Project Maria is expected to increase the field's reserves by additional 22 million boe. Production is scheduled to begin in 2025.

Progressing with portfolio diversification

Other countries with tremendous potential to diversify Wintershall Dea's E&P portfolio include Algeria, Egypt, Argentina and Mexico. In Algeria, the company expanded its cooperation with the state energy firm Sonatrach in 2022 by signing a memorandum of understanding (MoU) with the aim of assessing new opportunities in gas production and low-carbon energy solutions. Algeria is Africa's largest producer of natural gas and the third-largest exporter to Europe. Wintershall Dea has long been working together with Sonatrach on the Reggane Nord project in the Sahara and signed a contract to acquire stakes from the partner Edison in May 2022. Along with gas, Algeria has major long-term potential for carbon capture and storage (CCS) and hydrogen. Wintershall Dea also plans to grow in Algeria in these areas.

More than
40
YEARS

active in Argentina

In Egypt, Wintershall Dea concluded its involvement in the long-standing oil production business in the Gulf of Suez in line with its strategic focus and ambitious climate targets that the company pursues. Wintershall Dea's other projects in Egypt are continuing their growth path. The company is involved in the offshore West Nile Delta project, one of the country's largest energy projects, and is also pressing ahead with new exploration activities at East Damanhour in the onshore Nile Delta.

The Reggane Nord project in Algeria comprises six fields.

Gas is also the focus of the ongoing development of the Fénix field, which is part of the CMA-1 cluster, the world's southernmost gas concession off the coast of Tierra del Fuego in Argentina. Wintershall Dea is active in Argentina for more than 40 years. Thilo Wieland, member of the Management Board responsible for Latin America, believes Fénix fits perfectly into the portfolio: "Fénix is an important step for Argentina, Wintershall Dea and all partners involved. The significant quantities of gas delivered by this major project will contribute to the country's long-term energy supply for more than 15 years." The field is expected to start operating in 2025 and provide up to 10 million cubic metres of gas per day. As in Norway, existing offshore and onshore infrastructure will be used in Argentina, minimising the environmental impact.

In progressing with its portfolio diversification in Latin America, Wintershall Dea continued to expand its presence in Mexico during the past fiscal year. In October 2022, the company agreed to acquire a 37% stake in the Hokchi Block in the Gulf of Mexico. This oil and gas field is currently producing around 26,000 boe/d, which is anticipated to rise to 37,000 boe/d in 2023 and meets Wintershall Dea's strategic efficiency and emission requirements.

"The Fénix field is an important step for Argentina, Wintershall Dea and all partners involved."

Thilo Wieland
Member of the Board,
Region Russia, Latin America
and Midstream

"We built up a lot of flexibility."

Interview with
Paul Smith
Chief Financial Officer

#1 How do you rate Wintershall Dea's performance last year?
2022 was extremely challenging, as it was dominated by impacts of the Russian war of aggression against Ukraine. The loss of control and influence in our Russian joint ventures led to the deconsolidation of our Russian business and to a large one-off expense to reflect the realities of the economic expropriation of our assets. But the remaining portfolio performed exceptionally well and, combined with record commodity prices, resulted in strong financial delivery.

#2 What is the company's financial roadmap?
We've maintained our investment grade rating and, despite leaving Russia, we brought over €3 billion in cash into 2023, which gives us a great deal of flexibility. Strategically, we aim to renew our portfolio and reserves base via focused exploration and value-accretive M&A. We also plan to grow a low-carbon solutions business and mature a range of projects to support our Energy Transition Pathway.

#3 Following the exit from Russia, how do you define the financial policy?
This is one of the few things that hasn't changed since the merger in 2019 and has remained a strategic cornerstone for the company through turbulent, challenging years.

In October 2022, Wintershall Dea acquired a material stake in the Hokchi Block offshore Mexico.

Reducing methane emissions worldwide

Wintershall Dea has set itself ambitious targets for its global gas and oil production to combat climate change and achieve its climate goals. Methane emissions from the oil and gas sector are the second-largest human-caused source of methane in the atmosphere. This is the reason one of our targets is to reduce the methane intensity of the company's production operations to below 0.1% by 2025. However, reducing methane emissions remains a major shared challenge, which is why Wintershall Dea joined the international Methane Guiding Principles in 2017 and the Oil and Gas Methane Partnership 2.0 (OGMP 2.0) in 2020 to promote greater transparency and lower emissions. "The initiative focuses on measurement and reduction of methane emissions along the entire value chain," explains Julia Schmitt, Programme Manager Methane Guiding Principles. "It substantially increases the transparency and reliability of methane emissions data and actively reduces the emissions themselves."

<0.1%

The methane intensity target set for 2025

The OGMP 2.0 mission statement is an ambitious one, and by becoming a signatory, Wintershall Dea has taken on a number of different commitments. These include specifying methane targets, and expanding reporting to include partner-operated facilities, as well as establishing measurement-based emission factors for all relevant emission sources, and performing measurements. In 2022, Wintershall Dea received the initiative's gold standard for the second consecutive year. Numerous projects were realised throughout the year to determine, quantify and reduce methane emissions. "One of our cornerstone projects is a global, comprehensive leak detection and repair (LDAR) initiative, currently in place at all sites worldwide," says Julia Schmitt. "LDAR can even detect the tiniest of leaks, making it possible to seal things off quickly. For us, it's another step to sustainably combining E&P with environmental action."

Leak detection and repair (LDAR) campaign in Disouq in Egypt.

"OGMP 2.0 is a major part of increasing the transparency and reliability of methane emissions data."

Julia Schmitt
Programme Manager Methane Guiding Principles and Oil and Gas Methane Partnership 2.0

TACKLING CLIMATE CHANGE WITH CARBON MANAGEMENT AND HYDROGEN

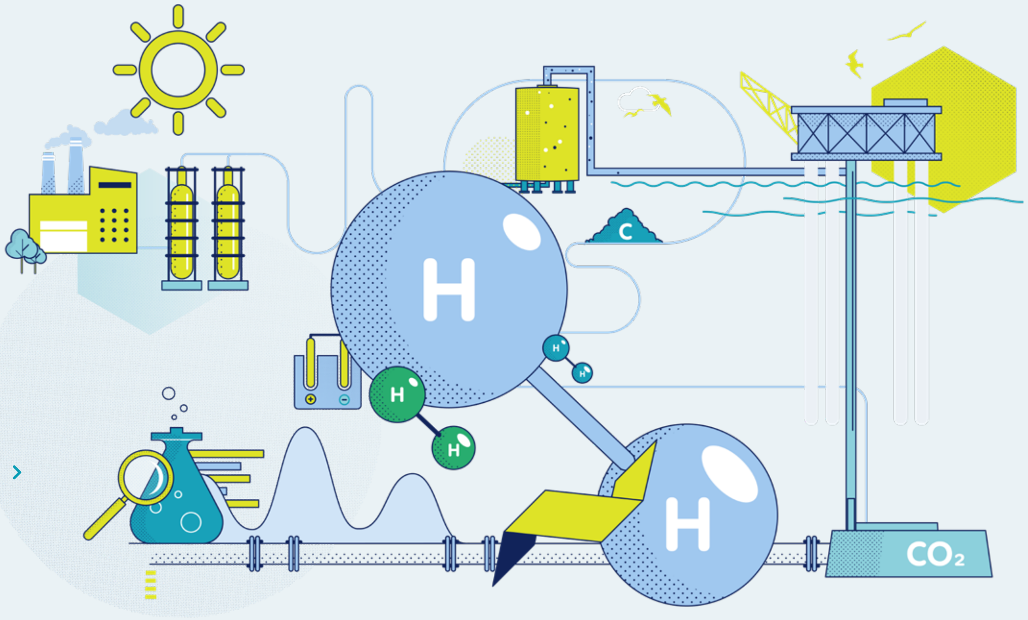
How important are carbon capture and storage (CCS) and the use of low-CO_2 hydrogen for Europe's plans to become climate-neutral by 2050? Wintershall Dea has developed its own carbon management and hydrogen strategy to address this issue. We spoke to Hugo Dijkgraaf, Chief Technology Officer, and Klaus Langemann, Senior Vice President Carbon Management & Hydrogen, to find out more about the idea behind the strategy and its future potential.

Read more about our carbon management and hydrogen strategy

The new Carbon Management & Hydrogen division is now a firm part of the Wintershall Dea strategy. Why is the company undergoing such fundamental change?

HUGO DIJKGRAAF The world is changing. Despite the war in Ukraine and other crises, climate change remains the greatest challenge to humanity. Our company produces gas and oil. With this comes tremendous responsibility. Wintershall Dea is facing up to this responsibility.
We will be focusing more on carbon management through CCS – the capturing and storing of CO_2 – and low-CO_2 hydrogen moving forward. We want to evolve from Europe's leading independent gas and oil company to a leading European gas and carbon management company. At the same time, we will continue to pursue our goals in the E&P business. After all, the world will still need gas and oil, in addition to renewable energies.

By delivering CCS and low-carbon hydrogen projects, Wintershall Dea aims to abate 20 to 30 million tonnes of CO_2 a year by 2040.



“We will be focusing more on carbon management and low-CO_2 hydrogen moving forward.”

Hugo Dijkgraaf
Chief Technology Officer

Wintershall Dea has already set clear goals with its Energy Transition Pathway. How does this strategic reorientation supports these goals?

HUGO DIJKGRAAF Strictly speaking, it was always part of the pathway; we have simply fleshed it out more. We want to step up our efforts to reduce the emissions in and around our business. In other words, we want to curb our Scope 1 and Scope 2 emissions – the CO_2 generated during the production of gas and oil – while also contributing to lowering the CO_2 that other industries cause. To do so, we must deploy and press ahead with technologies such as CCS and low-CO_2 hydrogen produced using natural gas, by capturing and storing the resulting CO_2. These technologies can be used to reduce and avoid emissions. We are looking to establish a carbon management and hydrogen business portfolio and, in doing so, potentially abate 20 to 30 million tonnes of CO_2 per year by 2040.

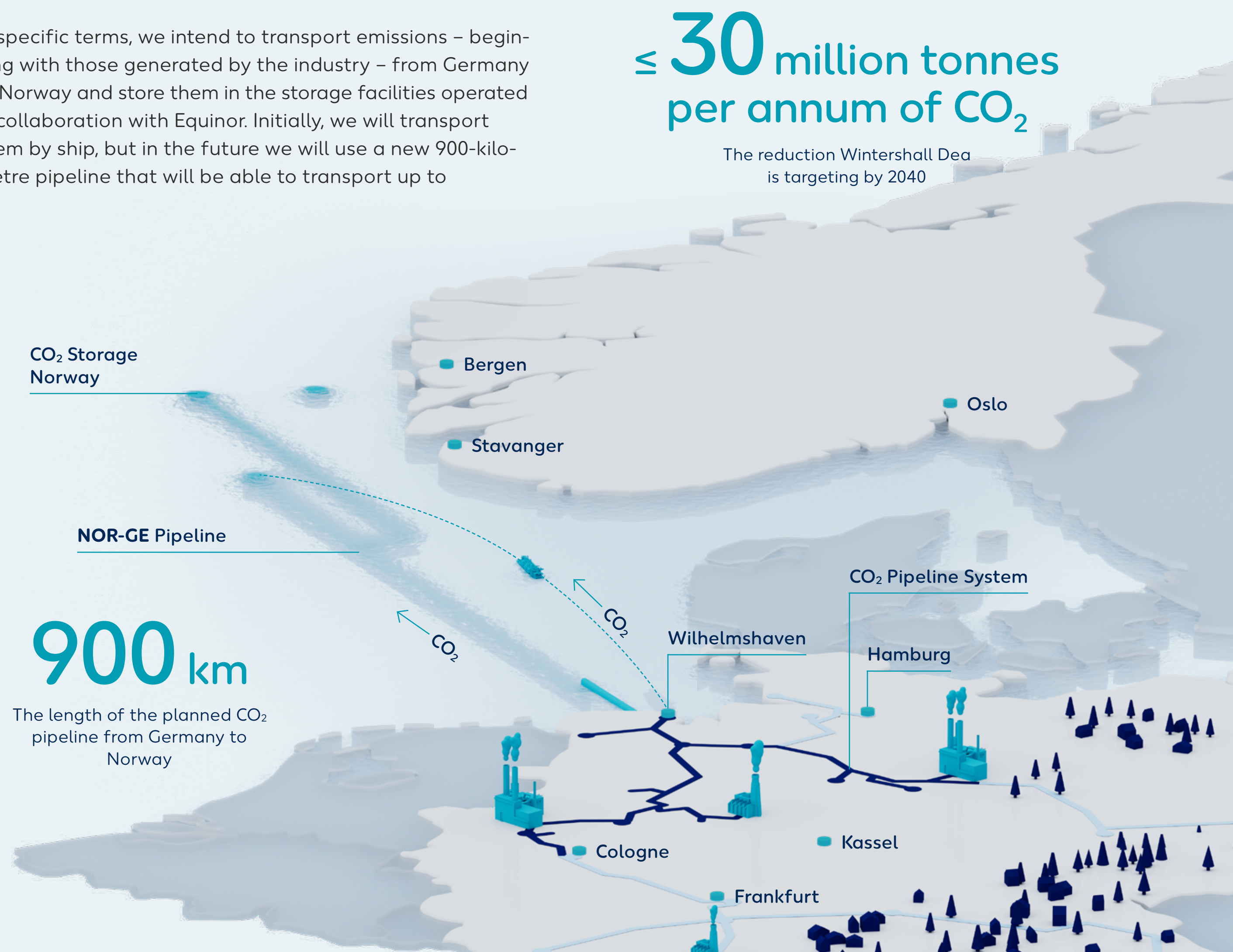
To reach this goal, we need solutions, which is why CCS and producing hydrogen will become paramount to Wintershall Dea moving forward. They will become a new part of our company's DNA and will help to make the energy transition possible.

The ambition of the Norwegian-German CCS project NOR-GE is to make a vital contribution to reducing greenhouse gas emissions in Europe.

What role do the energy partnership with Norway, the new NOR-GE project and the North Sea play in this strategy?

HUGO DIJKGRAAF Let me say, first and foremost: a very important one. Norway remains a key country for Europe and for Wintershall Dea, both in terms of our energy portfolio and in relation to our plans for carbon management and hydrogen. Norway is a major part of our goal to reduce CO_2 emissions by 20 to 30 million tonnes per year by 2040. It is also a hub of energy innovation, along with the rest of the North Sea region. NOR-GE, our partnership with the international energy company Equinor, is the first of our large-scale projects in this area. This international cooperation between Norway and Germany could be a real game-changer. It represents one of the largest CCS value chains, bringing together Germany, Europe's largest CO_2 emitter, and Norway, the country with the continent's largest CO_2 storage capacity.

In specific terms, we intend to transport emissions – beginning with those generated by the industry – from Germany to Norway and store them in the storage facilities operated in collaboration with Equinor. Initially, we will transport them by ship, but in the future we will use a new 900-kilometre pipeline that will be able to transport up to 40 million tonnes of CO_2 per year. This project covers only a small part of the entire value chain. We can develop and shape the whole process. To me, this is the perfect description of our carbon management and hydrogen strategy.



How promising is the carbon management & hydrogen business that you and your team are currently cultivating?

KLAUS LANGEMANN The sooner we get projects like NOR-GE moving, the more promising our prospects. We have big plans with NOR-GE. There is demand across Europe for these types of technical solutions that can make the urgent decarbonisation of carbon-intensive industries possible. The in-house knowledge and expertise that we are able to draw on also put us in a great position.

It's highly likely that the underlying conditions of our business will change moving forward. The E&P sector will be more strongly regulated, CO_2 prices will rise further, and decarbonisation measures will be harmonised across Europe. By this time, we will need to be well positioned with the most promising projects so that we can be part of it all. That's something that Wintershall Dea is more than capable of, as the company is already in great shape right now. We have a number of assets, including depleted oil and gas fields, which are perfect for CCS, and we have considerable geological and technical expertise.

Besides NOR-GE, what other projects have you and your division been working on in the past year?

KLAUS LANGEMANN In Norway, we obtained the first CO_2 storage licence for Project Luna in the North Sea in October 2022. We are also involved in other important CCS projects, such as Greensand in Denmark, where the pilot phase for the first CO_2 injection is already underway. In the Netherlands, we have set up a new company focusing solely on carbon management and hydrogen. Hydrogen is also at the heart of BlueHyNow which we kicked off in Wilhelmshaven on the German North Sea coast.

PROJECT LUNA AT A GLANCE

- Project Luna results in first CO_2 storage licence in the Norwegian North Sea for Wintershall Dea
- An important building block in the CCS value chain and a prospective part of the major project NOR-GE

NORGE

- Potential to store more than 5 million tonnes of CO_2 per year
- Plans to obtain further CO_2 licences

"The sooner we get projects like NOR-GE moving, the more promising our prospects."

Klaus Langemann
Senior Vice President Carbon Management & Hydrogen

Transport vessel Aurora on its way to the first CO_2 injection for Project Greensand.

A cargo ship passes the Maersk Resolve jack-up drilling rig in the port of Esbjerg in Denmark.

PROJECT GREENSAND AT A GLANCE

- CCS project Greensand in Denmark in a decisive phase
- Wintershall Dea is a core member of project consortium for the depleted oil field Nini West
- First CO_2 injection tests in early 2023
- Facility forecast to have the potential to store roughly 4 to 8 million tonnes of CO_2 per year from 2030

Which countries are you focusing on right now, and which countries will be in the focus in the future?

KLAUS LANGEMANN At the moment, our focus is firmly on North-western Europe, with Greensand and Luna being just the beginning. The first country teams were established in Norway and the Netherlands, where we already have strong partnerships and assets to build on. We are establishing a team in Denmark to engage in future CO_2 licence rounds and are participants in the UK's first bidding round for CO_2 storage licences.

Will Wintershall Dea continue to pursue conventional gas and oil projects?

HUGO DIJKGRAAF We have a long history as an E&P company, and our strong business portfolio founded on natural gas remains a pillar of Wintershall Dea. That's not going to change. The world will continue to need gas and oil, which is why decarbonisation and the production of urgently required hydrocarbons such as gas and oil are no mutually exclusive goals. For me, they are two sides of the same coin. So we are investing in carbon management and hydrogen, but also in gas and oil – above all in projects where we can keep emissions as low as possible.

What do you want to see from policymakers and the international market when it comes to CCS and hydrogen?

HUGO DIJKGRAAF We need a suitable legal framework for CCS in Europe in the near future. There will have to be bilateral or multilateral agreements on cross-border transport, licensing and regulation of CO_2. This is the only way to reduce emissions in European industry effectively while producing the required volume of low-CO_2 hydrogen.

KLAUS LANGEMANN The greatest challenge here is to safeguard our energy supply while at the same time drastically reducing global CO_2 emissions. We can't do this on our own. In order to develop solutions for a successful energy transition, we need the support of others, as well as creativity, an openness to change and a willingness to cooperate and co-exist.

PROJECT GREENPORT SCANDINAVIA AT A GLANCE

#1 CCS value chain under construction in Denmark

#2 Wintershall Dea partners in Greenport Scandinavia consortium for CO_2 hub on the Danish North Sea coast

#3 Hub planned to function as collection point for CO_2 from biogas facilities

#4 CO_2 to be shipped to Project Greensand where it will be permanently stored

CO_2 HUB AND HYDROGEN PRODUCTION WORKING IN TANDEM

Wintershall Dea's carbon management and hydrogen plans are taking shape in Wilhelmshaven on the North Sea coast. BlueHyNow and CO_2nnectNow are the two projects that began in 2022.

Aerial view of Wilhelmshaven in Lower Saxony on the German North Sea coast.

5.6 TWh per year

Volume of hydrogen set to be produced with BlueHyNow

Together they will provide a hub for producing blue hydrogen in Germany and transporting and storing captured CO_2 under the sea bed of the North Sea. "Energy supply needs to remain sufficient and flexible to supply industry and consumers while reducing CO_2 emissions," says Margarethe Kleczar, Vice President Capacity Delivery for Carbon Management & Hydrogen. "This is exactly what our tandem concepts aim to achieve."

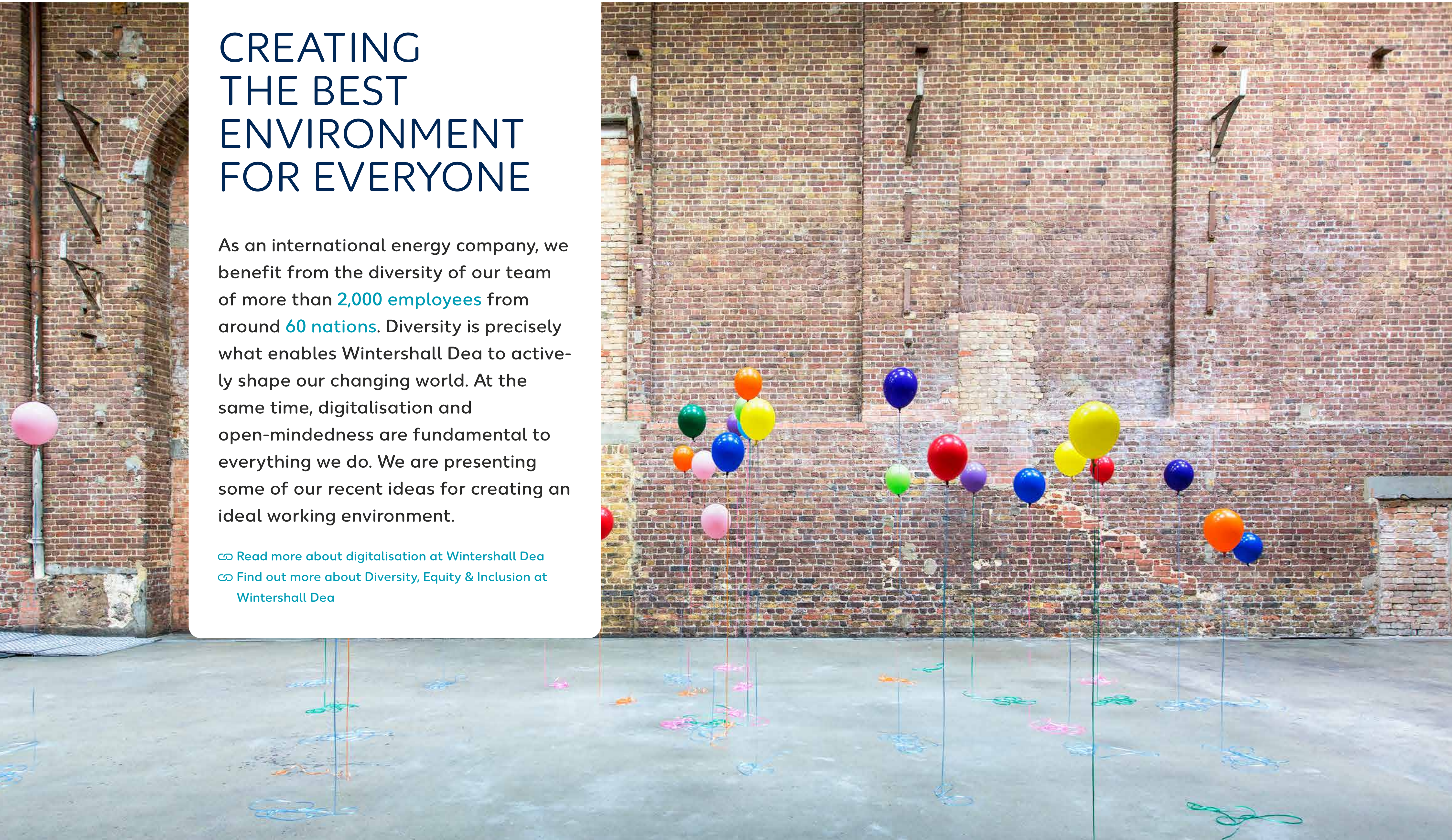
Wilhelmshaven is the ideal location for both projects: it features two landing points for Norwegian natural gas, a direct link to the planned German hydrogen network and, as a deep-water port, the capacity to accommodate large tankers. BlueHyNow involves creating facilities capable of generating huge volumes of low-CO_2 hydrogen from natural gas. Wintershall Dea intends to deliver 5.6 TWh of energy per year to industrial customers.

The CO_2 captured in producing the hydrogen will be gathered with CO_2nnectNow and transported to the North Sea, where it will be stored in reservoirs. This CCS infrastructure can be used to safely store the CO_2 from the hydrogen production process as well as unavoidable CO_2 emissions generated by energy-intensive industries. NOR-GE, a Norwegian-German collaboration between Equinor and Wintershall Dea, is the first major project in this area.

In cooperation with Wintershall Dea, this oversized 3D image was created at the international StreetART Festival in Wilhelmshaven by the Mexican artist Juan Andres Vera Leal.

> "Energy supply needs to remain sufficient and flexible to supply industry and consumers while reducing CO_2 emissions."

Margarethe Kleczar
Vice President Capacity Delivery for Carbon Management & Hydrogen



CREATING THE BEST ENVIRONMENT FOR EVERYONE

As an international energy company, we benefit from the diversity of our team of more than 2,000 employees from around 60 nations. Diversity is precisely what enables Wintershall Dea to actively shape our changing world. At the same time, digitalisation and open-mindedness are fundamental to everything we do. We are presenting some of our recent ideas for creating an ideal working environment.

Read more about digitalisation at Wintershall Dea
Find out more about Diversity, Equity & Inclusion at Wintershall Dea

DIGITALISATION

ENABLING THE FUTURE WITH DIGITAL TECHNOLOGY

The core element of our business – the exploration and production of natural gas and crude oil – may still be based on fossil fuels, but our solutions and mindset have always been cutting edge. This is now more relevant than ever. We are using digital technologies to achieve our goals of higher effectiveness, greater efficiency and fewer emissions.

Artificial intelligence, machine learning and big data analysis are the topics of the future. "For us, digitalisation is not just transforming our processes, but also about changing human behaviour – to make us more competitive and to unlock value along the entire value chain" says Kathrin Dufour, Senior Vice President Digitalisation & Technology.

Digitalisation should help business processes run more smoothly, more securely and with greater simplicity for employees, while also helping to achieve sustainability targets such as net zero for Scope 1 and Scope 2 greenhouse gas emissions across our upstream activities. To accomplish this, Wintershall Dea is pinpointing promising technologies and investing in them through its subsidiary, Wintershall Dea Technology Ventures. Thanks to these efforts, digitalisation made Wintershall Dea more effective in 2022 and more sustainable at the same time.

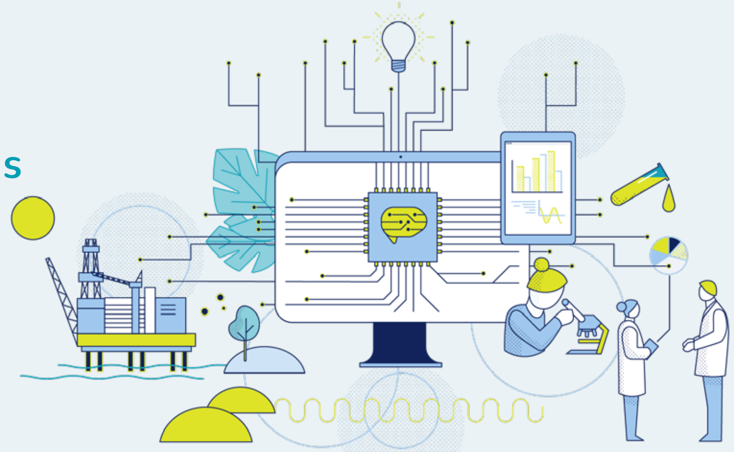
These digital technologies and systems are now in operation:

- **Wintershall Dea Data Hub:** Wintershall Dea has been using this cloud-based data integration platform for the energy sector since 2020. Based on open-source technology from the Open Subsurface Data Universe (OSDU), it collates, structures and contextualises all company data. In 2022, work began to add new AI-based tools to the data hub under the Terra Nova project.
- **Energy Management System (EMS):** The EMS provides a complete overview of all energy flows at production facilities. The systematic acquisition of numerous data points, including CO_2 emissions, enables the company to directly identify savings potential. The Mittelplate production facility was among the first ones to adopt the new system, which has now been rolled out as a central platform across all Wintershall Dea sites.
- **Online well monitoring:** The Ogarrio onshore oil field in Mexico is testing an internet of things (IoT) application that allows real-time monitoring of various wells located across the field from the headquarters in Vilahermosa. In the future, the solution will remove the need for complex manual operations.
- **Intelligent Well Alarming Tool (iWAT):** Wintershall Dea is currently developing an intelligent alarm system for its Norwegian production facilities to be able to notify production engineers directly of well leakages.

According to Kathrin Dufour, these and many other innovations aren't just benefiting Wintershall Dea here and now: "Digitalisation is crucial to our competitiveness in a sustainable future."

> "For us, digitalisation will ensure Wintershall Dea remains competitive and a resilient, future-proof company."

Kathrin Dufour
Senior Vice President
Digitalisation & Technology



Achieving sustainability goals will depend hugely on successful digitalisation at all levels of the company.

DIVERSITY, EQUITY & INCLUSION

EMBRACING DIVERSITY

Each year, Wintershall Dea sets itself clear targets to anchor the principles of Diversity, Equity & Inclusion even more strongly in the company. With this in mind, the company restructured the Diversity & Inclusion team in 2022 and added the term "Equity" to the name to reinforce its importance.

EQUAL-SALARY GLOBALLY CERTIFIED

Other activities included the successful completion of the company-wide equal pay project and associated certification, adapting personnel processes and organising internal and external training courses and awareness campaigns.

Wintershall Dea became a signatory to the Diversity Charter in 2019, making it part of a nationwide initiative to promote diversity among German employers.

In 2020, the company joined five other major employers in the North Hesse region by signing the works agreement "Partnership in the Workplace", which expressly condemns xenophobic language, intolerant behaviour and the use of corresponding symbols. The agreement was initially reached with the Works Council in Kassel and is set to be gradually expanded to cover other German sites. The internal awareness campaign "See Something. Say Something!", launched in 2021 to combat exclusion and bullying, pursues the same aims and was accompanied by numerous activities and initiatives in 2022.

A large number of other diversity-related projects are also ongoing, including a global, interdisciplinary and diverse group known as the Diversity Circle, which is busy working on making further changes.

diversity circle
#Diversity #Equity #Inclusion

THREE QUESTIONS FOR

Petra Angstmann
Senior Vice President Global Human Resources

Petra spoke to us about the repositioning of the Diversity, Equity & Inclusion function and introduced some current projects.

#1 Why and how is the Diversity & Inclusion function being restructured?

Diversity & Inclusion is so important to our company that we wanted to expand this function and increase its value. In my role as Senior Vice President, I will be making an even greater contribution to our strategy in this area. We have also put together an international team, the Diversity Circle, to help shape and support further change and the implementation of the Diversity, Equity & Inclusion Roadmap under my leadership.

#2 Why has the word "Equity" been added to the Diversity & Inclusion function at Wintershall Dea?

Equity is focused on outcomes. We at Wintershall Dea have always sought to support our employees to reach their goals regardless of the dimension of diversity they identify with or their intersectionality. It is also a topic that is featured more and more prominently in public debates, which is why Equity is now included in the title of our business strategy.

#3 Which projects are you proud of?

Several, for example, when we became the first energy company to be awarded the global EQUAL-SALARY certification for equal work, equal pay. I am also very proud of our anti-bullying campaign "See Something. Say Something!", which enhances the feeling of safety and respect in the workplace. In addition, we held our second annual Diversity & Inclusion week in May 2022, which included numerous activities and events to mark the World Day for Cultural Diversity.

EQUAL PAY

GLOBALLY CERTIFIED AS AN EQUAL-SALARY EMPLOYER

Equal work, equal pay: at Wintershall Dea, employees in the same position earn the same regardless of their gender. In June 2022, Wintershall Dea became the first energy company and the third company worldwide to receive the globally recognised EQUAL-SALARY certification. The certification was preceded by a year-long audit by PricewaterhouseCoopers (PwC).

"This certification proves that there is no gender pay gap at Wintershall Dea."

Doerte Stiller
Vice President Human Resources Development

Doerte Stiller, Vice President Human Resources Development, is extremely proud of the outcome: "This certification proves that there is no gender pay gap at Wintershall Dea. By promoting equal pay, our company supports social change towards equal sharing of gainful employment and care activities." For Wintershall Dea, this process does not end with global certification. In 2023 and 2024, PwC will continue to monitor the company to safeguard against possible gender pay gaps in the future.

EQUITY

GENDER BALANCE PICKING UP SPEED

"An increasing number of studies show that maintaining a gender balance and a diverse workforce and management structure offers companies multiple benefits, including better performance improves in terms of both, decision-making and innovation and a higher appeal of the employer are in the eyes of stakeholders. At Wintershall Dea, we are on the right course in what remains a male-dominated industry, but we still have some way to go.

Target share for women in management positions by 2025

Some 29% of management positions are held by women, and according to our most recent update 32% of the workforce is female. Our strategic goal is to achieve gender diversity, with women holding more than 30% of management positions by 2025. Our Wintershall Dea Women's Network, of which I myself am a member, was founded in 2019 and remains a linchpin of our DE&I Roadmap. Our network of 36 active members focuses attention on gender equity and inclusion, wich are further supported by the annual Global Connect Summit."

"We are on the right track."

Manal Aboujtila
Human Resources Business Unit Libya

LEARNING AND TRAINING

PROFESSIONAL DEVELOPMENT TRAINING

Lifelong learning and targeted professional advancement are two key attributes important to Wintershall Dea employees. This is why the company supports their ambitions in these areas in a variety of ways.

SPEAD is a graduate programme specifically designed for holders of technical or non-technical master's degrees and was first introduced more than 20 years ago. Over the 18- to 24-month course, graduates benefit from plenty of real-world experience in Germany and abroad, as well as from selected in-depth seminars – the ideal springboard for continuing their career at Wintershall Dea.

Because learning never stops, even at the top, Wintershall Dea runs a successful reverse mentoring initiative with, among others, CEO Mario Mehren. The initial sessions, in which the traditional mentoring roles were swapped, yielded refreshing insights for everyone involved.

The new global Tertiary Education Assistance Programme (TEAP) is like sending employees back to university to both continue their studies and accelerate their careers through further education. Such opportunities to continue learning are also of high importance to Wintershall Dea. The company offers staff the broadest possible range of

SPEAD is a graduate programme in which regular talk sessions are held throughout the year as done here in Kassel.

18 TO 24

months is the duration of the SPEAD programme for ambitious master's graduates

in-service qualifications in the form of master's, executive master's and MBA degrees. In Germany, TEAP is also available to graduates of co-operative education programmes.

The project management career path, which was launched in 2022, is another internal option for professional advancement at Wintershall Dea and complements the existing management and expert career paths. Project management skills backed by industry qualifications give Wintershall Dea a competitive edge in its business areas.

WORKING CONDITIONS

MORE COLLABORATIVE, MORE FLEXIBLE, MORE SUSTAINABLE

Whether it is to expand existing skills or embark on a career in a dynamic industry after university, Wintershall Dea is the right place.

Wintershall Dea has established working remotely as a standard globally, even after the COVID-19 pandemic. The Flex Forward hybrid working model is also part of our company culture, which is based on mutual trust and personal responsibility. The global concept is based on the fundamental idea that each team defines two core working days per week on which all team members come to the office. On the three flexible days, each team member is largely free to decide where they want to work – in the office, at home or somewhere else. Flex Forward is about offering all Wintershall Dea staff flexible work options.

Flex Forward is the company's hybrid working model.

OUR PORTFOLIO

Wintershall Dea's portfolio benefits from diversification of geographies and asset classes. Our activities span three regions and 11 countries[1], with our footprint extending from Northern Norway to the southernmost platform in the world in Argentina.

We conduct our business in the following segments:

- Northern Europe
- Latin America (LATAM)
- Middle East/North Africa (MENA)
- Midstream
- Headquarter and Other[2]

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

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

In January 2023, Wintershall Dea decided to fully exit Russia. The implementation of this decision will be done in compliance with all applicable legal obligations. Until this is completed, Wintershall Dea's participation in all Russian entities will be recognised solely as other financial assets, and will no longer be part of this portfolio overview. Further information is provided in Note 3 – Major divestments and deconsolidations.

Wintershall Dea remains active in the critical infrastructure for gas transport within Germany and Europe, held and operated in its Midstream business.

[1] Following the deconsolidation of all Russian subsidiaries and equity-accounted investments in the fourth quarter of 2022 and the decision to fully exit Russia in January 2023, going forward the Group will consist of five segments, excluding Russia

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

NORTHERN EUROPE

- In Northern Europe, Wintershall Dea has operations in Germany, Norway, the Netherlands, United Kingdom and Denmark
- Combined production in 2022 was 207 mboe/d
- 2P reserves base is 749 million boe

Germany

Overview

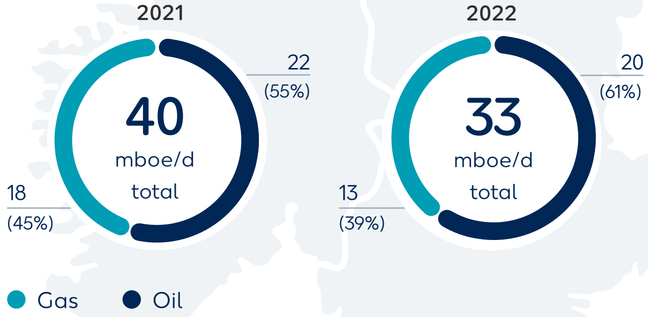
The oil and gas industry in Germany is mature, with production slowly declining over time for most assets. Our activities are focused on our core production sites in northern Germany: Mittelplate crude oil production in Schleswig-Holstein, as well as natural gas production in the Verden area and oil production in Emlichheim, both of which are in Lower Saxony. In line with our strategy in the country, we continued to optimise our operations. We are actively engaged in the energy transition and progressing our hydrogen prototype projects with partners to meet our climate targets.

In late 2021, we initiated a leak detection and repair (LDAR) programme to mitigate methane emissions in line with our announced target to reduce corporate methane emissions intensity below 0.1% by 2025. To effectively reduce methane emissions, accurate knowledge of emitted volumes and emission sources is crucial. This information can be gathered by using modern optical gas imaging (OGI) technology to visualise and quantify gas leaks. The LDAR campaign, which was launched in Germany as a pilot project, benefits from using OGI technology and detects even the smallest leaks and enables them to be sealed quickly. The programme is currently being rolled out worldwide.

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

Robert Frimpong
Business Unit Head Germany

PRODUCTION



2P reserves
146 mmboe

R/P
12 years

Production

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

In line with our net zero 2030 target[1], we switched the gas turbine-driven power supply of the Mittelplate drilling and production island to renewable power from shore in 2020, saving 36,000 tonnes of CO_2 per annum and making Mittelplate virtually a net zero[1] location. Mittelplate is also planned to be supplied by noiseless hybrid hydrogen-powered logistic vessels in one of the world's first zero-emission marine applications to be brought to the World Heritage site Wadden Sea. This will save 275,000 litres of diesel fuel, equal to 700 tonnes of CO_2, annually.

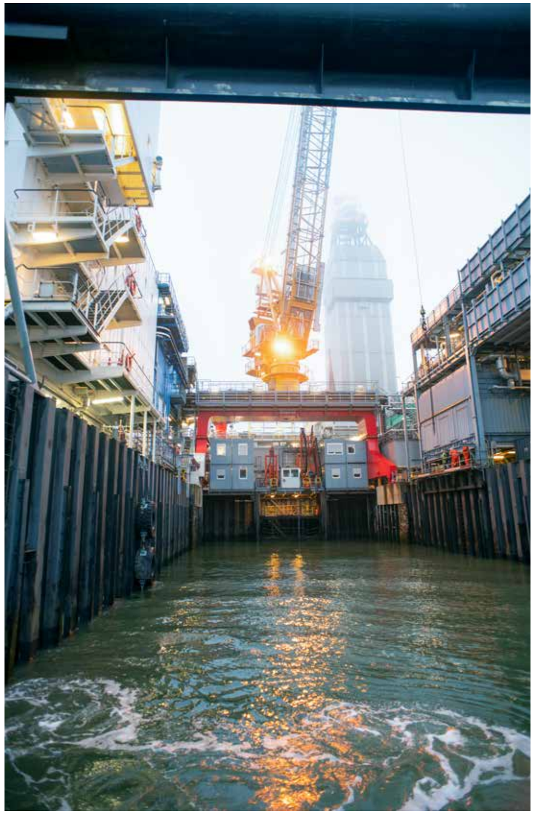
Operations in 2022 were dominated by further implementing efficiency measures and optimising infill development wells aimed at maintaining plateau production in the field. We continue to focus on the delivery of technically complex projects at Mittelplate. These not only enhance the ongoing development but provide us with critical know-how and competencies for follow-up projects all over the world and are highly valued by our international partners.

Völkersen (100% working interest)
In Völkersen, where production started in 1994, we operate the largest natural gas field in northern Germany, meeting about 11% of the overall German gas production. Operations in Völkersen continue to focus on optimising production and accelerating the recovery of remaining gas reserves in a mature but challenging environment. Maintaining production safely and efficiently commands intervention and maintenance work, both downhole and on surface. The facilities are subject to automation and digitalisation initiatives aimed at reducing manual intervention and improving operating efficiency

Emlichheim (90% working interest)
Located near the Dutch border, the operated Emlichheim field is one of the oldest oil fields in Germany. Wintershall Dea commenced crude oil production there more than 70 years ago. Since that time, systematically applied reservoir management, production optimisation and EOR capabilities have maintained plateau production.

In 2021, we enhanced the safe and reliable transport of the crude oil produced in Emlichheim by commissioning a 14.4-kilometre pipeline that connects the field's processing facility directly with the operating site, from where it is routed to the refinery. The pipeline replaced the previous rail loading operations, decreasing operational costs while improving environmental and safety performance. Further options to reduce CO_2 emissions are under evaluation.

View of Mittelplate Drilling and Production rig in the Wadden Sea off the coast of Schleswig-Holstein.



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

Norway

Overview

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

Our portfolio in Norway consists of a large number of assets in different life cycles, including our own-operated key development projects Dvalin and Dvalin North. During 2022, our own-operated Nova field and the Njord field commenced production.

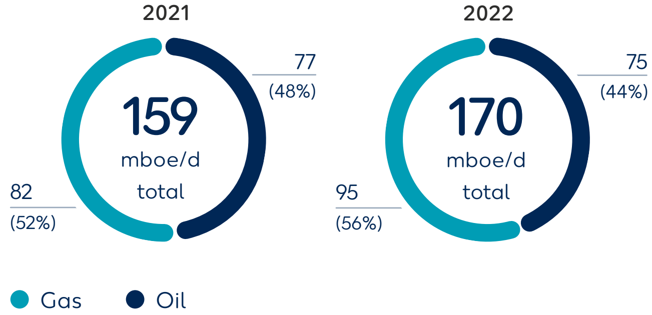
In 2022, we continued to streamline our portfolio and closed the sale of the entire interest in our own-operated Brage oil field (35.2%) and Ivar Aasen oil field (6.46%), in addition to a 6% equity farm-down in the Nova field.

In the fourth quarter of 2022, Wintershall Dea submitted eight new development projects to the Norwegian authorities, aiming to obtain approvals of the respective plans for development and operations in 2023. Amongst the projects are two own-operated developments, Maria Phase 2 and Dvalin North. To execute the projects of our Norwegian development and exploration portfolio, as well as any future wells from CCS projects, Wintershall Dea together with OMV secured rig capacity throughout the expected activity peak on the NCS from 2023 to 2027.

> "With a strong focus on production performance and bringing key projects Nova and Njord on stream, we contributed a secure energy supply to Europe and delivered record results."

Michael Zechner
Business Unit Head Norway

PRODUCTION



2P reserves
599 mmboe

R/P
10 years

In late September 2022, a common rig contract was awarded to Transocean for the use of the Transocean Norge rig – a modern harsh-environment semisubmersible rig with a best-in-class emission footprint.

The portfolio is continuously being further upgraded with smart technical solutions, including advanced subsea technology for development and production, and energy-saving solutions.

The year 2022 also marked a stepping stone in realising Wintershall Dea's ambitions in carbon management and hydrogen. We were awarded our first CO_2 storage licence in the Norwegian North Sea and entered into a partnership with Equinor to jointly develop a large-scale CCS project connecting European CO_2 emitters with storage sites in the Norwegian North Sea.

Operations

During 2022, we brought our two Norwegian key development projects, Nova and Njord, safely on stream, which deliver high-margin barrels. Furthermore, we progressed our own operated key development project Dvalin, which is nearing completion. Our producing assets showed high production efficiency during 2022, securing energy supply to Europe.

In terms of exploration activities, we participated in numerous successful near-field exploration wells, including several potentially commercial discoveries in our core areas.

Production

Vega (57% working interest)
Vega is an own-operated gas and condensate field located in the northern part of the North Sea, 28 kilometres west of the Gjøa facility. The production from six wells, which started in 2010, is transported to and processed at Gjøa. In order to increase production and recovery from the field, we commenced a three-well infill campaign in 2021 that was successfully finalised in the first half of 2022 and contributes valuable low-carbon barrels.

Maria (50% working interest)
Maria is an own-operated oil and gas field, which started production in 2017 from two subsea templates. The well stream is processed at the Kristin platform with injection water from Heidrun and gas lift from Åsgard B/Tyrihans. The initial production issues due to a lack of pressure support have been partly resolved, with a focused effort on production-improvement measures. This work continues with the Maria Phase 2 project, which was sanctioned for development in November 2022. The project is expected to contribute estimated recoverable gross reserves of 22 million barrels of oil equivalent (boe) through the installation of a new integrated template structure with three production wells and one water injector.

Nova (39% working interest)
Nova is our own-operated oil and gas field in the northern part of the North Sea, close to the Gjøa field. The project consists of two four-slot subsea templates tied back to the Gjøa host platform, wherefrom Nova is provided with power from shore. In late July 2022, Nova came on stream to help satisfy Europe's energy needs. In 2022, 6% of the initial 45% interest in the field was divested as part of the Brage transaction.

Njord (50% working interest)
The Njord Future project is a major re-development project that aims to add a further 20 years of production from the field. The field was shut in from 2016 to 2022 for extensive onshore upgrades and consists of Njord A, a floating integrated semisubmersible production and drilling platform, and Njord B, a floating oil storage vessel (FSU). Njord re-started production on 27 December 2022. Njord Future comprises 10 new wells, which are expected to be drilled in the period 2023 to 2026. Njord will be the host for three tie-in fields: Hyme, Bauge and Fenja, which are expected to start up soon. Wintershall Dea holds equity in both Hyme and Bauge. The partners of Njord and the third-party fields have sanctioned a project to provide power from shore to partly electrify the facilities starting in 2027. The respective plan for development was submitted to the authorities in December 2022. The operator expects to cut production emissions and reduce CO_2 emissions by about 130,000 tonnes per year.

Skarv (28% working interest)
The Skarv area comprises several gas and oil reservoirs, including the Skarv, Idun, Ærfugl and Gråsel deposits, located in the Norwegian Sea. Production started in December 2012 via a purpose-built floating production storage facility and offloading unit (FPSO). Since start-up, several additional fields have been tied-in to enhance production. In early 2022, the reservoir-specific gas blowdown was initiated, which increased gas production further as a response to Europe's need for gas. The Idun Tunge infill well was delivered according to schedule and budget. Further infill wells are being matured in the Skarv area.

In 2022, additional investment decisions were taken for two subsea tieback projects to the Skarv field, Idun North (40% working interest) and Alve North (20% working interest). Both projects have issued the plan for development and operation (PDO) to the Ministry of Petroleum and Energy for approval. In late 2022, Wintershall Dea closed a transaction with Aker BP to optimise and strengthen its licence position in several expected future tie-in fields in the Skarv area (e.g. PL127C – Alve North and PL941 – Newt).

Gjøa (28% working interest)
Gjøa is a gas and oil field located in the North Sea that began production in 2010. The Gjøa facility is mainly supplied with power from shore and therefore generates low emissions and has a small CO_2 footprint. Gjøa serves as a production hub for other fields as well, like our own-operated Vega and Nova fields. Operations in 2022 contained the tie-in of our own-operated Nova field, which started production in the summer of 2022. Additional future tie-in projects continued to mature during 2022, including the Hamlet discovery within the Gjøa licence.

Aasta Hansteen (24% working interest)
The Aasta Hansteen field has been producing gas from four subsea templates since December 2018. The templates are tied back to a floating platform with a vertical cylindrical hull moored to the seabed (known as a "spar platform"). The field has delivered strong production with high production efficiency. The nearby Irpa subsea tieback project (19% working interest) has selected Aasta Hansteen as host. The investment decision was made at the end of 2022, and the PDO was submitted to the Ministry of Petroleum and Energy for approval in November 2022. Irpa is expected to provide additional gross reserves of 125 million boe, prolonging the lifetime of the Aasta Hansteen platform from 2032 to 2039.

Edvard Grieg (15% working interest)
Edvard Grieg is an oil field located in the central North Sea which started production in 2015. The field is developed through a fixed steel jacket installation with a full processing facility and is the first low-carbon oil field certified by Intertek under the "CarbonClear" certification. The field has received electric power from shore since December 2022, further reducing emissions and making the field one of the lowest CO_2 emitters on the Norwegian shelf. After the successful start-up of the Solveig Field (Phase 1) in 2021, the tie-in of Phase 2, which includes segments D and A, has progressed further and received a positive investment decision at the end of 2022. The plan for development and operation (PDO) has been submitted to the Ministry for Petroleum and Energy for approval. Further infill wells are being matured in the Edvard Grieg area.

Snorre Unit (9% working interest)
The Snorre field was discovered in the northern part of the North Sea in 1979 and consists of Snorre A and B. In 2018, after decades of safe and reliable production, the field received consent to continue using the facilities until 2040. In the same year, the Snorre Expansion Project (SEP), comprising six additional subsea templates, was approved and came into production with the first wells in late 2020. During 2021, we continued the development activities successfully, and a total of 18 wells were brought into production. The remaining six wells came on stream in 2022. The SEP has been delivered below budget and one year ahead of schedule. Additionally, the Hywind Tampen offshore floating wind project started operations and began supplying electricity to the Gullfaks field in November 2022. Snorre is projected to start receiving power from the offshore wind turbines in Q2 2023. The contribution of power from offshore wind is expected to reduce Snorre's CO_2 emissions by about 120,000 tonnes per year.

Development

Dvalin (55% working interest)
Dvalin is an own-operated gas field in the central part of the Norwegian Sea, which consists of a subsea installation with one template and four producers. The gas will be processed at the Heidrun platform and exported to Nyhamna via the Polarled pipeline. Mercury removal units have been installed at the onshore processing plant Nyhamna to ensure that the gas from the field meets requirements from buyers in Europe. The field development is nearing completion.

Dvalin North (55% working interest)
Dvalin North is an own-operated gas field in the central part of the Norwegian Sea, located north of the Heidrun facility and 10 kilometres north of the Dvalin field. During 2021, significant gas volumes were discovered at Dvalin North and a development project was established in early 2022. In December 2022, the final investment decision was made and the field development plan was submitted to the Ministry of Petroleum and Energy. Dvalin North is expected to add estimated recoverable gross reserves of 84 million boe. The field consists of a subsea template with three gas producers, which will be tied-in via the Dvalin template to the Heidrun facilities to take advantage of existing infrastructure. First production is planned for late 2026. The utilisation of existing infrastructure in the region enables us to produce potential future volumes with low carbon intensity.

During the fourth quarter of 2022, Wintershall Dea submitted eight development projects to the Norwegian authorities, aiming to obtain approvals of the respective plans for development and operations in 2023, which will add expected recoverable net reserves of 110 million boe. The projects are described in more detail in the sections above and are listed below.

Wintershall Dea-operated:
- Dvalin North (via Dvalin)
- Maria Phase 2 (via Maria)

Partner-operated:
- Alve North (via Skarv)
- Idun North (via Skarv)
- Irpa (via Aasta Hansteen)
- Njord (power from shore)
- Solveig Phase 2 (via Edvard Grieg)
- Snøhvit Future (electrification and onshore compression)

Decommissioning activities

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

Exploration

We currently hold stakes in 38 exploration licences in Norway (excluding production and development assets), thereof 13 own-operated. A total of seven of these licences, including four as operator, were awarded in January 2022 by the Ministry for Petroleum and Energy as part of the 2021 Awards in Predefined Areas (APA). Furthermore, we participated in this year's APA 2022 round and were awarded eleven new licences in January 2023, thereof three as operator, which will be effective as at March 2023.

In 2022, we had another successful year of exploration in Norway. During the year, Wintershall Dea participated in a number of discoveries, with combined estimated gross volumes of 88 million to 286 million barrels of recoverable oil equivalents. In total, we drilled six successful exploration wells out of a total of ten completed wells. Potentially commercial discoveries include the Storjo (PL261) and Newt (PL941) discoveries in the Skarv area, as well as the Hamlet (PL153) and Ofelia (PL929) discoveries in the vicinity of the Gjøa field. In addition, Wintershall Dea holds shares in the Obelix Upflank (PL1128) gas discovery, located close to the Aasta Hansteen field, and in the Oswig East (PL1100) gas-condensate discovery, located near the Oseberg field. In 2023, we intend to drill four appraisal wells and one exploration well.

Carbon management and hydrogen

Wintershall Dea looks back at a very successful year on its Energy Transition Pathway in Norway. We were awarded our first CO_2 storage licence (Luna), which is located 120 kilometres west of Bergen. Wintershall Dea is the operator, with a 60% equity share, partnered by CapeOmega, holding the remaining 40% share.

Furthermore, Wintershall Dea entered into a collaboration project with Equinor to jointly develop a large-scale CCS project connecting European CO_2 emitters with storage sites in the Norwegian North Sea. The partnership plans to commission a pipeline with an annual CO_2 transport capacity of up to 40 million tonnes. It is expected to develop the project in a phased manner, whereby initial CO_2 transport by ship is envisaged in an early ramp-up phase. In the second phase, it is planned to transport the CO_2 by pipeline, which is expected to be operational by 2032.

Additional storage licence applications were matured and submitted in 2022.

The Netherlands, United Kingdom and Denmark

Overview

The majority of Wintershall Dea's legacy activities in the Netherlands, United Kingdom and Denmark are managed through its 50% stake in Wintershall Noordzee. New business activities in Denmark are being pursued by Wintershall Dea itself.

Wintershall Noordzee

In the Netherlands, Wintershall Noordzee has been operating safely and efficiently for more than 50 years. It has fully fledged operating and decommissioning capabilities and is highly advanced in low-cost, efficient offshore operations, complemented by its remote control centre in Den Helder.

In the United Kingdom, Wintershall Noordzee holds and operates several licences. Gas production is clustered around the established Wingate gas field, which was discovered in 2008. Future activities will concentrate on the efficient extension of this area.

In Denmark, Wintershall Noordzee holds interest in the Ravn field.

Denmark

Wintershall Dea is currently focusing on progressing its CCS activities in the Greensand project in Denmark. The project aims to validate the technical and commercial feasibility of CO_2 storage in the depleted Nini field in the Danish part of the North Sea in a cost-effective and environmentally safe manner. In December 2022, The Danish Energy Agency granted the Greensand project the injection and storage of up to 15,000 tonnes of CO_2 over a four-month period. This marks the first-ever permit for a CO_2 storage project in Denmark, where Wintershall Dea is a key player. First injection at Greensand is planned for Q1 2023.

LATIN AMERICA

- In Latin America, Wintershall Dea is active in Argentina and Mexico
- Combined production in 2022 was 67 mboe/d
- 2P reserves base is 304 million boe

Argentina

Overview

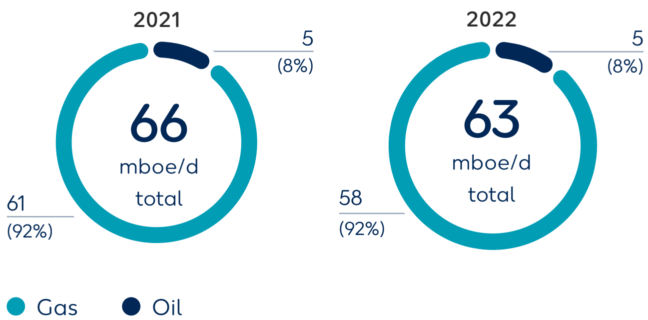
Wintershall Dea has been active in Argentina for more than 40 years and is one of the largest gas producers of the country, with non-operated acreage in the Neuquén, Austral and Malvinas basins. Today, our company has a stake in about 20 onshore and offshore fields.

In the southern part of the country, we work successfully with our partners TotalEnergies and Pan American Energy in the Cuenca Marina Austral 1 (CMA-1) concession, where we produce mainly gas from seven fields. The CMA-1 concession contributes approximately 16% of total domestic gas production in Argentina. In April 2022, the CMA-1 consortium obtained an extension of the CMA-1 concession until 2041. In September 2022, Wintershall Dea and its partners TotalEnergies and Pan American Energy agreed to develop Fénix, which is located offshore of Tierra del Fuego. The consortium's total investment amounts to approximately $700 million and represents an important pillar for the further development of gas production in the country, while supporting Argentina in its efforts to meet the growing demand for gas.

> "With the Fénix project and the continuous development of Aguada Pichana Este, we are advancing sustainable investments in lower carbon energy supply in and from Argentina."

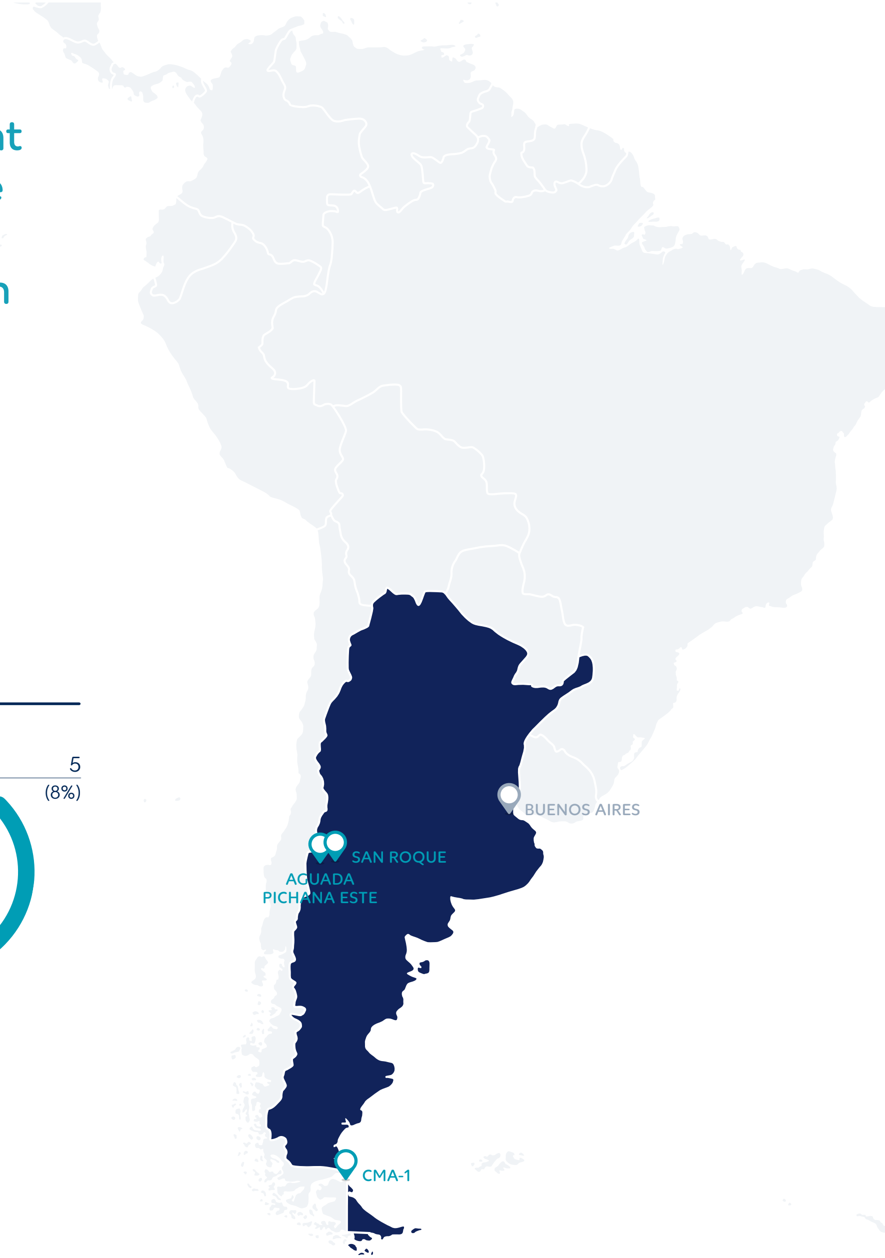
Manfred Boeckmann
Business Unit Head Argentina

PRODUCTION



2P reserves
284 mmboe

R/P
12 years



In the Neuquén province, Wintershall Dea has been active for more than 25 years, with current conventional production from the Aguada Pichana Este and San Roque blocks. Building on that expertise, the company participates with partners in Aguada Pichana Este in the highly prolific Vaca Muerta shale formation.

In January 2022, following a strategic portfolio review, Wintershall Dea reached an agreement with Vista Oil & Gas on the transfer of its entire interest in the unconventional Aguada Federal and Bandurria Norte shale oil blocks. The transaction was formally approved by Neuquén Province in September 2022 with a retroactive effect from 1 January 2022. The decision to divest is in line with the global corporate strategy to focus on carbon-efficient assets and activities.

Production

Cuenca Marina Austral (38% working interest)
CMA-1 began production in 1989 and consists of seven fields (Antares-Ara-Cañadón Alfa, Hidra, Ara South, Kaus, Carina, Aries and Vega-Pléyade) and five offshore platforms. Two onshore processing plants (Cañadón Alfa and Rio Cullen) receive and process production from the seven fields. All fields are located offshore, except Antares-Ara-Cañadón Alfa, which produces from both on- and offshore reservoirs. During 2022, the production from the CMA-1 concession was stable and performed as planned.

Following the final investment decision to further develop Fénix, the major natural gas project is expected to make a significant contribution to the energy supply over the next 15 years. First gas from Fénix is expected in 2025 and is planned to reach peak gross production of around 10 million cubic metres of gas per day. The contribution from Fénix is expected to extend the plateau production of the CMA-1 concession of which Fénix is a vital part. The project is tied in to the existing offshore and onshore infrastructure, making it particularly efficient and therefore value-adding, as it minimises environmental impacts.

Aguada Pichana Este
Aguada Pichana Este has consisted of two separate licences since 2017: the Residual licence, under which conventional gas has been produced since 1996, and the Vaca Muerta licence, for the production of dry gas from the shale reservoir. Future development is focused on the Vaca Muerta shale formation, which until now has 53 wells in production. An additional 11 wells will be brought on stream during the first half of 2023, and six more wells will be connected during the second half of the year.

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

Mexico

Overview

Mexico is one of the most attractive countries for hydrocarbons, offering significant exploration, development and production potential.

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

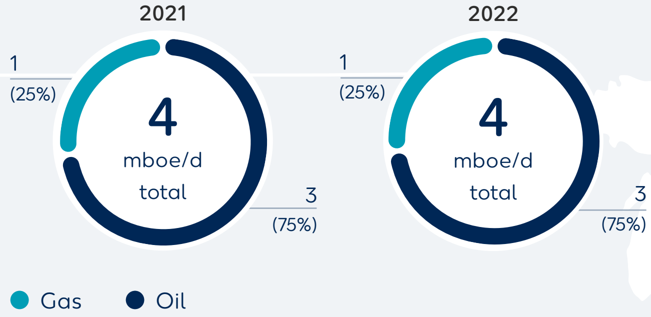
In addition, Wintershall Dea has material interests in 10 offshore exploration blocks[1] located in the Gulf of Mexico, where Wintershall Dea is the operator of three of these blocks.

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

"We are laying the foundation for a long-term engagement in Mexico by gaining momentum with our partners, stakeholders and local authorities."

Martin Jungbluth
Business Unit Head Mexico

PRODUCTION



2P reserves
20 mmboe

R/P
14 years

[1] Wintershall Dea and its partners are finalising the termination of contract CNH-R01-L01-A2/2015. Once this process is completed, Wintershall Dea will have an interest in nine offshore exploration blocks

In 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 Hokchi Block. With this acquisition, we are strengthening our commitment in Mexico and gaining a producing asset that fully meets our strategic requirements. The Hokchi Block is located in the Sureste Basin, near our Zama, Polok and Chinwol discoveries and our own-operated exploration Block 30, complementing our strong portfolio in an area very familiar to us. The transaction is subject to governmental approvals, including the approval of Mexico's National Hydrocarbons Agency (CNH) and antitrust agency (COFECE), and is expected to close in the first half of 2023.

Production

Ogarrio (50% working interest)
In 2022, the production from our onshore Ogarrio field was above the level expected. To fully exploit the field's advantages, a water injection test was initiated between October 2021 and April 2022 in the central south area using one injector, one producer and two observation wells. A strong pressure response was obtained, which is key for determining the reserves' potential. As a result, the Ogarrio waterflood project was started to achieve an overall improvement in recovery from the Ogarrio field. The project's current concept aims to maximise the use of existing wells. The design considers to inject the produced water from the Ogarrio and the neighbouring Guaricho fields, in combination with water from additional saline aquifers from the Filisola formation. The project team aims to further mature the project for internal approval within H1 2023.

Hokchi Block (37% working interest[2])
The acquisition of the Hokchi Block strengthens our ambitions and commitment to grow in the country. The transaction makes us the second-largest holder in the block, after the operator Hokchi Energy. The shallow-water block is developed as a subsea tie back to two offshore platforms, Satellite and Central, and was brought on stream in May 2020 following an appraisal campaign. The well stream is piped over a distance of 24 kilometres, from the two offshore platforms to an onshore processing facility where oil and gas are separated and treated for further sale to the Mexican state company Pemex. It currently produces around 26,000 barrels of oil equivalent per day, with a planned ramp-up to a gross production of 37,000 barrels of oil equivalent per day in 2023.

Development

Our offshore Zama field development in Block 7 of the Sureste Basin is progressing after completing unitisation in March 2022. Intensive technical work took place in 2022 to finally align the development concept between the unit operator Pemex and the other unit partners. In addition, the unit partners have decided to create an integrated project team consisting of experts from all companies to develop the project. Front-End Engineering Design (FEED) studies are expected to take place in 2023 before a final investment decision can be made. The Zama field holds gross contingent resources between 600 and 800 mmboe and is one of the largest discoveries in recent years.

Exploration

The exploration portfolio consists of three exploration blocks located in the Tampico-Misantla Basin and seven blocks in the Sureste Basin. Wintershall Dea is the operator for three of those licences, including shallow-water Block 30, which was one of the most contested blocks during Bid Round 3.1. Wintershall Dea commenced its first operated drilling campaign with two wells in Block 30 in October 2022. Furthermore, at the end of November 2022, Wintershall Dea, with partners Murphy (operator) and Petronas, drilled the Tulum well in Block 5. At the end of December 2022, a decision was made to plug and abandon the well, as no commercial hydrocarbons were encountered. The exploration portfolio is complemented by the recent promising Polok and Chinwol discoveries in Block 29. Following the successful appraisal of the Polok discovery in 2021, the partnership is working on Polok development options and maturing other potential opportunities in Block 29. In 2023, we intend to drill three exploration wells.

[2] The transaction is subject to governmental approvals, which are expected to be granted in the first half of 2023

MIDDLE EAST AND NORTH AFRICA

- In the MENA region, Wintershall Dea is active in Egypt, the United Arab Emirates, Algeria and Libya.
- Combined production in 2022 was 47 mboe/d
- 2P reserves base is 347 million boe

Egypt

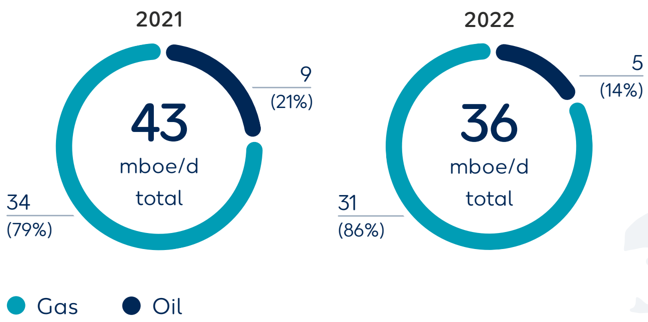
Overview

Egypt is the second-largest natural gas producer in Africa, making it well-positioned to serve as an energy hub for the area. Wintershall Dea has been active in Egypt for over 45 years. In 2022, the company returned its entire interest in the Gulf of Suez oil assets to the Egyptian authorities after 38 years of efficient and successful production operations. The company currently has stakes in concessions centred around the Nile Delta: West Nile Delta (offshore) and Disouq (onshore). Wintershall Dea is also the operator of East Damanhour, an exploration block adjacent to the Disouq field, and partner to BP for exploring the North-West Abu Qir block. Wintershall Dea is evaluating further growth opportunities in the country.

Production

Despite transferring its legacy asset, the Gulf of Suez concessions in the beginning of 2022, Wintershall Dea has nonetheless achieved great production figures in Egypt. The two producing natural gas assets, West Nile Delta and Disouq, have shown strong performance throughout the year. This further underlines Wintershall Dea's position as a key partner for Egypt's energy supply.

PRODUCTION



2P reserves
37 mmboe

R/P
3 years

> "We are focused on maximising the use of our existing infrastructure by continuing to develop nearby fields and promote future growth in Egypt through exploration and M&A."

Sameh Sabry
Business Unit Head Egypt

West Nile Delta (17% working interest)
West Nile Delta (WND), located offshore the coast of Alexandria, is one of the largest projects in the Mediterranean Sea and provides critical gas supply to the domestic market. It consists of five fields with 25 production wells connected to the onshore processing plant via three long-distance subsea tiebacks. Throughout 2022, production of the Raven field alone reached levels close to the plateau production of 820 million cubic feet and approximately 30,000 barrels of condensate per day (gross production). Further field development planning is ongoing and includes the drilling of two infill wells with a tieback to existing infrastructure.

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

The North West Sidi Ghazi (NWSG) development project is under execution near the current production area. First production from well NWSG6-1 was achieved in November 2022. The project's focus is to expand the capacity of Wintershall Dea's Central Treatment Plant (CTP) to cater for extra volumes of condensate, planned to be completed by Q4 2023. The NWSG rich-gas development would help enhance production from the Disouq field and continue to maximise utilisation of gas ullage in CTP.

Exploration

East Damanhour (40% working interest)
Current exploration activities in Egypt focus on value-driven, near-field exploration potential within the Nile Delta concessions with partners Cheiron and INA. The exploration drilling campaign commenced in November 2021. A second well was drilled successfully in November 2022 and discovered natural gas less than three kilometres away from the nearest infrastructure leading to the Disouq CTP. The location allows for accelerated development and production once all relevant contractual arrangements with EGAS are in place.

North West Abu Qir (17% working interest)
In November 2022, Wintershall Dea and operator BP were awarded the North West Abu Qir Offshore block, located north of the Raven field with the concession expected to be issued in Q2 2023. The concession covers an area of more than 1,000 square kilometres with water depths ranging between 600 metres and 1,600 metres. The area is granted for a maximum 8-year exploration period under a production-sharing regime in which Wintershall Dea has the same working interest as in the adjacent WND concession. Potential future production from the area is planned to be tied back to the facilities of the Raven field to benefit from existing infrastructure. This is one clear example of Wintershall Dea's intention to grow and enhance its portfolio in Egypt.

Future growth

Wintershall Dea is actively evaluating further organic and inorganic growth opportunities in Egypt. These include opportunities related to producing assets and exploration near existing infrastructure to capitalise on its strategic relationships and partnerships in the country.

Carbon management and hydrogen

Wintershall Dea is working on reducing GHG emissions at its Disouq production site. In 2022, Wintershall Dea funded several initiatives to reduce emissions through detecting and repairing leaks (LDAR), eliminating methane venting and eradicating non-routine flaring. Reducing emissions was the subject of a letter of intent signed with EGAS.

In the wider context of the energy transition, Wintershall Dea also signed a memorandum of understanding (MoU) with EGAS earlier in the year to establish a framework for collaboration between Wintershall Dea and the Egyptian government for cleaner energy production, particularly carbon capture and hydrocarbon-based hydrogen production.

United Arab Emirates

Overview

As one of the world's largest holders of oil and gas reserves, the United Arab Emirates (UAE) is a globally important centre for energy supply and a focus area for Wintershall Dea. Our activities in the UAE began in 2010 when we opened a branch office and established a joint venture with the national oil company ADNOC and international partner OMV.

In November 2018, we acceded the Ghasha concession with a 10% interest. In addition to ADNOC (55%) and Wintershall Dea, the partners in this mega-project are ENI, OMV and LUKOIL.

Development

The Ghasha concession is located in the Arabian Gulf, offshore Abu Dhabi. The concession comprises multiple projects at different stages of maturity aiming to develop nine hydrocarbon fields with gas, gas-condensate and oil reservoirs. The fields in the concession are expected to produce around 1.5 billion cubic feet of natural gas and 120,000 barrels of liquids per day. The most prominent project in the concession is the Hail & Ghasha-East mega-project, the world's largest offshore sour gas development. The gas produced will be instrumental in providing energy to the UAE by around the middle of the decade.

In order to significantly reduce the environmental impact in line with our net zero 2030 target[1] the projects in the Ghasha concession will be subject to CO_2 capture. Additionally, sour gas processing will be optimised to generate hydrogen to further reduce fuel gas consumption. CO_2-neutral electricity will be also imported to operate our offshore and onshore facilities.

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

Hail & Ghasha-East

The largest project within the Ghasha concession is the Hail & Ghasha-East development, where a total of 10 artificial islands are being built. These islands will accommodate nine drill centres and an offshore processing plant. An onshore facility will be built for the processing of the ultra-sour gas and liquids. Wintershall Dea is directly collaborating with the operator to optimise processes and minimise emissions and costs. The construction of those islands and early civil works onshore are ongoing, with more than 80% completed. A revised Front-End Engineering Design (FEED) study is nearing completion, incorporating multiple optimisation measures to increase the project's efficiency.

Dalma

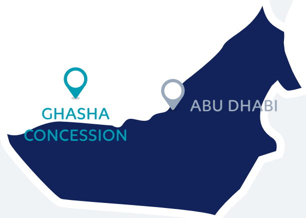
The Dalma gas development project is the most mature project in the Ghasha concession. It is currently in the execution stage and encompasses the development of three gas fields from four well head towers. Energy, procurement and construction (EPC) execution is progressing and drilling is almost completed.

Satah al Razboot

On the SARB gas field, targeting the deeper Khuff reservoirs, first appraisal wells have been drilled, and a pre-FEED study was started. The jacket for the first well head tower was installed in April 2021, and an additional appraisal well was completed in September 2022.

"We are actively contributing to the biggest sour gas development project in the region through our tailor-made technology solutions."

Helge Beuthan
Business Unit Head UAE



Algeria

Overview

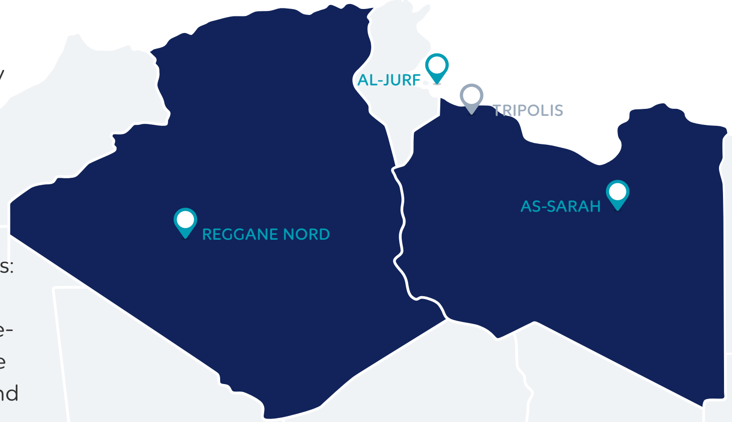
Algeria is the leading natural gas producer in Africa and a major gas exporter to Europe. The OPEC member is also one of the top three oil producers in Africa. Wintershall Dea has been active in Algeria since 2002 and is currently producing from the Reggane Nord project.

Production

Reggane Nord (24% working interest[2])
The gas fields of the Reggane Nord project are located in south-western Algeria, one of the Earth's hottest regions: the Reggane Basin in the Sahara. It is located 1,500 kilometres from the capital, Algiers, and Algeria's Mediterranean coast. The project is operated by Groupement Reggane Nord (GRN), representing its partners Sonatrach, Repsol and Wintershall Dea.

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

In May 2022, Wintershall Dea entered into a sale and purchase agreement to acquire Edison's 11.25% participating interest in the concession. Based on the Reggane joint operating agreement, our partner Repsol exercised its pre-emption rights to acquire a 6.75% interest from Edison. As a result, Wintershall Dea is expecting to acquire the remaining 4.5% interest in the Production Sharing Agreement.[2]



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

Thomas Ruttmann
Business Unit Head Algeria/Libya

[2] Subject to the customary authority approvals

Libya

Overview

Oil reserves in Libya are the largest in Africa and among the 10 largest globally. Since 2011, however, activities in the country have been affected by an unclear and difficult political situation. Since the October 2020 ceasefire, the security situation has allowed some operations to resume. Nonetheless, the situation remains critical and unpredictable, and Wintershall Dea is closely monitoring the situation.

Wintershall Dea has been involved in the exploration and production of crude oil in Libya since 1958.

Production and Exploration

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

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

In 2022, offshore production was stable while onshore production was interrupted for several months due to protests in the field and the force majeure declared on the Ras Lanuf and Zueitina export terminals.

MIDSTREAM

Overview

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

Our independently operating subsidiaries transport gas within the European consumer market in the most efficient, low-cost and low-emissions way possible. The state-of-the-art onshore networks have been built to allow for reverse flows from the West to the East. The geographic location in the middle of Europe, the numerous connections to neighbouring countries and storage facilities, and the integration of the onshore systems into the European pipeline network made it possible to respond to recent changes on the energy market and quickly compensate for much less gas coming from the East. Already in 2022, the transmission systems of our German subsidiaries played a dominant role in distributing re-gasified liquified natural gas from the northern coast of Germany across the country and further into Europe.

Our strong presence in the gas midstream business provides us with price- and volume-independent earnings, complementing the inherently more cyclical upstream business. This business can also make a meaningful contribution to fulfilling European climate goals through the future transport of hydrogen and contributing to carbon management.

We have been working together with other energy companies to create and expand European on- and offshore transport systems for the last three decades and are in a position to help shaping the future energy infrastructure. For instance, we support the German-Norwegian energy cooperation not only in the context of carbon management and hydrogen production, but also regarding the transport of H_2 and CO_2 over long distances.

Onshore Germany

Our gas transport activities started in Germany in the early 1990s. Today, they are combined within the WIGA Transport Beteiligungs-GmbH & Co. KG (WIGA), a joint venture of Wintershall Dea and SEFE Securing Energy for Europe GmbH (SEFE), with equity interests of 50.02% and 49.98%, respectively.

With effect from 14 November 2022, the German Federal Government acquired all of the shares in SEFE becoming the sole owner of the group of companies, which had already been under the trusteeship of the German Federal Network Agency (BNetzA) since 4 April 2022.

WIGA's operationally independent subsidiaries operate high-pressure pipeline networks, as part of the critical German infrastructure, including GASCADE's transport network, as well as OPAL and NEL.

WIGA Group Transportation Network

GASCADE Gastransport GmbH (GASACDE) operates a fully regulated gas pipeline network throughout Germany. The network company offers its customers cutting-edge, competitive transport services over its own long-distance high-pressure pipeline network of approximately 3,250 kilometres in length in the heart of Europe. The transportation network serves not only as a backbone for Germany's energy supply, but also as a link connecting several European countries. In 2022, GASCADE, together with its partners NEL Gastransport and OPAL Gastransport, successfully provided a pipeline link connecting the floating storage regasification unit (FSRU) of the "Deutsche Ostsee" LNG project to the German gas network. GASCADE also actively engages in developing hydrogen transportation projects with its partners.

NEL and OPAL

OPAL Gastransport GmbH & Co. KG operates one of the two connecting pipelines for Nord Stream. This partially regulated Baltic Sea Pipeline Link (OPAL) runs from Greifswald in the German state of Mecklenburg-Western Pomerania to the German-Czech border. The second, fully regulated connecting pipeline, the North European Natural Gas Pipeline (NEL), is operated by NEL Gastransport GmbH and runs from Greifswald westwards to the German State of Lower Saxony.

Offshore

Nord Stream (15.5% share ownership) is an offshore pipeline system with a capacity of approximately 55 billion cubic metres p.a., which connects Russia and Germany via two 1,224-kilometres long subsea pipelines through the Baltic Sea. Since its commissioning in September 2011, Nord Stream has transported over 450 billion cubic metres of natural gas, thereof approx. 30 billion cubic metres in 2022.

On 26 September 2022, Nord Stream AG registered a significant pressure drop caused by a gas leak in both lines of the pipeline. According to media information, investigations have confirmed the suspicion of deliberate sabotage. As minority shareholder of Nord Stream AG, Wintershall Dea supports Nord Stream AG`s activities as a prudent operator to initially stabilise the pipeline system to avoid risks to the ships/fishing boats/environment. Due to the geopolitical situation it is not possible to predict the time frame and costs for the stabilisation and restoration of the gas transmission infrastructure and consequently Wintershall Dea has fully written down its investment.

Wintershall Dea participated in Nord Stream 2 as a financial investor. The commissioning of Nord Stream 2 is now unlikely following the halt of the regulatory certification process in Germany and imposition of US sanctions on Nord Stream 2 AG and some of its managers. On 2 March 2022, Wintershall Dea impaired the value of its Nord Stream 2 AG financing, which totalled around €1 billion.

"A secure and resilient supply of energy needs the infrastructure to support it."

Thilo Wieland
Member of the Board, Region Russia, Latin America and Midstream

KEY E&P ASSETS OVERVIEW AS OF 31 DECEMBER 2022

Country	Asset	Wintershall Dea Share	Life cycle	Start of production	Operator	Partners
Algeria	Reggane Nord	24%[1]	Production	2017	Groupement Reggane Nord	Sonatrach (40%), Repsol (36%)
Argentina	Aguada Pichana Este Residual	27.27%	Production	1996	TotalEnergies	TotalEnergies (27.27%), YPF (27.27%), Pan American Energy (18.19%)
	Aguada Pichana Este Vaca Muerta	22.50%	Production	2018	TotalEnergies	TotalEnergies (41%), YPF (22.50%), Pan American Energy (14%)
	CMA-1	37.50%	Production	1989	TotalEnergies	TotalEnergies (37.50%), Pan American Energy (25%)
	Fénix	37.50%	Development	-	TotalEnergies	TotalEnergies (37.50%), Pan American Energy (25%)
Egypt	Disouq	100%	Production	2013	DISOUCO	JV between Wintershall Dea (50%), EGAS (50%)
	West Nile Delta	17.25%	Production	2017	BP	BP (82.75%)
	East Damanhour	40%	Exploration	-	Wintershall Dea	Cheiron (40%), INA Industrija Nafte (20%)
Germany	Emlichheim	90%	Production	1944	Wintershall Dea	MEEG (10%)
	Mittelplate	100%	Production	1987	Wintershall Dea	-
	Völkersen	100%	Production	1994	Wintershall Dea	-
Libya	Contract areas 15, 16, 32 (Al-Jurf)	12.50%	Production	2003	Mabruk Oil Operations	NOC (50%), TotalEnergies (37.50%)
Mexico	Hokchi Block[2]	37%	Production	2020	Hokchi Energy	Hokchi Energy (59,4%), AEI Hidrocarburos (3.6%)
	Ogarrio	50%	Production	1957	Wintershall Dea	PEMEX (50%)
	Zama	19.83%	Development	-	PEMEX	PEMEX (50.43%), Talos Energy (17.35%), Harbour Energy (12.39%)
	Block 29 (Polok, Chinwol)	25%	Exploration	-	Repsol	Repsol (30%), PC Carigali/Petronas (28.33%), PTTEP Mexico (16.67%)

[1] Includes 4.5% share acquired from Edison; closure of the transaction expected in Q1 2023
[2] Acquisition of a 37% non-operated share from Hokchi Energy as announced on 24 October 2022; pending authorities final approvals

Country	Asset	Wintershall Dea Share	Life cycle	Start of production	Operator	Partners
Norway	Aasta Hansteen	24%	Production	2018	Equinor	Equinor (51%), OMV (15%), ConocoPhillips (10%)
	Ærfugl Nord	25%	Production	2021	Aker BP	Aker BP (30%), Equinor (30%), PGNiG (15%)
	Edvard Grieg	15%	Production	2015	Aker BP	Aker BP (65%), OMV (20%)
	Gjøa	28%	Production	2010	Neptune Energy	Neptune Energy (30%), Petoro (30%), OKEA (12%)
	Maria	50%	Production	2017	Wintershall Dea	Petoro (30%), Sval Energi (20%)
	Njord	50%	Production	1997 / 2022	Equinor	Equinor (27.50%), Neptune Energy (22.50%)
	Nova	39%	Production	2022	Wintershall Dea	Sval Energi (45%), Pandion Energy (10%), OKEA (6%)
	Skarv	28.08%	Production	2012	Aker BP	Equinor (36.16%), Aker BP (23.84%), PGNiG (11.92%)
	Snorre	8.57%	Production	1992	Equinor	Equinor (33.28%), Petoro (30%), Vår Energi (18.55%), Idemitsu (9.60%)
	Vega	56.70%	Production	2010	Wintershall Dea	Petoro (31.20%), Spirit Energy (5.50%), Idemitsu (3.30%), Neptune Energy (3.30%)
	Bauge	27.50%	Development	-	Equinor	Equinor (42.50%), Vår Energi (17.5%), Neptune Energy (12.50%)
	Dvalin	55%	Development	-	Wintershall Dea	Petoro (35%), Sval Energi (10%)
	Dvalin North	55%	Development	-	Wintershall Dea	Petoro (35%), Sval Energi (10%)
	Hyme	27.50%	Development	-	Equinor	Equinor (42.50%), Vår Energi (17.50%), Neptune Energy (12.50%)
UAE	Ghasha	10%	Development	-	ADNOC	ADNOC (55%), Eni (25%), OMV (5%), Lukoil (5%)

DISCOVERIES 2022

Country	Block/Licence	Prospect	Operator	Wintershall Dea share	Expected gross volumes
Egypt	East Damanhour	ND Messinian	Wintershall Dea	40%	3-6 mmboe
Norway	PL153	Hamlet	Neptune Energy	28%	14-21 mmboe
Norway	PL261	Storjo	Aker BP	30%	25-80 mmboe
Norway	PL929	Ofelia	Neptune Energy	20%	16-39 mmboe
Norway	PL941	Newt	Aker BP	10%	10-35 mmboe
Norway	PL1100	Oswig East	OMV	20%	10-42 mmboe
Norway	PL1128	Obelix Upflank	Equinor	10%	13-69 mmboe

B

GOVERNANCE AND ESG

CORPORATE GOVERNANCE

STRONG GOVERNANCE STRUCTURE

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

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

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

SHAREHOLDER OVERVIEW

BASF held 67% of the ordinary shares of Wintershall Dea and LetterOne held 33% until 30 April 2022. As a consideration for the value of the midstream business of Wintershall Dea, BASF also received preference shares, resulting in an overall participation of BASF in the entire share capital of Wintershall Dea of 72.7% and an overall participation of LetterOne of 27.3%. The preference shares were converted into ordinary shares pursuant to the Articles of Association of the company on 1 May 2022 as a consequence of which the aforementioned participation quotas are now solely based on ordinary shares.

BASF
We create chemistry

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

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

More than 110,000 employees in the BASF Group work in nearly all sectors and almost every country in the world.

LETTERONE

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

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

LetterOne's investments are focused on the energy, telecoms and technology industries, as well as on health and retail sectors within different business units.

GENERAL MEETING

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

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

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

SUPERVISORY BOARD

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

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

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

Name	Position
Dr Hans-Ulrich Engel	Chairman; Deputy Executive Chairman of BASF SE
Dmitry Avdeev	First Deputy Chairman; Senior Partner, L1 Energy
Michael Winkler	Second Deputy Chairman; Trade Union Secretary of IG BCE
Saori Dubourg	Member of the Board of Executive Directors of BASF SE
Dr Dirk Elvermann	President Corporate Finance, BASF SE
Michael Heinz	Member of the Board of Executive Directors of BASF SE
Timothy Summers	Managing Partner, L1 New Energy (member of the Supervisory Board since 10 May 2022)
Matti Lievonen	Board Professional
Scott Nyquist	Management Consultant
Birgit Böl	Chairwoman of the General Works Council of Wintershall Dea AG
Günther Prien	Chairman of the Central Works Council Hamburg and member of the General Works Council of Wintershall Dea AG
Heiko Rehder	Head of Production District Mittelplate, Deputy Chairman of the Central Works Council Hamburg of Wintershall Dea Deutschland GmbH
German Khan	Entrepreneur (member of the Supervisory Board until 15 March 2022)

MANAGEMENT BOARD

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

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

Mario Mehren

Chief Executive Officer

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

Dawn Summers

Chief Operating Officer

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

Thilo Wieland

Member of the Board, Region Russia, Latin America and Midstream

Thilo Wieland is responsible for Russia, Latin America and Midstream. After studying industrial engineering at the Technical University of Berlin, he joined Wintershall Erdgas Handelshaus in Berlin in 1999. He then held various posts at the Wintershall Group, including the role as head of Strategy & M&A and, among other responsibilities, was in charge of Nord Stream and other gas transport projects. From 2015, he served as a member of Wintershall Holding's Board of Executive Directors.

Hugo Dijkgraaf

Chief Technology Officer

Hugo Dijkgraaf is responsible for Carbon Management & Hydrogen, Digitalisation & Technology, Integrated Reservoir Management, Global Exploration, Global Development and Engineering, Global Production and Operational Excellence, and Major Capital Projects. Since 2019 he has been developing and implementing the operational GHG emission reduction programme as well as the company's CCS and gas-based hydrogen projects. He has a master's degree in petroleum engineering from Delft University of Technology, and he joined Wintershall in 2000. He held various technical, operational and management roles in five countries. In 2017, he took charge of the Norwegian activities as Managing Director.

Paul Smith

Chief Financial Officer

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

SUSTAINABILITY AT WINTERSHALL DEA

OUR SUSTAINABILITY STRATEGY

Our industry and our company play a vital role in the energy transition towards a low-carbon economy. At the same time, the energy industry is under increasing scrutiny from multiple stakeholders regarding a wide range of environmental, social and governance topics. At Wintershall Dea, we work to meet the growing demand for energy in a responsible manner by providing innovative and sustainable solutions.

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

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

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

SUSTAINABILITY STRATEGY OVERVIEW

We explore and produce worldwide in an efficient and responsible way

Minimized corporate footprint

High transparency

ENVIRONMENT
CONTRIBUTE TO CLIMATE PROTECTION

SOCIAL
PROMOTE RESPONSIBLE COLLABORATION

GOVERNANCE
STRENGTHEN SUSTAINABILITY MANAGEMENT

We aim for:

Implementing Energy Transition Pathway:

- Net zero upstream activities[1] by 2030, and 25% net reduction by 2025[2]
- Methane intensity below 0.1% by 2025[3]
- Build up a business to potentially abate 20-30 million tonnes of CO_2 per annum by 2040

Fostering high standards in all activities:

- 0 fatalities
- > 30% of executive positions filled by women by 2025
- > 35% of executive positions filled by internationals by 2025

Boosting ESG[4] performance:

- ESG targets linked to executive remuneration
- Establish an external stakeholder advisory panel
- Strong ESG ratings

[1] Scope 1 and 2, operated and non-operated at equity (share) basis
[2] Based on 2020
[3] 100% volume of methane emissions of Wintershall Dea's operated assets divided by the volume of the own-operated gas marketed.
[4] Environment, Social & Governance

OUR COMMITMENTS

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

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

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

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

SUSTAINABILITY MANAGEMENT AND TRANSPARENCY

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

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

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

OUR ESG FOCUS AREAS IN 2022

Environmental and climate protection

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

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

In 2022, we rolled out further processes across the company to optimise and manage our emissions footprint. GHG emissions and reduction projects became important topics in the business planning cycle and an integral part of the balance scorecards for relevant units. In addition, we matured our multi-phased approach to manage and reduce emissions in our supply chain. We have also realised projects for emissions reduction and energy efficiency in our operations. In Norway, for example, we began power production from the first turbine at the floating wind farm Hywind Tampen in November 2022. Wintershall Dea is one of the partners in the project through its equity stake in Snorre. Owned by the Gullfaks and Snorre partners, the Hywind Tampen wind farm is expected to meet about 35 per cent of the electricity demand of both fields. This will reduce the fields' CO_2 emissions by about 200,000 tonnes per year. Furthermore, at the end of 2022 the Edvard Grieg platform in Norway was connected to power from shore generated mostly from renewable sources. The Edvard Grieg power from shore project will result in a significant reduction in CO_2 emissions from the Edvard Grieg area of approximately 3.6 million tonnes from 2022 to the end of field life. This in turn will bring down the area's CO_2 emissions to below 1 kilogramme per barrel, or about twenty times lower than the world average.

We made further progress with our CCS and hydrogen initiatives. In 2022, Wintershall Dea was awarded its first operator licence for the "Luna" CO_2 storage project in the Norwegian North Sea, which has an estimated CO_2 storage potential of up to 5 million tonnes per year. At the same time, Wintershall Dea announced a partnership with Equinor for the NOR-GE project, aiming to connect Germany and Norway via a CO_2 pipeline to enable the safe transportation of CO_2 from the German coast to the Norwegian North Sea. Moreover, Wintershall Dea and HES Wilhelmshaven Tank Terminal have signed an MoU to jointly develop CO_2nnectNow, a CO_2 hub at HES Wilhelmshaven Tank Terminal.

Wintershall Dea actively participates in the Oil and Gas Methane Partnership (OGMP) 2.0, and was again awarded the gold standard for methane emissions reporting in 2022.. Another building block in our methane emissions programme is our participation in the Oil and Gas Climate Initiative (OGCI) "Aiming for Zero Methane Emission Initiative", where signatories commit to developing tangible, ambitious measures to eliminate the industry's methane footprint by 2030. Since 2022, we have continually implemented comprehensive leak detection and repair (LDAR) programmes in our operated assets. Under LDAR, which targets the detection and reduction of fugitive emissions we also started to run measurements on other sources of methane emissions such as incomplete combustion and flare efficiency.

HEALTH AND SAFETY

Health and safety are our top priorities. In 2022, our global annual health campaign, "Fatigue – The Silent Threat", focused on sleep and avoiding fatigue. Fatigue is a core symptom of insomnia, the most prevalent sleep disorder. Fatigue and sleep disorders are among the most common causes of health issues and accidents at work. The campaign offered activities for positive change and better health maintenance, such as self-assessments, exercises and live streams from numerous keynote speakers to employees worldwide. We also continued the "Safety Leadership Learning Journey," a global and comprehensive 18-month leadership training programme that includes raising awareness and topic-specific sessions, as well as processes and systems to further enhance safety performance. In 2022, we also defined and developed leading KPIs to strengthen and improve our safety performance.

HUMAN RIGHTS

As a globally operating company, we understand that our business can have both positive and negative impacts on stakeholders and rights holders. We are committed to conducting business in a manner that respects human rights. Our human rights due diligence process is the basis we use to address impacts on human rights. In 2022, we continued to assess the reflection of human rights in our commitments and existing procedures and started a human rights project. We also used our Sustainability Expert Community meetings to raise awareness internally and provide training on human rights. To exchange externally, we participate in the IPIECA's Human Rights Working Group as well as in the Peer Learning Group on Business and Human Rights of the United Nations Global Compact Network Germany.

GOVERNANCE AND STAKEHOLDER ENGAGEMENT

We work to continuously integrate sustainability aspects and processes into our existing governance elements such as risk management, compliance and internal audit. Following our commitment to support the recommendations of the TCFD we continued in 2022 to implement clear processes and policies at the company to identify, assess, manage and report climate-related risks and opportunities. These efforts resulted in considerable progress towards implementing the TCFD recommendations and integrating climate-related risks and opportunities into the overall risk management processes framework.

In 2022, we established an external, independent Stakeholder Advisory Panel that provides an outside-in view on sustainability management at Wintershall Dea to the Management Board. The Panel consists of all Board members and four independent external advisors with profound expertise in climate protection, biodiversity, human rights, sustainable finance and reporting and governance. It offers new perspectives on critical issues, advises on strategy, highlights emerging risks and raises early awareness.

A RESPONSIBLE EMPLOYER

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

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

COMPANY CULTURE

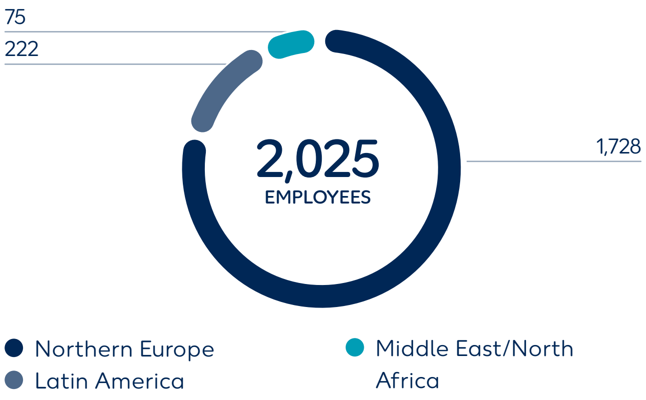
We attach great importance to a respectful and collaborative work environment. We believe that through our inclusive and diverse company culture, targeted and individualised support and facilitation of a good work-life balance, we offer our employees a positive long-term perspective.

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

EMPLOYMENT

We have a strong and established team of highly competent professionals in all relevant disciplines. Some of our employees in Germany, Norway and Argentina are organised in unions. Wintershall Dea is confident of its good relationship overall with its employees and the unions involved. The number of employees (full-time equivalents) at Wintershall Dea, including all fully consolidated companies, decreased by 460, from 2,485 as of 31 December 2021 to 2,025 as of 31 December 2022. The total number of employees includes 34 trainees and 45 apprentices. The main reasons for the decrease were restructuring, M&A activities and the deconsolidation of entities.

EMPLOYEES BY REGION 2022



COMPANY PENSION SCHEMES

Through our employer-funded company pension schemes, we make a contribution to our employees' retirement provision and support them in the event of invalidity or bereavement. Our company pension scheme provides for a personal pension to be paid to each employee of Wintershall Dea AG once a qualifying period has elapsed and is dependent on the years of service and the remuneration paid.

To supplement the employer-funded pension scheme, our employees also have the option of providing for their retirement themselves by means of remuneration conversion, thus further securing their standard of living after retirement. At Wintershall Dea, employees have the choice of investing parts of their gross remuneration in pension insurance funds, pension funds, direct life insurance or direct commitments. Our employees also benefit from pension plans at a number of our foreign companies.

WELCOME DIVERSITY[1]

Differences make us stronger

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

Diversity, Equity & Inclusion

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

Gender equality

Traditionally, the oil and gas industry has been a sector with a male-dominated workforce. The proportion of women employed at Wintershall Dea is about 32% (31 December 2022). Our share of women in executive positions (top 2 levels below the Management Board) is 29% (31 December 2022) and we are planning to continuously increase this to over 30% by 2025. One out of five Management Board positions is held by a woman.

Equal salary

Wintershall Dea conducted an extensive equal salary analysis in 2021 and 2022. The conclusion: there are no structural gender-specific differences in how employees are paid. The analysis was conducted by the independent auditor PricewaterhouseCoopers (PwC) in compliance with the requirements of the Geneva-based EQUAL-SALARY Foundation. Continuous improvement based on outcomes brings us even further. Wintershall Dea is the first energy company worldwide to receive the globally valid EQUAL-SALARY certification and the third company to be globally certified.

Internationality

Our industry tends to be highly international. Opportunities for working in international teams or projects are possible in many positions and indispensable for the advancement of our company. Even today, our workforce comprises people from around 60 different countries. We aim for this diversity in nationalities to also be reflected in our leadership. The proportion of executives of varied nationalities on our leadership team is 37% (31 December 2022) and our goal is to maintain a level above 35%.

"At Wintershall Dea, we don't just talk about Diversity, Equity & Inclusion but constantly evaluate where we stand and more importantly, where we can become better. Honest feedback makes our company diverse and inclusive."

Petra Angstmann
Senior Vice President
Global Human Resources

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

COMPLIANCE

COMPLIANCE MANAGEMENT

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

COMPLIANCE PROGRAMME

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

CODE OF CONDUCT

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

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

COMPLIANCE COMMITMENT

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

COMPLIANCE ORGANISATION

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

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

DEALING WITH VIOLATIONS

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

HUMAN RIGHTS

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

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

DATA AND INFORMATION SECURITY

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

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

SUPPLIER PARTNERSHIPS

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

C

GROUP MANAGEMENT REPORT

1. CORPORATE PROFILE

1.1 BUSINESS MODEL AND STRUCTURE

Wintershall Dea is a leading European independent gas and oil company. 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[1]
- Latin America
- Middle East/North Africa
- Midstream
- Headquarter and Other

Following the deconsolidation of all Russian subsidiaries and equity-accounted investments in the fourth quarter of 2022, going forward the Group will consist of five segments, excluding Russia (further information is provided in Note 3 – Major divestments and deconsolidations).

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

- **Northern Europe:** Germany, Norway, the Netherlands, United Kingdom and Denmark
- **Russia:** Russia
- **Latin America:** Argentina, Mexico and Brazil[2]
- **Middle East/North Africa:** Egypt, Libya, Algeria and United Arab Emirates

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

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

Digitalisation and Technology

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

1.2 MANAGEMENT SYSTEM

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

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

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

[1] All Russian subsidiaries and equity-accounted investments were deconsolidated in Q4 2022
[2] Following the decision to terminate all activities in Brazil, the Brazilian subsidiary was deconsolidated as of 1 June 2022

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

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

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

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

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

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

2. BUSINESS REPORT

2.1 INTRODUCTION

The reporting period for the Group management report comprises the period from 1 January 2022 through 31 December 2022; the comparison period comprises the period from 1 January 2021 through 31 December 2021.

All Russian entities were deconsolidated in the fourth quarter of 2022. As a result, in the consolidated statement of income and in the consolidated statement of cash flows, AO Gazprom YRGM Trading was fully consolidated from January through October 2022, whereas AO Achimgaz was proportionally consolidated from January through November 2022. Following the deconsolidation, the respective assets and liabilities of those entities were excluded from the consolidated balance sheet as at 31 December 2022. Further information is provided in Note 3 – Major divestments and deconsolidations.

For convenience purposes, chapter 2.6. includes additional voluntary information for Wintershall Dea Group that excludes the Russian business.

In addition, quarterly information on the consolidated statement of income, the consolidated statement of cash flows and selected performance indicators by segment are presented in chapter 2.6.

The voluntary information in chapter 2.6 is unaudited and for illustrative purposes only.

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

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

2.2 BUSINESS ENVIRONMENT

Economic development

According to the current estimates of the International Monetary Fund, global economic growth slowed from 6% in 2021 to 3% in 2022. The European Central Bank expects gross domestic product growth in the eurozone to have slowed from 5% in 2021 to 3% in 2022. The lingering effects of the COVID-19 pandemic and the economic consequences of the war in Ukraine are adding to the upward pressure on prices, and indicators in many economies are pointing to an extended period of subdued growth. Tighter monetary policy and easing supply bottlenecks should moderate inflation pressures next year, but ongoing geopolitical fragmentation, the war in Ukraine and the calibration of monetary policy are expected to continue to pose a high degree of uncertainty for economic growth and, consequently, for commodity prices, not only in Europe but globally.

Macro fundamentals

Gas prices

Average TTF prices increased from $15.69/mscf in 2021 to $36.97/mscf during the reporting period.

Russia's invasion of Ukraine came at a time of low gas storage inventories and exacerbated the tightening of gas supply that had existed since mid-2021, leading to sharply rising prices and higher volatility. TTF prices reached an all-time high of around $90/mscf in August 2022.

Average annual TTF gas prices more than doubled compared to 2021 as a result of uncertainty and competition for global LNG supply, leading to a significant reduction in demand and prompting a switch from gas to coal and oil. While Russian supply steadily declined, ample LNG deliveries, efficiency gains and increased production from Norway helped to ease Europe’s supply shortage and meet the mandated and incentivised strategic storage targets ahead of the winter season. Lower demand and mild weather at the start of the heating season eased the short-term situation somewhat, causing prices to fall back below $30/mscf in the fourth quarter.

However, the outbreak of the war in Ukraine in February 2022 triggered an immediate energy supply and security crisis, marking an irreversible turning point for the composition of Europe's gas supply. This represented not only a strategic shift but was also a matter of energy security, an aspect that has been highlighted even more since the damage and resulting loss of Nord Stream 1 as a transportation route. Europe has accommodated the loss of Russian gas supply this year largely by reducing demand, particularly in the industrial segment, and by increasing imports of LNG. Europe's intention to rapidly reduce its dependence on Russian energy supplies will likely result in an unprecedented level of gas price volatility and elevated prices.

$/mscf	2022	2021
Average TTF price for the period[1]	36.97	15.69

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

Oil prices

Average Brent crude oil prices increased from $70.9/bbl in 2021 to $101.2/bbl in the reporting period.

The impact of the Ukraine conflict on the oil market was no less far-reaching: the price of Brent crude oil almost doubled to $137/bbl in the initial weeks of the war. This was the highest level since 2008 and a clear sign of the extent of the global energy crisis. Unrelenting inflationary pressures, subsequent interest rate hikes and repeated COVID-19 shutdowns in China took their toll on the global economy and further weighed on market sentiment. As a technical adjustment to the changed market conditions, OPEC+ announced a drastic reduction in production volumes starting in November, which did not prevent prices from slipping to below $80/bbl in early December, indicating that the decision added headwinds to the global economy. The global oil market struggled to navigate the uncertainties of supply losses, dislocations and Russia sanctions on the one hand and deteriorating global economic conditions on the other hand.

Against a backdrop of lower industry investment over the past five years, the expectation is that oil prices could remain elevated for some time compared to the past few years, depending on the impact of sanctions on the Russian oil sector and the global economy's growth path.

$/bbl	2022	2021
Average Brent price for the period[1]	101.2	70.9

[1] Source: Platts

Foreign currencies

Closing rates €1 =	31 Dec 2022	31 Dec 2021
Argentinian peso (ARS)	189.15	116.49
Egyptian pound (EGP)	26.44	17.82
Mexican peso (MXN)	20.86	23.14
Norwegian krone (NOK)	10.51	9.99
Russian rouble (RUB)	78.43	85.30
US dollar (USD)	1.07	1.13

Average rates €1 =	2022	2021
Argentinian peso (ARS)	137.07	112.52
Egyptian pound (EGP)	20.17	18.57
Mexican peso (MXN)	21.19	23.98
Norwegian krone (NOK)	10.10	10.16
Russian rouble (RUB)	73.82	87.16
US dollar (USD)	1.05	1.18

Realised prices

	2022	2021
Average realised gas price[1] (in $/mscf)	**7.46**	**3.28**
Northern Europe	17.32	7.92
Russia[2]	3.82	1.27
Latin America	3.45	3.08
Middle East/North Africa[3]	4.32	3.57
Average realised oil price[1] (in $/bbl)	**60.4**	**45.0**
Northern Europe	76.7	58.3
Russia[2]	18.5	14.5
Latin America	66.7	56.1
Middle East/North Africa	93.2	68.2

[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 2022, our realised gas price increased by 128% from $3.28/mscf to $7.46/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 and hedges as well as the imposition of a price cap in one of our gas producing regions in Russia according to a decree (No. 1554) published in September. During 2022, gas hedges with a total volume of 315 mmscf/d were realised at an average of $5.73/mscf. Our realised oil price increased by 34% from $45.0/bbl to $60.4/bbl, 9 percentage points lower than the increase in Brent prices, mainly due to the existence of hedges with hedge prices below market prices and a number of formula price contracts. During 2022, crude oil hedges with a total volume of 21 mboe/d were realised at an average price of $58.2/bbl.

2.3 MAJOR BUSINESS ACTIVITIES IN THE REPORTING PERIOD

General

Since Russia started a war of aggression on Ukraine on 24 February 2022, Europe, Ukraine, the European-Russian cooperation and the global economy have had to face unprecedented severe consequences. From the very beginning, Wintershall Dea's Management Board, together with the General Works Councils and the Executive Representative Committee, have condemned the war and taken a clear position. In response to the Russian aggression, the EU, the US, and the UK, as well as many other countries, imposed harsh sanctions on the Russian economy, certain companies and individuals. On 17 January 2023, the company announced its intention to fully exit Russia in an orderly manner complying with all applicable laws and regulations.

In early March 2022, following the uncertainty caused by the war in Ukraine, Wintershall Dea AG postponed the Annual General Meeting to 25 April 2022. The Management Board and Supervisory Board decided to reduce the common dividend proposal to the statutory minimum and carry forward the remaining balance sheet profit. In Q4 2022, Wintershall Dea AG paid the 2021 common dividend to its shareholders BASF and LetterOne in the amount of €1 billion.

Against the backdrop of the sanctions against the Russian economy and counter-sanctions by the Russian Federation, Fitch and Moody's reassessed their credit ratings for Wintershall Dea in early March 2022 and early June 2022, respectively. Fitch decided to maintain Wintershall Dea's credit rating at BBB with a stable outlook, and Moody's confirmed the company's current Baa2 rating with a stable outlook. The confirmation of both ratings reflects Wintershall Dea's commitment to a conservative financial policy, strong balance sheet, and attractive and growing production and reserves portfolio outside Russia. In January 2023, following Wintershall Dea's announcement to exit Russia, both Moody's and Fitch reiterated their recent credit ratings of Wintershall Dea, as related circumstances had already been taken into account.

On 1 May 2022, the preference shares held by BASF converted into ordinary shares pursuant to the Articles of Association. As of that date, the common ownership of the company consists of BASF, with 72.7%, and LetterOne Energy, with 27.3%.

During the second quarter of 2022, Wintershall Dea repurchased €99.4 million of the aggregate principal amount of its 0.452% notes due in 2023 (ISIN: XS2054209320) through its fully owned subsidiary Wintershall Dea Finance B.V. (the "Issuer"). The redemption was executed between 12 May 2022 and 20 June 2022 pursuant to an open market repurchase programme. The 2023 Notes repurchased in this transaction have been cancelled by the Issuer. Following this repurchase, the aggregate outstanding amount of the 2023 Notes is €900.6 million.

In December 2022, Wintershall Dea launched its refined corporate strategy and intends to transform from the leading European independent gas and oil company into a leading independent gas and carbon management company. The company will pursue moderate growth of its international E&P business outside Russia and increase its resilience and returns through low-cost, low-emission operations and constant portfolio high-grading. In addition, it will continue to build on necessary capabilities to maintain its licence to operate and safeguard health, safety, environment and quality (HSEQ), while simultaneously establishing a complementary Carbon Management & Hydrogen business (CMH).

Following our Energy Transition Pathway towards a low-carbon economy and the announced target to reduce Scope 1 (direct) and Scope 2 (indirect) greenhouse gas emissions of our upstream activities to net zero[3] by 2030, we strive to support global decarbonisation efforts by building up a business to potentially abate 20 to 30 million tonnes of CO_2 per annum by 2040. The company intends to increase its investments in CMH in a phased manner, with near-term funding directed at maturing a wide range of early-stage carbon management opportunities.

Wintershall Dea reinforced the “Aiming for Zero Methane Emissions Initiative” to further reduce the methane emissions of the industry as quickly as possible. To achieve this, Wintershall Dea launched a global leak detection and repair (LDAR) campaign in Germany in 2021, which advanced on a global level during 2022. Wintershall Dea received the gold standard for methane reporting set by the Oil & Gas Methane Partnership 2.0 (OGMP 2.0) for the second year in a row. According to the OGMP 2.0, Wintershall Dea meets the highest standard for transparent and comprehensible reporting on methane emissions and as well has a solid and detailed plan to achieve the highest OGMP 2.0 reporting standard for all activities (own-operated projects by 2024, partner-operated projects by 2026).

In the summer of 2022, Wintershall Dea was awarded the global certification of the EQUAL-SALARY Foundation after an audit in accordance with the Foundation’s 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 the third company to be globally certified.

Northern Europe – Norway

Our producing assets in Norway performed well in 2022, showing high production volumes and efficiency. The produced volumes amounted to 170 mboe/d on average during the reporting period.

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

On 27 December 2022, the Njord field re-started production and is expected to contribute estimated recoverable gross reserves of 177 million boe, of which the majority is gas. Njord is currently ramping up production. Three tie-in fields will also commence production soon: Hyme, Bauge and Fenja. Wintershall Dea holds equity in Hyme and Bauge. A project to partly electrify Njord with power from shore via the Draugen field was sanctioned in December 2022, and the plan for development was submitted to the competent authorities on 15 December 2022. An annual reduction of CO_2 emissions by about 130,000 tonnes is expected from 2027.

[3] Operated and non-operated at equity (share) basis, with an intermediary target of a 25% net reduction by 2025 (compared to 2020 baseline year)

Our own-operated development project Dvalin is nearing completion.

In November 2022, the development of the Snorre expansion project was completed below budget and ahead of schedule, with the final 6 out of 24 wells drilled. The Hywind Tampen offshore floating wind power project started operations and began supplying electricity to the Gullfaks field in November 2022. Snorre is projected to start receiving power from the offshore wind turbines in Q2 2023. The contribution of power from offshore wind is expected to reduce the Snorre CO_2 emissions by about 120,000 tonnes per year.

After a fire in September 2020 and 18 months of extensive repairs and improvement work at the Hammerfest LNG plant, the Snøhvit field resumed production as scheduled in June 2022.

During the fourth quarter of 2022, Wintershall Dea submitted eight new plans for development and operation (PDO) to the Ministry of Petroleum and Energy for approval. These include two own-operated projects (Maria Phase 2 and Dvalin North) and six partner-operated projects. The projects are expected to add around 110 million boe in total to Wintershall Dea's reserves base. Dvalin North was the largest Norwegian discovery in 2021, comprising expected recoverable gross volumes of 84 million boe. It is planned to tie Dvalin North back to the Heidrun platform via our own-operated Dvalin field with an envisaged start-up in late 2026. The Dvalin North gas field utilises existing infrastructure in the region, ensuring future production volumes with low carbon intensity.

In order to execute the projects of our Norwegian development and exploration portfolio, as well as any future wells from carbon capture and storage (CCS) projects, Wintershall Dea, together with OMV, secured rig capacity throughout the expected activity peak on the NCS from 2023 to 2027. In late September 2022, a common rig contract was awarded to Transocean for the use of the Transocean Norge rig – a modern harsh-environment semisubmersible rig.

We continue to streamline our portfolio and closed the sale of our own-operated Brage oil field, the entire participating interest in the Ivar Aasen oil field as well as a 6% share in our Nova field. The transaction was approved by the Norwegian authorities in the fourth quarter of 2022, and operatorship of the Brage field was safely and successfully transferred to OKEA in November 2022.

During 2022, Wintershall Dea made a number of new hydrocarbon discoveries in Norway, with a total estimated gross volume of 88 million to 286 million barrels of recoverable oil equivalent.

In total, we drilled six successful exploration wells out of a total of ten completed wells in 2022. Potential commercial discoveries include the Storjo (PL261) and Newt (PL941) discoveries in the Skarv area, as well as the Hamlet (PL153) and Ofelia (PL929) discoveries in the vicinity of the Gjøa field. In addition, Wintershall Dea holds shares in the Obelix Upflank (PL1128) gas discovery located close to the Aasta Hansteen field and in the Oswig East (PL1100) gas-condensate discovery, located close to the Oseberg field.

The company continues to apply for new exploration acreage through participation in the annual Awards in Predefined Areas (APA) licensing rounds. In January 2022, Wintershall Dea was awarded seven new exploration licences in the APA 2021 round, four of which as operator. In January 2023, Wintershall Dea was awarded a further eleven new exploration licences (three as operator) following the APA 2022 licensing round.

Russia

In early March 2022, Wintershall Dea announced that it will no longer advance or implement any additional gas and oil production projects in Russia. This included ceasing all planning for new projects and basically ending all payments to Russia with immediate effect.

Due to the limitations imposed by several presidential decrees and further restrictions enacted by the Central Bank of Russia since March 2022, transactions in securities, including shares and participations, involving companies from "unfriendly" states require the prior approval of the Russian President. These restrictions are valid until 31 December 2023.

In the event of a decision on profit distribution, the profit must be paid to foreign creditors in accordance with Decree No. 95. Unless the Ministry of Finance has agreed to a direct transfer of dividends abroad, the payment must be made through a type "C" account. Such type "C" account only allows for a limited number of purposes and only within the Russian Federation.

In September 2022, the Russian Government published a decree (No. 1554) which states that from 5 September 2022, 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. At Wintershall Dea, this affected our subsidiary YRGM Trading.

In the fourth quarter of 2022, as a result of the changes in facts and circumstances, Wintershall Dea determined that the criteria for control, joint control and significant influence in our Russian entities were no longer met. Wintershall Dea's participation in all Russian entities for which the full or proportional consolidation and equity valuation ceased are recognised as other financial assets. Further information is provided in Note 3 – Major divestments and deconsolidations.

At the end of December 2022, after the deconsolidation had taken place, and following the issue of the Russian Presidential Decree No. 943, further specified by Decision No. 2554, the sales prices and/or service fees for all products produced by the assets of our Russian joint ventures were retroactively capped with an effective date of 1 March 2022.

On 17 January 2023, the company announced its intention to fully exit Russia in an orderly manner complying with all applicable laws and regulations.

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 63 mboe/d in the reporting period.

We conducted a strategic review of our portfolio in Argentina. Consequently, we divested our 50% interest, including operatorship in the unconventional Aguada Federal and Bandurria Norte shale oil blocks in the Neuquén province in 2022. With the sale, we are focusing our activities in Argentina on gas production. Here we have a strong position in the country, with projects in Tierra del Fuego and Neuquén, that contribute significantly to Argentina's energy supply.

In September 2022, Wintershall Dea and its partners TotalEnergies and Pan American Energy took the final investment decision (FID) to develop the Fénix 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 Fénix is projected for 2025 and is planned to reach a peak gross production of around 63 mboe/d. The contribution from Fénix is expected to extend the plateau production of the CMA-1 concession of which Fénix is a vital part. Wintershall Dea and TotalEnergies (operator) each hold a 37.5% share, while Pan American Energy holds the remaining 25%. Currently, four gas fields in CMA-1 (Cañadón Alfa, Aries, Carina and Vega Pléyade) already supply about 16% of Argentina's natural gas demand.

Latin America – Mexico

Our own-operated Ogarrio field produced on the same level as in 2021. The field benefited from several optimisation measures in order to minimise the natural decline.

The Zama offshore field development in Block 7 of the Sureste Basin is progressing. The Mexican Ministry of Energy (SENER) published a formal notification on the final Unitisation Resolution of the Zama discovery, which, amongst others, appointed Petróleos Mexicanos ("Pemex") as operator of the unit. The partners are currently finalising the development concept, with the Unit Development Plan due to be submitted to the authorities in the first half of 2023, followed by the Final Investment Decision (FID), which is expected to be taken in the medium term.

On 24 October 2022, Wintershall Dea announced the expansion of its presence in Mexico with the acquisition of a 37% non-operated participating interest in the producing Hokchi Block from Hokchi Energy, the Mexican subsidiary of Pan American Energy. The field currently produces around 26,000 barrels of oil equivalent per day, with a planned ramp-up to a gross production of 37,000 barrels of oil equivalent per day in 2023. The transaction is subject to governmental approvals, which are expected to be granted in the first half of 2023.

In Q4 2022, Wintershall Dea started drilling its first own-operated offshore exploration well in Block 30 of the Sureste Basin in the Gulf of Mexico. The first results are expected in Q1 2023. The second well in the block is planned to be drilled back-to-back in the first half of 2023.

Latin America – Brazil

In January 2022, Wintershall Dea announced its intention to terminate all its activities in Brazil and to close the office in Rio de Janeiro after the execution of all required measures. This decision is the result of a thorough strategic analysis of the company's global portfolio and evaluation of individual projects and how they fit with its long-term strategy in a changing global energy market. The exit is expected to be completed during 2023.

Middle East/North Africa – Algeria

In 2022, the volumes produced from the Reggane Nord gas fields were stable at plateau production.

Wintershall Dea continues to strengthen its presence in Algeria. In May 2022, the company entered into a sale and purchase agreement to acquire Edison's 11.25% participating interest in the Reggane Nord concession. After Repsol exercised its pre-emption rights, Wintershall Dea expects to acquire a 4.5% interest in the Production Sharing Agreement, subject to customary authority approvals. Upon the closing of the transaction, the Groupement Reggane Nord consortium, operator of the project, would comprise Sonatrach (40%), Repsol (36%) and Wintershall Dea (24%).

Middle East/North Africa – Egypt

In February 2022, we announced that, following a portfolio review, Wintershall Dea had reached an agreement with the government of Egypt to assign its entire interest in the Gulf of Suez to the Egyptian General Petroleum Corporation (EGPC). This decision is in line with the company's Energy Transition Pathway and the focus on low-cost natural gas production. A corresponding contract was signed with an effective date of 1 January 2022.

In November 2022, Wintershall Dea and operator BP were awarded the North West Abu Qir Offshore exploration block, where Wintershall Dea holds a 17.25% participating interest. The block is located north of the producing Raven field, and the concession licence approval by the competent authorities is expected to be issued in Q2 2023.

In late 2022, we made a natural gas discovery in the Abu Madi formation of the East Damanhour Exploration block. The discovery is close to infrastructure leading to facilities of the Disouq field, allowing for accelerated development and production after all related contractual arrangements with the Egyptian Natural Gas Holding Company (EGAS) are secured.

Midstream

Wintershall Dea is a shareholder in Nord Stream AG and WIGA Group, the latter of which owns critical infrastructure for gas transport within Germany and Europe. Wintershall Dea – together with its joint venture partner SEFE Securing Energy for Europe GmbH (SEFE, formerly GAZPROM Germania GmbH) – is a 50% shareholder in the WIGA Group.

On 14 November 2022, the German Federal State became the sole owner of SEFE. Until November, the company had still formally belonged to Gazprom Export LLC.

On 26 September 2022, Nord Stream AG registered a significant pressure drop caused by gas leaks on both lines of the offshore pipeline system. Both pipelines were identified as damaged, and leaks were located north-east of Bornholm in the Swedish and Danish maritime exclusive economic zones, respectively. The pipelines have not been available for gas transport since that time.

After recent events, Wintershall Dea fully impaired its participation (15.5%) in Nord Stream AG.

The assumed future business scenario for the non-regulated transportation business led to an impairment regarding our onshore gas transportation activities.

On 2 March 2022, Wintershall Dea AG's Management Board decided to write off its financing of Nord Stream 2. Later, on 26 September 2022, the Nord Stream 2 pipeline system was also affected by a significant pressure drop caused by a gas leak in one of the two strings near Bornholm, leaving one of the two strings damaged.

CCS/Hydrogen

During 2022, Wintershall Dea initiated and started the execution of several projects in the fields of carbon capture and storage (CCS) and low-carbon hydrogen production in North-Western Europe.

In May 2022, Wintershall Dea announced that it is conducting a feasibility study for a major new project to produce low-carbon hydrogen in Germany and store carbon dioxide underground in the North Sea. With the project named "BlueHyNow", located in Wilhelmshaven on the German North Sea coast, Wintershall Dea aims to produce 5.6 TWh of hydrogen per year using electricity from renewable energy sources and Norwegian natural gas. Carbon dioxide separated off during hydrogen production is expected to be shipped to offshore locations in Norway or Denmark and stored safely under the seabed in underground reservoirs. The final investment decision is expected in 2025, followed by the operational start-up envisaged in late 2028.

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. BlueHyNow is part of what is known as the "EnergyHub" currently under construction in Wilhelmshaven (Germany). 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 in 2023 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 objective 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 tonnes, which is equivalent to around 20% of the annual industrial emissions in Germany[4]. 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

[4] 181 mtpa, 2021, German Environment Agency (Umweltbundesamt)

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 tonnes of CO_2 per year on the Norwegian continental shelf.

In September 2022, Wintershall Dea signed another MoU with HES Wilhelmshaven Tank Terminal (HES) to collaborate on Wintershall Dea's "CO_2nnectNow" project feasibility in 2023 and beyond. CO_2nnectNow is expected to provide a hub for handling approximately 10 million tonnes of CO_2 annually, coming not only from the neighbouring BlueHyNow project, but also from industrial emitters from all over Germany via pipeline, rail or barges. The CO_2 will be handled on HES' site and exported by vessel or pipeline to offshore CO_2 storages in the North Sea. CO_2nnectNow will combine HES' existing infrastructure and nearly 50 years of experience in Wilhelmshaven with state-of-the-art carbon management activities. In combination with the NOR-GE project, the handling capacity of CO_2nnectNow could be increased to up to 50 million tonnes of CO_2 annually.In 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 the operator of the "Luna" licence, which is located 120 kilometres west of Bergen and 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 CCS value chain, connecting European heavy industry with North Sea reservoirs capable of storing carbon emissions.

Wintershall Dea is expanding its activities related to the long-term and safe underground storage of CO_2 offshore Denmark. On 1 December 2022, the company joined other companies in signing an agreement to mutually pursue and mature the "Greenport Scandinavia" project. This consortium of companies intends to establish a CO_2 hub near Hirtshals on the Danish North Sea coast. Amongst others, the hub is to be connected to the value chain of the CCS Project "Greensand", which was approved for start-up by Danish authorities in December as the first CO_2 injection and storage licence in Denmark, with Wintershall Dea playing a key role. First pilot-injection at Greensand is expected in Q1 2023.

2.4 OPERATIONAL PERFORMANCE

Production

Natural gas (mboe/d)[1]	2022	2021
Northern Europe	111	106
Russia[2]	221	243
Latin America	59	62
Middle East/North Africa	40	43
	431	**454**

Oil (mboe/d)[1]	2022	2021
Northern Europe	96	100
Russia[2]	55	60
Latin America	8	8
Middle East/North Africa[3]	7	12
	166	**180**

Total production (mboe/d)[1]	2022	2021
Northern Europe	207	206
Russia[2]	276	303
Latin America	67	70
Middle East/North Africa[3]	47	55
	597	**634**

[1] Mboe/d – thousand barrels of oil equivalent per day on a working-interest basis, including proportional production from at equity-accounted companies
[2] Russia deconsolidated in Q4 2022; daily production volumes for Russia are calculated based on 365 days.
[3] Excludes Libya onshore

In 2022, the Group's daily production averaged 597 mboe/d consisting of 431 mboe/d of gas and 166 mboe/d of oil, representing a decrease of 37 mboe/d compared to 2021. The decrease mainly resulted from the deconsolidation of the Russian entities in the fourth quarter of 2022. Excluding Russia, the daily production declined slightly.

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. The decrease in the oil production in Northern Europe was due to the termination of production in two of our assets in Norway, the asset sale in Norway as well as natural decline, which was partly compensated by the successful production start of our own-operated Nova field in Norway.

In Latin America, gas production was slightly lower due to a plant shutdown in one of our Argentinian fields in March. The oil production in Latin America was on par year-on-year.

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) at the beginning of the year.

Additional information regarding reserves and resources (unaudited)

The Wintershall Dea Group provides updates on the Group's reserves and resources once a year. Reserves as at 31 December 2020, 31 December 2021 and 31 December 2022 were internally estimated by professionally educated and trained Wintershall Dea engineers. These estimates are subject to an annual internal reserves control process carried out by an internal corporate team of experts. Nearly 100% of our total reserves and potentially economically viable contingent resources are regularly reviewed by internal or independent external auditors. The volumes of reserves and contingent resources are reported on a working-interest basis. The net entitlement in assets with production sharing agreements may be lower. Reserves and contingent resources are evaluated and classified in accordance with the Petroleum Resources Management System (PRMS) of the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC) and others, which Wintershall Dea applies, as follows:

1P reserves, or'"proved reserves", are those quantities of petroleum that, from the analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations.

If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

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

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

The Russian business was deconsolidated in Q4 2022. As a consequence, the Russian reserves figures are no longer reported as of 2022.

As at 31 December 2022, Wintershall Dea had 2P reserves of 1,400 million barrels of oil equivalent, which corresponds to c. 111% of the reserves reported as at 31 December 2021 (excluding Russia). The undeveloped reserves base amounted to 539 million barrels of oil equivalent.

In Northern Europe, the increase in reserves was driven by the maturation of projects (e.g. Dvalin North, Irpa, Maria Phase 2). The reserves accounted for c. 105% compared to the previous year. In Norway, we expanded our 2C resources by several discoveries made in 2022 (e.g. Storjo, Ofelia, Oswig and Hamlet) as well as positive revisions, however, the maturation of projects to reserves led to a final decrease of Norwegian 2C.

In Latin America, the reserves base increased to c. 165% compared to the volumes as at 31 December 2021 due to the maturation of the Fénix development as well as the licence extension of our CMA-1 licence, both in Argentina. These effects decreased the 2C contingent resources, which were more than compensated for by revisions as well as the addition of new projects to the Argentinian portfolio.

In the MENA region, our 2P reserves decreased to c. 97% compared to the volumes as at 31 December 2021, mainly due to production that could not be fully compensated for by positive revisions and the discovery in East Damanhour.

In 2022, the Group's increase in reserves (excluding Russia) due to the maturation of projects and revision of projects could compensate for the produced volumes. The reserve replacement ratio was therefore 223% for 2P reserves and 158% for 1P reserves. Our potentially economically viable 2C resources as at 31 December 2022 amounted to 1,233 million barrels of oil equivalent. The Group's 1P reserves life is c. 9 years, and 2P reserves life is c. 12 years.

2P RESERVES[1]

Gas in million boe	Northern Europe	Latin America	Middle East/ North Africa[2]	Total	Thereof developed	Thereof undeveloped
2P reserves as at 31 Dec 2022	407	268	181	855	532	323
Thereof equity-accounted companies	4	—	—	4	4	—
Revisions and other changes	7	9	8	25	—	—
Maturation and discoveries	78	123	—	201	—	—
Purchase/sale of reserves	1	—	—	1	—	—
Production	-41	-22	-15	-77	—	—
2P reserves as at 31 Dec 2021	361	157	187	705	475	230
Thereof equity-accounted companies	5	—	—	5	5	—
Revisions and other changes	1	-3	-2	-4	—	—
Maturation and discoveries	3	—	—	3	—	—
Purchase/sale of reserves	-10	—	—	-11	—	—
Production	-39	-23	-16	-77	—	—
2P reserves as at 31 Dec 2020	406	183	205	794	510	284
Thereof equity-accounted companies	6			6	6	—
Revisions and other changes	-16	-4	-15	-35	—	—
Maturation and discoveries	4	—	—	4	—	—
Purchase/sale of reserves	—	—	—	—	—	—
Production	-40	-24	-14	-77	—	—

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

Oil in million boe	Northern Europe	Latin America	Middle East/ North Africa[1]	Total	Thereof developed	Thereof undeveloped
2P reserves as at 31 Dec 2022	342	36	166	544	329	215
Thereof equity-accounted companies	–	–	–	–	—	–
Revisions and other changes	9	–	-1	9	—	–
Maturation and discoveries	21	11	–	33	—	–
Purchase/sale of reserves	-9	–	–	-9	—	–
Production	-35	-3	-2	-40	—	–
2P reserves as at 31 Dec 2021	355	27	169	551	271	280
Thereof equity-accounted companies	–	–	–	–	—	–
Revisions and other changes	-16	–	12	-4	—	–
Maturation and discoveries	1	3	–	4	—	–
Purchase/sale of reserves	-7	-3	–	-10	—	–
Production	-37	-3	-5	-44	—	–
2P reserves as at 31 Dec 2020	414	30	162	606	291	314
Thereof equity-accounted companies	–	–	–	–	—	–
Revisions and other changes	-8	-11	-23	-41	—	–
Maturation and discoveries	–	–	–	–	—	–
Purchase/sale of reserves	–	–	–	–	—	–
Production	-35	-3	-4	-43	—	–

[1] Excludes Libya onshore

Total in million boe	Northern Europe	Latin America	Middle East/ North Africa[1]	Total	Thereof developed	Thereof undeveloped
2P reserves as at 31 Dec 2022	749	304	347	1,400	861	539
Thereof equity-accounted companies	4	—	—	4	4	—
Revisions and other changes	17	10	7	34	—	—
Maturation and discoveries	99	134	—	234	—	—
Purchase/sale of reserves	-8	—	—	-8	—	—
Production	-75	-24	-17	-117	—	—
2P reserves as at 31 Dec 2021	716	184	357	1,257	746	511
Thereof equity-accounted companies	5	—	—	5	5	—
Revisions and other changes	-15	-3	10	-8	—	—
Maturation and discoveries	4	3	—	7	—	—
Purchase/sale of reserves	-18	-3	—	-21	—	—
Production	-75	-25	-20	-121	—	—
2P reserves as at 31 Dec 2020	820	212	367	1,399	801	598
Thereof equity-accounted companies	7	—	—	7	6	—
Revisions and other changes	-24	-15	-38	-76	—	—
Maturation and discoveries	4	—	—	4	—	—
Purchase/sale of reserves	—	—	—	—	—	—
Production	-75	-27	-18	-120	—	—

[1] Excludes Libya onshore

Capex

€ million	2022	2021
Northern Europe	645	800
Russia[1]	6	6
Latin America	75	39
Middle East/North Africa	128	105
HQ and Other	15	3
Total	**869**	**952**

[1] Deconsolidation in Q4 2022

In 2022, capital expenditures amounted to €869 million compared with €952 million in 2021. The decrease was attributable to Northern Europe, primarily due to the fact that our major development projects Njord and Nova came on stream in 2022. The decrease was partially compensated for by rising investment activities in Latin America and the Middle East/North Africa region.

Net exploration expenditures

€ million	2022	2021
Exploration capex	100	98
Northern Europe	67	70
Russia	—	—
Latin America	31	27
Middle East/North Africa	3	1
HQ and Other	—	—
Exploration expenses	102	134
Northern Europe	55	79
Russia	—	—
Latin America	40	49
Middle East/North Africa	5	-5
HQ and Other	2	10
Adjusted for dry well costs from prior years	-2	-11
Adjusted for gains/losses from disposal of exploration assets	1	-31
Proceeds from disposal of exploration assets and acquisitions	-2	-13
Adjusted for changes in provisions	6	5
Total	**205**	**181**

Net exploration expenditures comprise capitalised exploration and 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 2022, exploration expenditures totalling €100 million were capitalised. These expenditures related to seven successful wells in Northern Europe and the region Middle East/North Africa and one yet-to-be-completed well drilled in Latin America. A total of 14 wells were drilled overall.

Exploration expenses include expenses for the acquisition of seismic data, licence fees and expenses for dry well costs. In 2022 exploration expenses included six dry wells.

Overall, the net exploration expenditures went up by 13% to €205 million, primarily due to higher dry well costs from the current period in Northern Europe and Latin America and higher charges from non-operated concessions in Northern Europe and the region Middle East/North Africa, partly offset by decreased expenses for the acquisition of seismic data in Latin America.

2.5 FINANCIAL PERFORMANCE

Earnings performance

€ million	2022	2021
Revenues gas and oil	18,549	7,611
Revenues other	165	193
Net income from equity-accounted investments: gas and oil	101	83
Net income from equity-accounted investments: midstream	-8	202
Other operating income	58	99
	18,866	**8,188**
Production and operating expenses	-10,702	-3,971
Production and similar taxes	-221	-123
Depreciation and amortisation	-1,429	-1,456
Net impairment on assets	-1,658	-111
Loss from deconsolidation Russia	-4,514	—
Exploration expenses	-102	-134
General and administrative expenses	-451	-429
	-212	**1,964**
Financial income	360	182
Financial expenses	-1,499	-323
	-1,139	**-141**
Income/loss (-) before taxes	**-1,351**	**1,823**
Income taxes	-3,452	-1,230
Net income/loss (-)	**-4,803**	**593**
Net income/loss (-) attributable to shareholders	-4,845	553
Net income/loss (-) attributable to subordinated notes investors	42	40

Revenues and other operating income

Revenues gas and oil showed a sharp increase in 2022, rising by €10,938 million, or 144%, to €18,549 million, compared with €7,611 million in 2021. Excluding revenues from gas trading activities managed by the headquarters, revenues gas and oil grew by 92% year-on-year to €9,151 million, primarily due to significantly higher commodity prices. The realised gas price increased by 128%, and the realised price for oil increased by 34%. The price-driven increase in revenues was partially compensated for by the deconsolidation of YRGM Trading and Achimgaz in the fourth quarter of 2022 as well as lower prices for YRGM Trading for September and October 2022 due to the introduction of Decree 1554.

Unrealised changes in fair values of commodity derivatives measured through profit or loss led to a gain of €118 million compared to a loss of €8 million in 2021.

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

Revenues other decreased by 15% and amounted to €165 million. The decrease was primarily due to lower service charges from Achimgaz to Achim Development. This was partially offset by higher revenues from the marketing of unused pipeline capacity in Norway.

Net income from equity-accounted investments decreased from €285 million in 2021 to €93 million in the reporting period. The net income from equity-accounted investments: gas and oil increased primarily due to the positive development of commodity prices. This was partly offset by negatively impacted proportionate net income in a company in the segment Middle East/North Africa, mainly due to the impairment of receivables. The main factors driving down the proportionate net income from equity-accounted investments: midstream were impairments on sales-related receivables and on fixed assets in the respective entity.

Production and operating expenses
Production costs amounted to €693 million compared with €684 million in 2021. The main factors driving the higher costs of €35 million in Northern Europe were the (re-)start of production in two assets, two dry production wells, higher electricity prices as well as CO_2 costs. The production costs in Latin America rose by €9 million due to higher operating costs from non-operated areas, partially offset by additions to the crude oil stock. Production costs in the region Middle East/North Africa, in contrast, declined by €36 million primarily due to the relinquishment of our interests in the Gulf of Suez.

Overall, the specific production costs increased in total by €0.4/boe to €4.4/boe compared to €4.0/boe in 2021.

	Production costs in € million		Production costs in €/boe	
	2022	2021	2022	2021
Northern Europe	523	488	7.0	6.7
Russia[1]	26	22	0.6	0.4
Latin America	97	88	4.0	3.4
Middle East/North Africa	50	86	3.0	4.3
HQ and Other/ Consolidation	-2	—	—	—
Total	**693**	**684**	**4.4**	**4.0**

[1] Deconsolidation in Q4 2022

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

Transport fees and leases of €281 million and development costs of €74 million surpassed the prior-year figure by €52 million and €60 million respectively. This was principally attributable to the higher cost for pipeline capacities and pre-operating costs on Njord charged by the operator.

Other cost of sales from the provision of services decreased by €56 million in parallel to the respective revenues from those services.

Other costs surpassed the prior-year figure by €176 million. This was principally attributable to higher losses from the disposal of assets mainly resulting from divestments in Norway (€122 million; for further information, see Note 3 – Major divestments and deconsolidations) as well as net impairments (€104 million) on sales-related receivables in Russia. A counteracting effect was felt from integration and restructuring costs (€-41 million).

Cost of trade goods went up in parallel with revenues from trading from €2,865 million in the comparison period to €9,324 million in the reporting period.

Production and similar taxes
Production and similar taxes increased by €98 million from €123 million in the comparison period to €221 million in the reporting period. The change in production and similar taxes was mainly driven by higher commodity prices in Germany and Latin America.

General and administrative expenses
General and administrative expenses (€451 million) was 5% above the previous year's level (€429 million).

RECONCILIATION OF EBITDAX

€ million	2022	2021
Revenues gas and oil	18,549	7,611
adjusted for unrealised changes in fair value of commodity derivatives	-118	8
Revenues other	165	193
Net income from equity-accounted investments: gas and oil	101	83
adjusted for net impairments on assets included in the net income of equity-accounted investments	16	29
Net income from equity-accounted investments: midstream	-8	202
adjusted for net impairments on assets included in the net income of equity-accounted investments	31	—
Other operating income	58	99
adjusted for gains from sale of assets/changes in consolidation scope	-11	-47
Production and operating expenses	-10,702	-3,971
adjusted for net impairments and write-offs on/from operating receivables	102	1
adjusted for losses from sale of assets	132	35
adjusted for non-recurring items (merger-related costs, acquisition costs, etc.)[1]	—	41
Production and similar taxes	-221	-123
General and administrative expenses	-451	-429
adjusted for net impairments and write-offs on/from operating receivables	-1	2
adjusted for losses from sale of assets/changes in consolidation scope	14	36
adjusted for non-recurring items (merger-related costs, acquisition costs, etc.)[2]	19	61
EBITDAX	**7,675**	**3,832**

[1] 2021: included integration costs of €30 million and restructuring costs of €11 million
[2] 2022: included integration costs of €20 million and restructuring costs of €-1 million; 2021: included integration costs of €19 million and restructuring costs of €42 million

Totalling €7,675 million in the year under review, EBITDAX was €3,843 million higher than the prior-year figure (€3,832 million), mainly because of higher commodity prices. This was partially offset by the deconsolidation of Achimgaz and YRGM Trading in the fourth quarter of 2022, as well as by lower realised prices in YRGM Trading for September and October 2022.

EBITDAX PER SEGMENT

€ million	2022	2021
Northern Europe	5,300	2,337
Russia[1]	1,751	728
Latin America	353	306
Middle East/North Africa	362	404
Midstream	21	201
HQ and Other	-111	-145
Total	**7,675**	**3,832**

[1] Deconsolidation in Q4 2022

RECONCILIATION OF ADJUSTED NET INCOME

€ million	2022	2021
EBITDAX	7,675	3,832
Depreciation and amortisation	-1,429	-1,456
Exploration expenses	-102	-134
adjusted for gains and losses from sale of assets	-1	31
adjusted for non-recurring items (merger-related costs, acquisition costs, etc.)	—	3
Financial income	360	182
Financial expenses	-1,499	-323
adjusted for net impairments on financial receivables, bank balances and other financial assets	1,011	3
Income taxes	-3,452	-1,230
adjusted for taxes on adjusted and disregarded items	-206	41
Adjusted net income	**2,357**	**950**

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 and loss from deconsolidation Russia).

Exploration expenses

In the reporting period, exploration expenses decreased by €32 million or 24%, to €102 million compared to €134 million in 2021 (further information is provided in section Net exploration expenditures).

Financial income and expenses

The financial result amounted to €-1,139 million in the reporting period, after €-141 million in 2021. This decrease is mainly due to a full impairment on financial receivables from the financing of the Nord Stream 2 pipeline project (€1,003 million) in the first quarter of the year.

Income taxes

The income/loss before taxes amounted to €-1,351 million in the reporting period compared to €1,823 million in 2021. In the year being reviewed, Wintershall Dea incurred a total tax expense of €3,452 million (comparison period €1,230 million). The increase largely resulted from the strong increase in Norwegian income before taxes in 2022 compared to 2021.

The effective tax rate adjusted by the tax-free losses from impairments and deconsolidation Russia amounted to 75% and was slightly above the effective tax rate of the previous year (67%). This increase mainly results from the effect that the additional Covid-Uplift allowance in Norway ceased in 2022.

Adjusted net income

Adjusted net income amounted to €2,357 million in 2022, compared to €950 million in 2021. The increase in EBITDAX was partly offset by higher income taxes.

Net impairments on assets and the loss from deconsolidation Russia 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 due to the extraordinary nature. In the reporting period they amounted to €6,172 million and were significantly higher than in 2021 (€111 million).

In the reporting period, net impairments amounted to €1,658 million, considerably above 2021 (€111 million). Net impairments included impairment losses of €1,786 million and reversals of impairment losses of €-128 million. The impairment losses in Latin America (€292 million) mainly relate to the Ogarrio field in Mexico. The impairment losses in Russia (€348 million) recognised in Q1 2022 were triggered by the start of the Russian war against Ukraine. The segment Midstream (€1,132 million) includes a full impairment on our equity investment in Nord Stream AG (€529 million) and an impairment on the equity-accounted investment comprising our onshore gas transportation activities (€603 million). The reversals of impairment losses on assets were related to Northern Europe (€-3 million) and the region Middle East/North Africa (€-125 million). Further information is provided under Note 6 – Net impairment on assets.

In the fourth quarter, the full or proportional consolidation and equity valuation ceased for all Russian subsidiaries and equity-accounted investments due to loss of control, joint control and significant influence. Thus, the entities were recognised as other financial assets measured at fair value resulting in a loss from deconsolidation of €4,514 million. Further information is provided under Note 3 – Major divestments and deconsolidations.

Financial position

€ million	2022	2021
Net income/loss (-)	**-4,803**	**593**
Amortisation/depreciation/impairment losses/reversal of impairment losses	3,127	1,592
Changes in provisions	-37	-21
Changes in deferred taxes	-83	326
Gains (-)/losses from disposal of non-current assets	136	67
Gains (-)/losses from deconsolidation	4,527	—
Other non-cash income/expenses and finance costs	721	-291
Changes in working capital	105	-504
Changes in income tax assets and liabilities	1,125	910
Changes in other balance sheet items	22	325
Cash flow from operating activities	**4,839**	**2,998**
Payments for intangible assets and property, plant and equipment	-970	-1,050
Net payments for acquisitions	-60	25
Net proceeds from the disposal of non-current assets/divestitures	211	99
Disposed cash Russia due to loss of control	-2,011	—
Payments for financial receivables	—	-32
Proceeds from financial receivables	—	166
Changes in financial receivables from cash pooling	—	-1
Cash flow from investing activities	**-2,831**	**-792**
Capital contribution into capital reserves	224	—
Capital contribution from subordinated notes investors	—	1,491
Dividend payments to shareholders	-1,316	-686
Distributions paid to subordinated notes investors	-42	-8
Proceeds from debt to banks	12	55
Repayments of debt to banks	-14	-1,896
Buybacks of bonds	-98	—
Changes in financial liabilities to related parties (cash pooling)	-114	128
Repayment of lease liabilities	-34	-59
Cash flow from financing activities	**-1,382**	**-975**
Change in cash and cash equivalents	**626**	**1,230**
Effects of foreign exchange rate changes and other non-cash changes	357	55
Cash and cash equivalents at the beginning of the reporting period	**2,106**	**821**
Cash and cash equivalents at the end of the reporting period	**3,089**	**2,106**

Cash flow from operating activities
Cash flow from operating activities increased by €1,841 million from €2,998 million in 2021 to €4,839 million in 2022. The increase was primarily due to higher commodity prices as well as positive working capital changes. This was partially offset by significantly higher income tax payments in the reporting period compared to 2021. In addition, dividends received from equity-accounted investments declined.

Cash flow from investing activities
Cash flow from investing activities amounted to €-2,831 million in 2022 compared to €-792 million in 2021. The reporting period included the disposed cash from the deconsolidation Russia due to loss of control (€-2,011 million) and higher net payments for acquisitions, mainly in Latin America (€-85 million), which, in 2022, primarily related to the intended Hokchi acquisition. Additionally, the comparison period included proceeds from financial receivables (€166 million). This was partly compensated for by higher proceeds from divestitures (€112 million), mainly relating to our divestments in Argentina and Norway, as well as lower capital expenditures (€80 million) due to lower investment activity following the commencement of production in several of our development projects.

Cash flow from financing activities
Cash flow from financing activities amounted to €-1,382 million compared to €-975 million in the comparison period. The reporting period was determined by payments to shareholders for ordinary dividend and preferred dividend as well as bond buybacks on the open market (€-98 million). The injection into the capital reserves was distributed as dividends again, as contractually stipulated between the shareholders. In the prior year, capital contributions from subordinated note investors were used to repay debt to banks.

€ million	2022	2021
Cash flow from operating activities	4,839	2,998
Cash flow from investing activities	-2,831	-792
less net payments for acquisitions	60	-25
less proceeds from the disposal of non-current assets/divestitures	-211	-99
less disposed cash Russia due to loss of control	2,011	—
Free cash flow	**3,869**	**2,082**

Wintershall Dea believes the Group has sufficient funds available to meet its liquidity needs, including working capital, based on its current liquidity reserves, including €3,089 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.

Net assets

€ million	31 Dec 2022	31 Dec 2021
Assets		
Non-current assets		
Goodwill	2,156	2,435
Exploration assets	298	226
Other intangible assets	1,912	2,631
Property, plant and equipment	8,245	9,170
Equity-accounted investments	599	2,856
Other financial assets	261	13
Financial receivables	212	1,159
Derivative instruments	26	50
Other receivables	14	11
Deferred tax assets	189	234
	13,912	**18,785**
Current assets		
Inventories	215	177
Financial receivables	19	65
Trade and other receivables	1,937	1,745
Derivative instruments	405	441
Income tax assets	24	4
Cash and cash equivalents	3,089	2,106
Assets held for sale	—	129
	5,690	**4,666**
Total assets	**19,601**	**23,452**

Non-current assets equalled €13,912 million as at 31 December 2022, amounting to 71% of total assets. Compared to €18,785 million as at 31 December 2021, non-current assets decreased by €4,873 million or 26%.

Intangible assets of €4,366 million were €926 million below the prior-year figure (€5,292 million). This is principally attributable to the deconsolidation Russia (goodwill €-488 million and other intangible assets €-489 million) and an impairment related to the Ogarrio field in Mexico (€-292 million). The main counteracting effect was felt from foreign currency translation effects (€528 million).

Tangible assets amounted to €8,245 million, a decline of €925 million (31 December 2021: €9,170 million), mainly driven by depreciation (€-1,238 million), adjustments on decommissioning assets (€-600 million, mostly stemming from parameter changes) as well as the deconsolidation Russia (€-508 million). Opposing effects were felt from the additions (€976 million), mainly driven by our Norwegian development projects as well as rising investment activities in Latin America and the region Middle East/North Africa and foreign currency translation effects (€571 million).

Compared to the previous year (€2,856 million), equity-accounted investments dropped considerably and amounted to €599 million, a decrease of €2,257 million. Of this amount, €-1,480 million were attributable to impairments for equity-accounted investments in the segments Russia and Midstream and €-1,085 million to the deconsolidation Russia. This was partially offset by foreign currency translation effects (€254 million).

Non-current financial receivables decreased by €947 million to €212 million due to the impairment on financial receivables related to the financing of the Nord Stream 2 pipeline project.

Current assets increased by 22% compared to 31 December 2021 and amounted to €5,690 million as at 31 December 2022.

Trade and other receivables amounted to €1,937 million compared with €1,745 million as at 31 December 2021. Higher revenues as well as foreign currency translation effects led to an increase in trade and other receivables. Net impairments on sales-related receivables (€98 million) and the deconsolidation Russia (€149 million) were compensating effects.

Cash and cash equivalents jumped from €2,106 million to €3,089 million, mainly because of the strong free cash flow and despite the disposed cash from the deconsolidation Russia due to loss of control (€-2,011 million).

Assets held for sale were no longer reported as the assets held for the sale of Aguada Federal/Bandurria Norte in Argentina were derecognised following the completion of the transaction.

€ million	31 Dec 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	441	4,976
Equity attributable to subordinated notes investors	1,525	1,525
	3,541	**7,852**
Non-current liabilities		
Pension provisions	371	558
Decommissioning provisions	1,954	2,467
Other provisions	124	143
Financial debt	3,067	4,055
Derivative instruments	1,220	988
Income tax liabilities	36	27
Other liabilities	19	27
Deferred tax liabilities	1,713	2,198
	8,504	**10,464**
Current liabilities		
Decommissioning provisions	133	193
Other provisions	299	291
Financial debt	1,356	575
Trade and other payables	1,528	1,277
Derivative instruments	2,491	2,134
Income tax liabilities	1,750	661
Liabilities directly associated with assets classified as held for sale	—	5
	7,557	**5,136**
Total equity and liabilities	**19,601**	**23,452**

Equity decreased by €4,311 million to €3,541 million compared with 31 December 2021. This decrease was driven by the net result (€-4,803 million), payments to shareholders from common and preferred dividends (€-1,092 million) and distributions to subordinated notes investors (€-42 million) as well as adverse fair value changes of cash flow hedges (€-71 million). This was partly offset by positive effects from foreign currency translation (€1,577 million). The injection into the capital reserves was distributed as dividends again as contractually stipulated between the shareholders (€224 million).

Compared with 31 December 2021, non-current liabilities decreased by €1,960 million to €8,504 million as at 31 December 2022.

Provisions decreased by €720 million to €2,449 million. Pension provisions declined by €187 million, principally attributable to parameter changes. Decommissioning provisions were €513 million below the prior year. This is primarily due to an increase in discount rates as well as changes in foreign currency rates, which are partly offset by price increases and higher inflation rates.

Non-current financial debt decreased by €988 million to €3,067 million, mostly attributable to the reclassification of the bond with maturity of 2023 to current financial debt as well as buybacks of bonds by the issuer.

The increase in derivative instruments (non-current: increase of €232 million; current: increase of €357 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.

Deferred tax liabilities decreased by €485 million to €1,713 million, driven by the deconsolidation Russia as well as other existing taxable temporary differences, partially offset by foreign currency translation effects on deferred taxes, mainly in Norway.

Current financial debt went up by €781 million, primarily due to the reclassification of the bond with a maturity 2023 from non-current financial debt. This was partly compensated for by a decline in cash pool liabilities.

Trade and other payables rose by €251 million to €1,528 million compared to €1,277 million as at 31 December 2021, mostly attributable to an increase in liabilities from gas trading, partially offset by the deconsolidation Russia.

Income tax liabilities increased to €1,750 million (31 December 2021: €661 million). This development was primarily attributable to the strong net income before taxes of our Norwegian subsidiary.

Net debt/EBITDAX ratio

€ million	31 Dec 2022	31 Dec 2021
Bonds	3,903	3,999
Debt to banks	—	3
Financial liabilities from cash pooling	410	536
Lease liabilities	93	90
Total debt	**4,406**	**4,628**
Financial receivables from cash pooling	-13	-13
Cash and cash equivalents	-3,089	-2,106
Net debt	**1,303**	**2,510**
EBITDAX (LTM)[1]	**7,675**	**3,832**
Net debt/EBITDAX ratio	**0.2**	**0.7**

[1] LTM = Last 12 months

Net debt as at 31 December 2022 amounted to €1,303 million compared to €2,510 million as at 31 December 2021. Total debt has decreased by 5% to €4,406 million. In addition, cash and cash equivalents increased by 47% to €3,089 million, resulting in a net debt of €1,303 million.

EBITDAX (LTM) of €7,675 million includes segment Russia with €1,751 million. Excluding Russia, EBITDAX (LTM) amounted to €5,924 million. This led to a net debt/EBITDAX ratio of 0.2x for the reporting period (excluding Russia EBITDAX and cash contributions).

Overall statement

It was a challenging year for Wintershall Dea due to the difficult geopolitical situation. The loss of control led to the deconsolidation of Russian entities. Moreover, the Russian entities were economically expropriated. In January 2023, the company decided to leave Russia. However, the portfolio excluding Russia outperformed in 2022, driven by tailwinds from the commodity price environment. Wintershall Dea can look back on satisfactory underlying business development in the 2022 reporting year. Net of special items, key operational and financial figures increased in 2022. Wintershall Dea withstood the significant negative one-off effect related to Russia during the year and demonstrated its solid financial basis. Overall, underlying business performance excluding Russia was above management's expectations. Information on the outlook for 2023 is provided in the Outlook, Risks and Opportunities Report.

2.6 VOLUNTARY DISCLOSURE (UNAUDITED)

Quarterly information

CONSOLIDATED STATEMENT OF INCOME

€ million	Q4 2022	Q4 2021
Revenues gas and oil	4,395	3,243
Revenues other	88	80
Net income from equity-accounted investments: gas and oil	-68	24
Net income from equity-accounted investments: midstream	-160	40
Other operating income	8	27
	4,262	**3,414**
Production and operating expenses	-2,924	-1,857
Production and similar taxes	-56	-39
Depreciation and amortisation	-378	-413
Net impairment on assets	-927	-41
Loss from deconsolidation Russia	-4,514	0
Exploration expenses	-39	-25
General and administrative expenses	-102	-73
	-4,678	**966**
Financial income	381	13
Financial expenses	-421	-77
	-41	**-64**
Income/loss (-) before taxes	**-4,718**	**902**
Income taxes	-560	-747
Net income/loss (-)	**-5,278**	**155**
Net income/loss (-) attributable to shareholders	-5,289	144
Net income/loss (-) attributable to subordinated notes investors	11	11

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	Q4 2022	Q4 2021
Net income/loss (-)	**-5,278**	**155**
Amortisation/depreciation/impairment losses/reversal of impairment losses	1,308	452
Changes in provisions	10	20
Changes in deferred taxes	-318	242
Gains (-)/losses from disposal of non-current assets	123	14
Gains (-)/losses from deconsolidation	4,514	—
Other non-cash income/expenses and finance costs	226	-30
Changes in working capital	179	-344
Changes in income tax assets and liabilities	-26	368
Changes in other balance sheet items	-223	145
Cash flow from operating activities	**515**	**1,021**
Payments for intangible assets and property, plant and equipment	-262	-290
Net payments for acquisitions	-51	—
Net proceeds from the disposal of non-current assets/divestitures	106	32
Disposed cash Russia due to loss of control	-2,011	—
Payments for financial receivables	2	—
Proceeds from financial receivables	—	147
Changes in financial receivables from cash pooling	-4	1
Cash flow from investing activities	**-2,220**	**-111**
Dividend payments to shareholders	-1,002	—
Proceeds from debt to banks	—	27
Repayments of debt to banks	—	-32
Changes in financial liabilities to related parties (cash pooling)	—	4
Repayment of lease liabilities	-4	-14
Cash flow from financing activities	**-1,006**	**-15**
Change in cash and cash equivalents	**-2,710**	**895**
Effects of foreign exchange rate changes and other non-cash changes	-364	1
Cash and cash equivalents at the beginning of the reporting period	**6,163**	**1,210**
Cash and cash equivalents at the end of the reporting period	**3,089**	**2,106**

SELECTED PERFORMANCE INDICATORS BY SEGMENT

	Q4 2022						
€ million	Northern Europe	Russia	Latin America	Middle East/ North Africa	Midstream	HQ and Other	**Total**
Realised prices							
Average realised gas price[1] (in $/mscf)	23.06	4.13[2]	4.02	4.51[3]	—	—	**9.16**
Average realised oil price[1] (in $/bbl)	71.8	18.0[2]	63.7	82.7	—	—	**58.3**
External revenues	689	171	130	126	—	3,366[4]	**4,483**
Production[5]							
Natural gas (mboe/d)	114	123	60	40	—	—	**338**
Oil (mboe/d)	95	38	7	7[6]	—	—	**146**
Total production (mboe/d)	209	161	67	47[6]	—	—	**484**
Production costs in €/boe	6.9	0.7	4.9	3.3	—	—	**4.9**
EBITDAX	1,295	179	48	12	-130	33	**1,437**
Adjusted net income	158	156	-60	-76	-125	176	**229**
Exploration							
Exploration capex	16	—	16	3	—	—	**34**
Exploration expenses	19	—	22	2	—	-3	**39**
Net exploration expenditures	34	—	40	5	—	-3	**76**
Capex	155	1	28	32	—	11	**227**
Free cash flow	103	100	22	23	—	4	**251**

[1] Includes commodity hedge result
[2] Includes the deduction of production costs and applicable taxes
[3] Includes the deduction of applicable taxes for Algeria
[4] The segment revenues are exclusively related to trading activities managed by the headquarter (€3,366 million including trading activities for the Group's own production)
[5] Mboe/d – thousand barrels of oil equivalent per day/on a working-interest basis, including proportional production from at equity-accounted companies
[6] Excludes Libya onshore

	Q4 2021						
€ million	Northern Europe	Russia	Latin America	Middle East/ North Africa	Midstream	HQ and Other	**Total**
Realised prices							
Average realised gas price[1] (in $/mscf)	13.03	2.54[2]	2.85	4.16	—	—	**5.05**
Average realised oil price[1] (in $/bbl)	62.4	18.8[2]	63.8	76.6	—	—	**49.3**
External revenues	679	394	122	224	—	1,903[4]	**3,323**
Production[5]							
Natural gas (mboe/d)	108	277	60	44	—	—	**489**
Oil (mboe/d)	100	68	8	13[6]	—	—	**189**
Total production (mboe/d)	208	345	68	57[6]	—	—	**678**
Production costs in €/boe	9.0	0.5	4.7	5.9	—	—	**5.2**
EBITDAX	834	381	66	195	40	-7	**1,509**
Adjusted net income	35	293	-60	71	40	-2	**376**
Exploration							
Exploration capex	3	—	7	—	—	—	**10**
Exploration expenses	15	—	10	-1	—	2	**25**
Net exploration expenditures	17	—	18	—	—	2	**37**
Capex	239	2	9	29	—	1	**280**
Free cash flow	432	235	1	84	3	123	**878**

1 Includes commodity hedge result
2 Includes the deduction of production costs and applicable taxes
3 Includes the deduction of applicable taxes for Algeria
4 The segment revenues are exclusively related to trading activities managed by the headquarter (€1,903 million including trading activities for the Group's own production)
5 Mboe/d – thousand barrels of oil equivalent per day/on a working-interest basis, including proportional production from at equity-accounted companies
6 Excludes Libya onshore

Financials without segment Russia

CONSOLIDATED STATEMENT OF INCOME WITHOUT SEGMENT RUSSIA

€ million	2022	2021	Q4 2022	Q4 2021
Revenues gas and oil	16,829	6,865	4,233	2,861
Revenues other	107	76	78	68
Net income from equity-accounted investments: gas and oil	-1	32	-99	4
Net income from equity-accounted investments: midstream	-8	202	-160	40
Other operating income	58	99	8	26
	16,985	**7,274**	**4,061**	**2,999**
Production and operating expenses	-10,515	-3,833	-2,809	-1,837
Production and similar taxes	-221	-123	-56	-39
Depreciation and amortisation	-1,392	-1,415	-371	-401
Net impairment on assets	-1,311	-111	-927	-41
Exploration expenses	-102	-134	-39	-25
General and administrative expenses	-405	-347	-94	-59
	3,039	**1,311**	**-235**	**597**
Financial income	274	173	365	9
Financial expenses	-1,478	-321	-424	-76
	-1,205	**-149**	**-59**	**-68**
Income/loss (-) before taxes	**1,834**	**1,162**	**-294**	**529**
Income taxes	-3,120	-1,082	-547	-667
Net income/loss (-)	**-1,286**	**80**	**-841**	**-138**
Net income/loss (-) attributable to shareholders	-1,327	40	-852	-149
Net income/loss (-) attributable to subordinated notes investors	42	40	11	11

CONSOLIDATED STATEMENT OF CASH FLOWS WITHOUT SEGMENT RUSSIA

€ million	2022	2021	Q4 2022	Q4 2021
Net income/loss (-)	**-1,286**	**80**	**-841**	**-138**
Amortisation/depreciation/impairment losses/reversal of impairment losses	2,714	1,524	1,297	432
Changes in provisions	-38	-22	9	20
Changes in deferred taxes	-59	333	-298	244
Gains (-)/losses from disposal of non-current assets	136	34	123	14
Gains (-)/losses from deconsolidation	13	—	—	—
Other non-cash income/expenses and finance costs	700	-239	144	-10
Changes in working capital	9	-340	192	-216
Changes in income tax assets and liabilities	1,209	873	-21	321
Changes in other balance sheet items	50	585	-309	249
Cash flow from operating activities	**3,448**	**2,826**	**298**	**915**
Payments for intangible assets and property, plant and equipment	-964	-1,044	-261	-287
Net payments for acquisitions	-60	25	-51	—
Net proceeds from the disposal of non-current assets/divestitures	211	88	106	32
Payments for financial receivables	—	-32	2	—
Proceeds from financial receivables	—	166	—	147
Changes in financial receivables from cash pooling	—	-1	-4	1
Cash flow from investing activities	**-814**	**-798**	**-208**	**-108**
Capital contribution into capital reserves	224	—	—	—
Capital contribution from subordinated notes investors	—	1,491	—	—
Dividend payments to shareholders	-1,316	-686	-1,002	—
Distributions paid to subordinated notes investors	-42	-8	—	—
Proceeds from debt to banks	12	55	—	27
Repayments of debt to banks	-14	-1,896	—	-32
Buybacks of bonds	-98	—	—	—
Changes in financial liabilities to related parties (cash pooling)	-114	128	—	4
Repayment of lease liabilities	-34	-59	-4	-14
Cash flow from financing activities	**-1,382**	**-975**	**-1,006**	**-15**
Change in cash and cash equivalents	**1,252**	**1,053**	**-915**	**792**
Effects of foreign exchange rate changes and other non-cash changes	2	45	-241	2
Cash and cash equivalents at the beginning of the reporting period	**1,835**	**738**	**4,246**	**1,042**
Cash and cash equivalents at the end of the reporting period	**3,089**	**1,835**	**3,089**	**1,835**

SELECTED PERFORMANCE INDICATORS WITHOUT SEGMENT RUSSIA

€ million	2022	2021	Q4 2022	Q4 2021
Realised prices				
Average realised gas price[1] (in $/mscf)	10.97	5.60	10.48	8.28
Average realised oil price[1] (in $/bbl)	76.9	58.9	69.4	64.1
External revenues	16,936	6,941	4,311	2,928
Production[2]				
Natural gas (mboe/d)	210	211	214	212
Oil (mboe/d)	111	120	109	121
Total production (mboe/d)	321	331	323	333
Production costs in €/boe	5.8	5.6	6.0	7.5
EBITDAX	5,924	3,103	1,258	1,128
Adjusted net income	928	403	73	83
Exploration				
Exploration capex	100	98	34	10
Exploration expenses	102	134	39	25
Net exploration expenditures	205	181	76	37
Capex	863	946	226	278
Free cash flow	2,484	1,577	151	643

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

3. OUTLOOK, RISKS AND OPPORTUNITIES REPORT

3.1 OUTLOOK

Underlying assumptions/developments

Our guidance is based on the underlying assumption that the global economy experiences only a gradual slowdown, with inflation starting to slow down and commodity demand and supply remaining stable.

For 2023, we assume the following commodity prices and exchange rates:

- Brent prices in the range of $70-85/bbl
- TTF gas prices in the range of $20.0-35.0/mmbtu
- $/€ exchange rate of 1.0

During the year, we provided updates to the initial guidance. According to the requirements of GAS 20, the actual performance in the 2022 fiscal year should be compared to the original 2022 guidance.

During the year, Brent was about 45% and TTF about 175% above our underlying assumptions as a result of continued strong global demand for hydrocarbons and the energy supply crisis caused by the war in Ukraine, particularly in Europe. The necessary adjustment of the global energy markets to accommodate for the loss of Russian supply resulted in significantly higher prices. The dollar versus the euro in the reporting year was 11% weaker on average compared with our underlying assumptions in last year's guidance.

Production[5] for 2022 was slightly below the original guidance and the latest revised guidance in the third quarter of 2022. The difference resulted mainly from the effects of the deconsolidation of the Russian entities in the fourth quarter of 2022.

Capex in 2022 was €0.2 billion below the midpoint of last year's guidance.

In 2022, we met both our EBITDAX and free cash flow targets.

Outlook

The Wintershall Dea Group's new medium-term planning (MTP) was adopted in January 2023. Our guidance, which does not include potential M&A activities, is based on this MTP.

In 2023, we expect the following:

- Production[5] in the range of 325 thousand to 350 thousand boe per day
- Capex in the range of €1.2 billion to € 1.4 billion
- Exploration expenditures (including appraisal) of €200 million to €250 million
- EBITDAX to be in the range of 0-40% lower compared to 2022, based on our price assumptions for the year. Compared to 2022 excluding EBITDAX from segment Russia, EBITDAX for 2023 is expected to be in the range of -20% to +30%.
- Free cash flow to decrease (50-90%) compared to 2022, based on our price assumptions for the year and due to significant Norwegian tax payments due in 2023. Compared to 2022 excluding FCF from segment Russia, FCF for 2023 is expected to be in a range of -20% to -85%.

[5] Excluding Libya onshore

3.2 OPPORTUNITIES AND RISKS

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

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

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

Risk management process

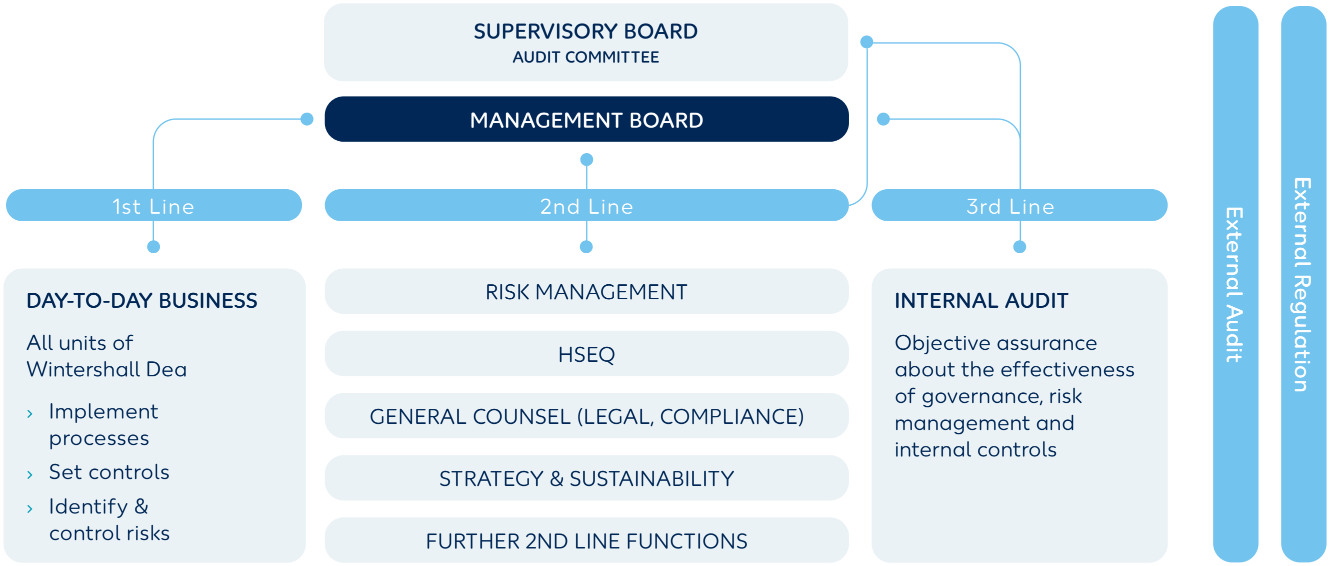
Wintershall Dea's risk management process is based on the international risk management standard COSO Enterprise Risk Management – Integrating with Strategy and Performance (2017) and has the following key features:

Organisation and responsibilities

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

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

RISK MANAGEMENT ORGANISATION



Process

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

ENTERPRISE RISK MANAGEMENT PROCESS

Overall assessment

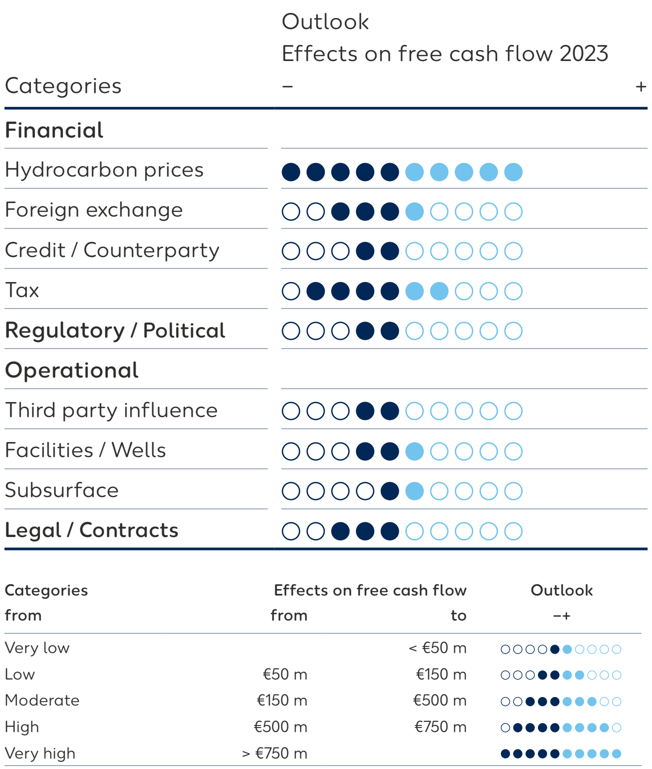
- Significant opportunities and risks arise from changes in market prices for commodities
- No threat to the continued existence of Wintershall Dea

For 2023, we are assuming continued elevated uncertainty surrounding geopolitical tensions and the pandemic's recovery. Sustained global supply chain disruptions, high commodity prices, excessive central bank tightening or further geopolitical conflicts could dampen growth momentum substantially. Although price pressures can be expected to subside globally in 2023, the prospect of inflation remains uncertain. However, if supply chain issues and geopolitical conflicts relax, there is a chance for recovery of global economic growth.

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

The aggregated potential short-term effects on free cash flow (FCF), as set out below, provide a holistic view of Wintershall Dea's quantitative opportunities and risks in 2023, including the upside opportunity and downside risk of the company's ability to pay dividends. Risks with probabilities below or equal to 2% (tail events) are not depicted in the aggregation table, as a 98% confidence interval is applied for each risk factor based on planned values.

OUTLOOK FOR KEY OPPORTUNITY AND RISK FACTORS WITH POTENTIAL SHORT-TERM EFFECTS ON FCF 2023



KEY OPPORTUNITY AND RISK FACTORS

Hydrocarbon prices

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

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

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

Risk management

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

The amounts to be hedged depend on the Group's financial situation, its commodity price exposures, and commodity market conditions. The maximum hedge volume is set at 75%, 50%, and 25% of efficiently hedgeable production for a one-, two-, or three-year horizon, respectively. We effectively hedge up to one-third of our hydrocarbon after-tax economic exposure primarily through the use of linear contracts such as swaps and forward sales.

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

Foreign exchange

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

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

Risk management

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

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

Credit/Counterparty

› The Group is subject to credit risks

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

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

Risk management

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

Tax

› The Group is exposed to tax environment risks

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

Risk management

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

Regulatory/Political

› The Group is exposed to significant political risks

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

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

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

Risk management

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

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

Third party influence

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

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

Risk management

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

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

Facilities/Wells

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

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

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

Risk management

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

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

Subsurface

› The Group may fail to properly estimate reserves and resources

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

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

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

Risk management

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

Legal/Contracts

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

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

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

Risk management

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

OTHER OPPORTUNITY AND RISK FACTORS

Health, Safety and Environment (HSE)

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

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

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

Risk management

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

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

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

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

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

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

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

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

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

Climate change and energy transition

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

The categorisation of climate-related risks and opportunities is based on the methodology of the Task Force on Climate-related Financial Disclosures (TCFD) and differentiates risks primarily between transition and physical risks (more about our TCFD commitment and reporting can be found in chapter "Climate & Energy" in our 2022 Sustainability Report [unaudited].

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

Risk management

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

Reserves replacement and development

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

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

Risk management

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

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

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

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

Liquidity

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

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

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

Risk management

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

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

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

Information technology

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

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

The implementation of our new ERP system is ongoing and continues to result in changes to processes, systems and responsibilities. To ensure uninterrupted business operations, controls must be quickly adapted to the new circumstances in order to remain effective. Such changes pose the risk of unauthorised persons gaining access to confidential Wintershall Dea data through physical, social or digital attacks. This could allow external third parties to gain a competitive advantage or lead to interruptions or delays in Wintershall Dea's operations.

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

The war in Ukraine represents a changed threat situation and increases the risk of unauthorised physical and logical access to Wintershall Dea data and information systems.

Risk management

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

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

In May, a project was launched to implement an information risk management approach with the objective of introducing an information security management system (ISMS).

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

Supply chain

› The Group is exposed to supply shortages and cost increases

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

Inflation rates have soared across the globe since 2021. The main drivers are commodity price increases, supply chain bottlenecks, rising transportation costs, rebounding demand, as well as spillovers from the conflict in Ukraine. The longer-term prospects for underlying inflation rates will be determined by the evolution of spare capacity and potential “second round” effects on pay trends as this is a potential driver of higher unit labour cost growth.

Risk management

The Group increased its monitoring of market trends. It has identified which purchases are most critical for its continued operations, and sourcing strategies are reviewed regularly. For some of the larger project-related contracts, the Group established an active dialogue with its main suppliers on the status and risks in their own supply chains. Wintershall Dea’s supply chain department has further developed its own price inflation index to track changes and measure the performance against the overall market. The Group works closely together with labour agencies to mitigate the risk of labour supply shortages and to maintain its high HSEQ standards.

Human resources

› The Group depends on skilled personnel to effectively manage its business

Attracting new recruits and retaining existing skilled personnel are fundamental to the continued growth of the Group's business. Skilled personnel are required in both the technical and non-technical business areas. The Group cannot provide assurance that it will be able to successfully attract new personnel or retain the existing personnel required to continue its business expansion and successfully execute and implement its business strategy.

Risk management

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

Compliance

› The Group is exposed to corruption risks

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

Risk management

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

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

DISPUTES AND PROCEEDINGS

Onshore transportation

Following the German Federal Court of Justice decision dated 5 April 2022, it finally became certain that the OPAL Settlement Agreement dated 28 November 2016, concluded between the Federal Network Agency, OPAL Gastransport GmbH & Co. KG ("OGT"), PAO Gazprom and Gazprom Export LLC ("OPAL Settlement Agreement"), which intended to enable the full marketing of all OPAL transit capacities, will no longer apply. Consequently, the exemption decision from 2009 with its capacity booking restrictions for certain shippers continues to apply to the marketing and operation of OPAL capacities. OGT examines if advantages of non-regulation can be realised or, alternatively, if OPAL can be utilised under regulation.

Financing Nord Stream 2 AG

On 7 October 2020, the Polish competition authority (PCA), in connection with the Nord Stream 2 AG financing arrangements, imposed fines on all lenders, as well as on the sole owner of Nord Stream 2 AG (corresponding to 10% of their previous year's turnover), and demanded the termination of the financing agreements. On 21 November 2022, the Competition Court in Warsaw, Poland, annulled the decision of the PCA in its entirety, which is now being appealed by the PCA.

Further proceedings

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

Provisions for legal risks and trial costs are included in other provisions and amounted to €5 million in 2022 (previous year: €6 million). Further provisions for legal risks were not to be considered.

D

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

€ million	Note	2022	2021
Revenues gas and oil	4	18,549	7,611
Revenues other	4	165	193
Net income from equity-accounted investments: gas and oil	2	101	83
Net income from equity-accounted investments: midstream	2	-8	202
Other operating income	4	58	99
		18,866	**8,188**
Production and operating expenses	5	-10,702	-3,971
Production and similar taxes		-221	-123
Depreciation and amortisation		-1,429	-1,456
Net impairment on assets	6,12	-1,658	-111
Loss from deconsolidation Russia	3	-4,514	—
Exploration expenses	7	-102	-134
General and administrative expenses		-451	-429
		-212	**1,964**
Financial income	9	360	182
Financial expenses	9	-1,499	-323
		-1,139	**-141**
Income/loss (-) before taxes		**-1,351**	**1,823**
Income taxes	10	-3,452	-1,230
Net income/loss (-)		**-4,803**	**593**
Net income/loss (-) attributable to shareholders		-4,845	553
Net income/loss (-) attributable to subordinated notes investors		42	40

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	2022	2021
Net income/loss (-)	**-4,803**	**593**
Actuarial gains/losses	121	49
Actuarial gains/losses from equity-accounted investments	—	-1
Income and expenses that will not be reclassified to the statement of income at a later date, recognised directly in equity	**120**	**49**
Unrealised gains/losses on currency translation	1,349	409
Unrealised gains/losses on currency translation from equity-accounted investments	228	98
Fair value changes in derivatives designated in cash flow hedges	-126	-547
Fair value changes in derivatives designated in cash flow hedges from equity-accounted investments	55	16
Income and expenses that will be reclassified to the statement of income at a later date, recognised directly in equity	**1,506**	**-24**
Other comprehensive income (net of tax)	**1,626**	**24**
Total comprehensive income	**-3,177**	**617**
Total comprehensive income attributable to shareholders	-3,219	578
Total comprehensive income attributable to subordinated notes investors	42	40

CONSOLIDATED BALANCE SHEET

€ million	Note	31 Dec 2022	31 Dec 2021
Assets			
Non-current assets			
Goodwill	12	2,156	2,435
Exploration assets	12	298	226
Other intangible assets	12	1,912	2,631
Property, plant and equipment	12	8,245	9,170
Equity-accounted investments	13	599	2,856
Other financial assets	14	261	13
Financial receivables	16	212	1,159
Derivative instruments	26	26	50
Other receivables	17	14	11
Deferred tax assets	10	189	234
		13,912	**18,785**
Current assets			
Inventories	15	215	177
Financial receivables	16	19	65
Trade and other receivables	17	1,937	1,745
Derivative instruments	26	405	441
Income tax assets	10	24	4
Cash and cash equivalents	18	3,089	2,106
Assets held for sale		—	129
		5,690	**4,666**
Total assets		**19,601**	**23,452**

€ million	Note	31 Dec 2022	31 Dec 2021
Equity and liabilities			
Equity attributable to shareholders and subordinated notes investors	19		
Subscribed capital		189	189
Capital reserves		1,386	1,161
Retained earnings and other comprehensive income		441	4,976
Equity attributable to subordinated notes investors		1,525	1,525
		3,541	**7,852**
Non-current liabilities			
Pension provisions	20	371	558
Decommissioning provisions	21	1,954	2,467
Other provisions	21	124	143
Financial debt	22	3,067	4,055
Derivative instruments	26	1,220	988
Income tax liabilities	10	36	27
Other liabilities	23	19	27
Deferred tax liabilities	10	1,713	2,198
		8,504	**10,464**
Current liabilities			
Decommissioning provisions	21	133	193
Other provisions	21	299	291
Financial debt	22	1,356	575
Trade and other payables	23	1,528	1,277
Derivative instruments	26	2,491	2,134
Income tax liabilities	10	1,750	661
Liabilities directly associated with assets classified as held for sale		—	5
		7,557	**5,136**
Total equity and liabilities		**19,601**	**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	Shareholder`s equity	Equity attributable to subordinated notes investors	Total
As at 1 Jan 2022	189	1,161	6,910	-172	-989	-773	6,327	1,525	7,852
Other comprehensive income	—	—	—	120	1,577	-71	1,626	—	1,626
Net income/loss (-)	—	—	-4,845	—	—	—	-4,845	42	-4,803
Total comprehensive income	—	—	-4,845	120	1,577	-71	-3,219	42	-3,177
Capital increase/ decrease (–)	—	224	—	—	—	—	224	—	224
Dividends/ distributions	—	—	-1,316	—	—	—	-1,316	-42	-1,358
Other changes	—	—	1	-1	—	—	—	—	—
As at 31 Dec 2022	**189**	**1,386**	**749**	**-52**	**588**	**-844**	**2,016**	**1,525**	**3,541**
As at 1 Jan 2021	189	1,161	7,047	-225	-1,496	-241	6,435	—	6,435
Other comprehensive income	—	—	—	49	507	-531	24	—	24
Net income/loss (-)	—	—	553	—	—	—	553	40	593
Total comprehensive income	—	—	553	49	507	-531	578	40	617
Capital increase/ decrease	—	—	—	—	—	—	—	1,491	1,491
Dividends/ distributions	—	—	-686	—	—	—	-686	-8	-694
Other changes	—	—	-4	4	—	—	—	2	2
As at 31 Dec 2021	**189**	**1,161**	**6,910**	**-172**	**-989**	**-773**	**6,327**	**1,525**	**7,852**

[1] For further information refer to Note 19

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	2022	2021
Net income/loss (-)	**-4,803**	**593**
Amortisation/depreciation/impairment losses/reversal of impairment losses	3,127	1,592
Changes in provisions	-37	-21
Changes in deferred taxes	-83	326
Gains (-)/losses from disposal of non-current assets	136	67
Gains (-)/losses from deconsolidation	4,527	—
Other non-cash income/expenses and finance costs	721	-291
Changes in working capital	105	-504
Changes in income tax assets and liabilities	1,125	910
Changes in other balance sheet items	22	325
Cash flow from operating activities	**4,839**	**2,998**
Payments for intangible assets and property, plant and equipment	-970	-1,050
Net payments for acquisitions	-60	25
Net proceeds from the disposal of non-current assets/divestitures	211	99
Disposed cash Russia due to loss of control	-2,011	—
Payments for financial receivables	—	-32
Proceeds from financial receivables	—	166
Changes in financial receivables from cash pooling	—	-1
Cash flow from investing activities	**-2,831**	**-792**
Capital contribution into capital reserves	224	—
Capital contribution from subordinated notes investors	—	1,491
Dividend payments to shareholders	-1,316	-686
Distributions paid to subordinated notes investors	-42	-8
Proceeds from debt to banks	12	55
Repayments of debt to banks	-14	-1,896
Buybacks of bonds	-98	—
Changes in financial liabilities to related parties (cash pooling)	-114	128
Repayment of lease liabilities	-34	-59
Cash flow from financing activities	**-1,382**	**-975**

€ million	2022	2021
Change in cash and cash equivalents	**626**	**1,230**
Effects of foreign exchange rate changes and other non-cash changes	357	55
Cash and cash equivalents at the beginning of the reporting period	**2,106**	**821**
Cash and cash equivalents at the end of the reporting period	**3,089**	**2,106**

Supplementary information on cash flow from operating activities		
Income taxes paid (less refunds)	-2,348	70
Interest paid[1]	-55	-56
Interest received	160	51
Dividends received gas and oil	3	28
Dividends received midstream	92	139

[1] Includes capitalised borrowing cost €-23 million (2021: €-19 million) shown as part of the payments for intangible assets and property, plant and equipment in the cash flow from investing activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

General information

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

The company's registered office is located in Celle, Lower Saxony, Germany, and it is dual-headquartered in Kassel (Friedrich-Ebert-Straße 160 in 34119 Kassel) and Hamburg (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 presented consolidated financial statements were approved for publication by the Management Board of Wintershall Dea AG on 17 February 2023. They are filed electronically with the operator of the German Federal Gazette and subsequently published therein.

The consolidated financial statements of Wintershall Dea AG comprise the period from 1 January until 31 December 2022.

Basis of presentation

The consolidated financial statements of Wintershall Dea AG and its subsidiaries ("Wintershall Dea" or the "Group") have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) applicable in the European Union (EU), and in accordance with the supplementary accounting regulations pursuant to Section 315e (1) of the German Commercial Code (HGB). IFRSs are applied only after their adoption by the EU. All IFRSs and pronouncements of the International Financial Reporting Interpretations Committee (IFRIC) that are binding for the 2022 fiscal year have been applied.

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

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

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

Consolidation principles

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

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

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

The consolidated financial statements include Wintershall Dea AG and all material subsidiaries in full and, until 30 November 2022, one joint operation on a pro rata basis. Companies whose business is dormant or of low volume and therefore of minor importance for the presentation of a true and fair view of the net assets, financial position and results of operations are not consolidated but, instead, reported under "Other financial assets". These companies are carried at amortised cost and written down in the event of an impairment. The aggregated assets and equity of these companies amount to less than 2.5% of both corresponding values at Group level.

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

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

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

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

Foreign currency translation

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

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

SELECTED EXCHANGE RATES

	Closing rates €1 =		Average rates €1 =	
	31 Dec 2022	31 Dec 2021	2022	2021
Argentinian peso (ARS)	189.15	116.49	137.07	112.52
Egyptian pound (EGP)	26.44	17.82	20.17	18.57
Mexican peso (MXN)	20.86	23.14	21.19	23.98
Norwegian krone (NOK)	10.51	9.99	10.10	10.16
Russian rouble (RUB)	78.43	85.30	73.82	87.16
US dollar (USD)	1.07	1.13	1.05	1.18

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.

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

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

New accounting policies

The IASB has adopted further standards and amendments to standards, which are not yet mandatory in the European Union for the fiscal year beginning on 1 January 2022. EU endorsement is still pending in some cases.

	Effective date (IASB)
IFRS 17 (2017) "Insurance Contracts" including Amendments to IFRS 17 (2020)	1 January 2023
Amendments to IAS 1 (2020) "Classification of Liabilities as Current or Non-current"	1 January 2024
Amendments to IAS 1 (2021) "Disclosure of Accounting Policies"	1 January 2023
Amendments to IAS 8 (2021) "Definition of Accounting Estimates"	1 January 2023
Amendments to IAS 12 (2021) "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	1 January 2023
Amendments to IFRS 17 (2021) "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	1 January 2023
Amendments to IFRS 16 (2022) "Lease Liability in a Sale and Leaseback"	1 January 2024

The effects of the new standards and amendments on Wintershall Dea's consolidated financial statements are currently under review and no material impacts are expected.

Significant accounting and measurement policies

Revenue recognition

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

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

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

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

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

Income taxes

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

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

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

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

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

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

IFRIC 23 clarifies the application of the recognition and measurement regulations of IAS 12 if there are uncertainties with regard to the income tax treatment. For recognition and measurement, estimates and assumptions have to be made, such as whether the assessment should be made separately or together with other uncertainties, whether to use a probable or expected value for the uncertainty and whether changes have occurred in comparison to the previous reporting period. The risk of detection is not relevant for the accounting treatment of uncertain balance sheet items. The accounting is based upon the assumption that the tax authorities consider the issue in question and that they have all relevant information. There are no significant effects on the consolidated financial statements of Wintershall Dea.

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

Intangible assets

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

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

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

The intangible asset from the marketing agreement for natural gas from the Yuzhno-Russkoye natural gas field was amortised in accordance with Wintershall Dea's share of the volume produced and marketed. The asset was derecognised on 1 November 2022.

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

Property, plant and equipment

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

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

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

Useful lives	Years
Buildings	6–50
Technical plant and machinery	1–33
Fixtures and fittings and office equipment	1–23

Leases

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

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

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

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

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

Impairment test

An impairment loss is recognised on intangible assets, property, plant, equipment, investment properties and equity-accounted investments if the recoverable amount of the asset is less than its carrying amount. Exploration assets are required to be tested for impairment as soon as the technical feasibility and profitability of a resource can be proven. The presence of facts and circumstances indicating an impairment also gives rise to an impairment test. If the asset is part of a cash-generating unit (the smallest identifiable group of assets generating cash flows, which are largely independent of the cash inflows of other assets or other groups of assets), the impairment is derived on the basis of the recoverable amount of the cash-generating unit. In the event that the carrying amount of a cash-generating unit to which goodwill has been allocated exceeds the recoverable amount, the resulting impairment loss is initially applied to the allocated goodwill. Any further impairment required is taken into account through the pro rata reduction of the remaining carrying amounts of the assets included in the cash-generating unit. A reversal of an impairment loss up to the value of amortised cost is made if the reasons for an earlier impairment no longer exist. In this case, the higher carrying amount resulting from a reversal must not exceed the carrying amount net of amortisation and depreciation. Impairment losses are reported net of reversals of impairment losses as net impairments on assets.

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

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

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

Inventories

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

Financial assets and financial liabilities

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

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

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

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

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

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

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

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

Financial liabilities are classified in the following measurement categories:

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

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

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

Derivative financial instruments

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

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

The Group has designated derivatives as hedging instruments within the scope of cash flow hedges. Cash flow hedges are used to hedge the risk of variability in cash flows from highly probable forecast transactions. The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges is recognised as other comprehensive income within equity. The gains or losses relating to the ineffective portion are recognised immediately in profit or loss.

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

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

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

Provisions

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

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

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

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

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

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

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

The Group still participates in a legally independent multi-employer plan provided by BASF Pensionskasse VVaG, which is financed by employer and employee contributions as well as the return on plan assets. Since sufficient information is not available for this multi-employer plan, the Group accounts for the plan as if it was a defined contribution plan.

In the case of contribution-based benefit plans, the Group does not incur any further obligations beyond making contribution payments to special-purpose funds as well as to life insurances. These contribution payments are recorded as expenses. Furthermore, for some of the Group`s contribution-based benefit plans benefit obligations are recognised at the fair value of these funds, so far as the assets exceed the guaranteed minimum benefit amount. If the assets do not exceed the guaranteed minimum benefit amount, benefit obligations for these contribution-based benefit plans are recognised in the amount of the guaranteed minimum benefit amount.

Discontinued operations and assets held for sale

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

Important estimates and assumptions

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

Impact of climate change and energy transition

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

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

Gas and oil reserves

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

Impairment tests

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

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

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

Fair value measurement of other financials assets

In the reporting period, the full or proportional consolidation and the equity valuation of our Russian entities ceased. The participations are now accounted for as other financial assets at fair value according to IFRS 9. The fair value determination requires certain estimates and assumptions that are described further in Note 3.

Impairment on financial assets

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

Derivative financial instruments

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

Provisions

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

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

Leases

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

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

NOTE 2 – SCOPE OF CONSOLIDATION

As at 31 December 2022, the consolidated financial statements include 41 fully consolidated companies (31 December 2021: 49 fully consolidated companies and one proportionally consolidated company).

In addition, there are 4 joint ventures and associated companies that are accounted for using the equity method (31 December 2021: 7).

For further information, see Note 32.

NUMBER OF FULLY AND PROPORTIONALLY CONSOLIDATED COMPANIES

As at 1 Jan 2022	**49**
First-time consolidation	1
Deconsolidations	-3
Merged subsidiaries	-6
As at 31 Dec 2022	**41**

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

Wintershall Dea do Brasil Exploração e Produção Ltda. was deconsolidated in the second quarter of 2022 and YRGM Trading and Achimgaz were deconsolidated in the fourth quarter (see Note 3).

At the end of June 2022, 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.

Joint operations

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

Name	Nature of the joint operation	Principal place of business	Ownership interest/voting rights (%)
Disouq Petroleum Company (DISOUCO)	Operating company for the development and production phases	Cairo, Egypt	50.00
Groupement Reggane	Operating company for the development and production phases	Algiers, Algeria	19.50

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

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

Joint ventures and associated companies

The tables below contain summarised financial information for joint ventures (WIGA Transport Beteiligungs-GmbH & Co. KG and its subsidiaries [WIGA Group], Wintershall Noordzee B.V.) and associated companies (Nord Stream AG, Wintershall AG) accounted for using the equity method:

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

€ million	2022/ 31 Dec 2022	2021/ 31 Dec 2021
Balance sheet		
Non-current assets	4,183	4,426
Current assets	800	975
of which cash and cash equivalents	128	386
Equity	2,177	2,417
Non-current liabilities	2,723	2,870
of which financial debt	1,949	1,962
Current liabilities	83	114
of which financial debt	33	53
Statement of Income/Statement of comprehensive income		
Revenue	901	851
Depreciation and amortisation	-53	-53
Interest income	6	—
Interest expenses	-32	-21
Income taxes	-1	81
Net income/loss (–)	-144	232
Other comprehensive income	86	10
Total comprehensive income	-58	242
Wintershall Dea share	50.02%	50.02%
Wintershall Dea share of total comprehensive income	-29	121
Impairments	-603	—
Received dividends/distribution	-92	-93
Carrying amount of the equity-accounted investment at the end of the year	**483**	**1,207**

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

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

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

€ million	2022/ 31 Dec 2022	2021/ 31 Dec 2021
Balance sheet		
Non-current assets	381	293
Current assets	242	242
of which cash and cash equivalents	177	150
Equity	120	7
Non-current liabilities	309	421
of which financial debt	—	—
Current liabilities	194	107
of which financial debt	—	—
Statement of Income/Statement of comprehensive income		
Revenue	440	262
Depreciation and amortisation/ net impairment losses	-131	-159
Interest expenses	-1	2
Income taxes	-167	-38
Net income/loss (–)	112	—
Other comprehensive income	—	—
Total comprehensive income	112	—
Wintershall Dea share	50.00%	50.00%
Wintershall Dea share of total comprehensive income	56	—
Reversal of impairments	—	4
Carrying amount of the equity-accounted investment at the end of the year	**60**	**4**

[1] Fair value adjustments are included on a grossed-up basis (100%)

NORD STREAM AG, ZUG/SWITZERLAND (100%)

€ million	Jan-Jun 2022/ 30 Jun 2022[1]	2021/ 31 Dec 2021
Balance sheet		
Non-current assets	4,330	4,477
Current assets	750	582
Equity	3,172	2,834
Non-current liabilities	1,430	1,706
Current liabilities	478	519
Statement of Income/Statement of comprehensive income		
Revenue	536	1,073
Net income/loss (–)	283	535
Other comprehensive income	56	73
Total comprehensive income	339	608
Wintershall Dea share	15.50%	15.50%
Wintershall Dea share of total comprehensive income	76[2]	94
Impairments	-529	—
Received dividends/distribution	—	-56
Carrying amount of the equity-accounted investment at the end of the year	—	**452**

[1] Latest available information
[2] Based on preliminary figures

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

€ million	2022/ 31 Dec 2022	2021/ 31 Dec 2021
Balance sheet		
Non-current assets	345	518
Current assets	181	156
Equity	110	222
Non-current liabilities	236	263
Current liabilities	180	189
Statement of Income/Statement of comprehensive income		
Revenue	137	188
Net income/loss (–)	-112	63
Other comprehensive income	—	—
Total comprehensive income	-112	63
Wintershall Dea share	51.00%	51.00%
Wintershall Dea share of total comprehensive income	-57	32
Carrying amount of the equity-accounted investment at the end of the year	**56**	**113**

[1] Preliminary figures, not based on final accounts

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

NOTE 3 – MAJOR DIVESTMENTS AND DECONSOLIDATIONS

Major divestments

Norway

In November 2022, 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, was completed.

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, recognised in Q2, is shown under net impairments on assets. In addition, a final loss from disposal before tax of €122 million was recognised mainly under production and operating expenses. Taking into account the release of deferred taxes, the divestment resulted in an overall gain after tax of €2 million.

The following assets and liabilities were derecognised:

€ million	
Non-current assets (incl. goodwill)	284
Current assets	27
Non-current liabilities	77

Argentina

The assets and associated liabilities concerning our 50% interest in Aguada Federal/ Bandurria Norte in Argentina, which had been shown under held for sale as at 31 December 2021, were derecognised following the approval of the divestiture from the authorities in September 2022.

A final loss from disposal of €1 million is shown under production and operating expenses.

Deconsolidation of subsidiaries and equity-accounted investments

Russia

In Russia, Wintershall Dea holds participations in the Yuzhno- Russkoye field (through the trading company “AO Gazprom YRGM Trading” and licence holding company “OAO Severneftegazprom [SNGP]”) as well as in the Achimov formations Area 1A (through “AO Achimgaz”) and Areas 4A and 5A (through the trading company “AO Achim Trading” and licence holding company “OOO Achim Development”) of the Urengoyskoye field.

In Q4 2022, as a result of changes in current facts and circumstances, Wintershall Dea determined that the criteria for control, joint control and significant influence in our Russian entities are no longer met. The original corporate governance and pricing mechanisms are no longer functioning as contractually stipulated.

The interest in YRGM Trading was fully consolidated. Even though Wintershall Dea did not have direct discretionary power over the relevant activities, due to entitlement to the company's results on the basis of the profit distribution agreements, Wintershall Dea controlled the company until 31 October 2022. Following the application of Decree 1554, which capped the prices at which YRGM Trading was able to sell its products, the link between power and returns is no longer given and the full consolidation of YRGM Trading ceased. Since Wintershall Dea holds preference shares only, the company also does not have a significant influence on YRGM Trading.

The economically related licence holding company SNGP was accounted for at equity until 31 October 2022. As a result of external interference and unilateral decisions leading to corporate governance mechanisms not functioning as contractually stipulated, significant influence no longer exists, and the application of the equity method ceased.

The joint operation Achimgaz was jointly controlled with Gazprom and therefore proportionally consolidated until 30 November 2022. As a result of external interference and unilateral decisions leading to corporate governance mechanisms no longer functioning, joint control no longer exists and the proportional consolidation ceased. Due to the reasons mentioned, Wintershall Dea also does not have significant influence.

Achim Trading and the economically related licence holding company Achim Development were accounted for at equity until 30 November 2022. As a result of external interference and unilateral decisions leading to corporate governance mechanisms not functioning as contractually stipulated, significant influence is no longer given, and the application of the equity method ceased.

Hence, the consolidated statement of income includes income and expenses for YRGM Trading for the period January to October 2022 and for Achimgaz for the period January to November 2022. Moreover, the net income from equity-accounted investment SNGP is included for the period

January to October 2022 and from Achim Trading and Achim Development for the period January to November 2022.

As of 1 November and 1 December 2022, respectively, all of the Russian entities are accounted for as other financial assets at fair value through other comprehensive income pursuant to IFRS 9.

The fair value of all entities amounts to €248 million and was determined based on probability weighted scenarios which include, besides a downside scenario, a scenario with the underlying assumption that the company will receive cash inflows for its Russian entities in the future. The discount rate applied (10%) is based on the cost of equity, taking into consideration the specific country risks for Russia.

The deconsolidation and recognition as other financial assets according to IFRS 9 resulted in a loss of €4,514 million recognised in a separate item “Loss from deconsolidation Russia” in the consolidated statement of income without affecting EBITDAX or adjusted net income. The loss includes foreign currency translation losses that had to be reclassified from other comprehensive income to profit or loss (€324 million).

The following assets and liabilities were derecognised:

€ million	
Non-current assets	
Goodwill	488
Other intangible assets	489
Property, plant and equipment	508
Equity-accounted investments	1,085
Current assets	
Inventories	10
Financial receivables	1
Trade and other receivables	149
Income tax assets	35
Cash and cash equivalents	2,011
	4,776
Non-current liabilities	
Decommissioning provisions	23
Financial debt	1
Deferred tax liabilities	123
Current liabilities	
Other provisions	1
Trade and other payables	190
	338

Brazil

Following the decision to terminate all activities in Brazil, Wintershall Dea do Brasil Exploração e Produção Ltda. was deconsolidated due to materiality reasons as at 1 June 2022.

The deconsolidation of our Brazilian subsidiary resulted in a loss of €13 million which is shown under general and administrative expenses. The loss is primarily related to foreign currency translation losses that had to be reclassified from other comprehensive income to profit or loss (€12 million).

NOTE 4 – REVENUES AND OTHER INCOME

€ million	2022	2021
Revenues gas		
Gas sales own production	4,963	2,158
Gas sales trading	10,265	3,135
Unrealised gains/losses from gas derivatives	118	-8
	15,346	5,285
Revenues oil		
Oil sales own production	3,193	2,313
Oil sales trading	11	13
	3,203	2,326
Total revenues gas and oil	18,549	7,611
Revenues other	165	193
Total	18,714	7,804

Gas and oil (crude oil/condensate/NGL) revenues from own production also include revenues from service fees for extraction services in Russia. “Revenues other” mainly comprise revenues from the marketing of unused pipeline capacity in Norway as well as 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 qualify for hedge accounting and are recognised in other comprehensive income.

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

In the reporting period, 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 €58 million. In addition, revenues gas include realised losses of €3,392 million for fixed-price contracts for which hedge accounting is applied. Revenues oil include realised losses from oil swaps amounting to €314 million. These gains and losses are not within the scope of IFRS 15.

Other operating income

Other operating income mainly includes gains from asset disposals as well as government grants in Argentina.

NOTE 5 – PRODUCTION AND OPERATING EXPENSES

€ million	2022	2021
Production costs	693	684
Change over-/underlift	19	-12
Transport fees and leases	281	229
Development costs	74	14
Cost of trade goods	9,324	2,865
Other cost of sales	58	114
Other costs	254	78
Total	10,702	3,971

Production costs also comprise gas and oil 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 oil and gas. 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.

NOTE 6 – NET IMPAIRMENT ON ASSETS

	2022					
€ million	Northern Europe	Russia	Latin America	Middle East/ North Africa	Midstream	**Total**
Acquisition cost of concessions	—	—	292	—	—	292
Gas and oil assets	—	—	—	3	—	3
Impairment losses	—	—	292	3	—	295
Gas and oil assets	-3	—	—	-125	—	-128
Reversal of impairment losses	-3	—	—	-125	—	-128
Net impairments on intangible assets and property, plant and equipment (Note 12)	-3	—	292	-122	—	167
Impairment losses on goodwill (Note 3)	11	—	—	—	—	11
Impairment losses on equity-accounted investments (Note 13)	—	348	—	—	1,132	1,480
Net impairment on assets	8	348	292	-122	1,132	1,658

Russia and Midstream

Following the Russian war against Ukraine that started in February, a trigger-based impairment test was carried out for our Russian and Midstream assets in the first quarter of 2022. The scenarios and assumptions were reviewed and updated, if necessary, each quarter.

For our Russian equity-accounted investments, impairment losses of €348 million were recognised in the first quarter. In the fourth quarter, the full or proportional consolidation and equity valuation ceased, and our participations in the Russian entities were recognised as other financial assets measured at fair value pursuant to IFRS 9, resulting in a further loss from deconsolidation of €4,514 million (see Note 3).

For our equity-accounted investments related to the Midstream segment, impairment losses amounting to €1,132 million were recognised during the reporting period 2022. The impairment losses include a full impairment on our equity investment in Nord Stream AG following the damage of the pipeline (€529 million). Since the partial impairment in the third quarter, the management observed continuously increased uncertainties and risks. Therefore, dividend payments in the foreseeable future are considered highly uncertain, resulting in a further impairment of the remaining carrying amount of the equity-accounted investment. In addition, an impairment on the equity-accounted investment comprising our onshore gas transportation activities was carried out, amounting to €603 million in 2022. The impairment calculation was based on revised cash flow assumptions and a probability-weighted scenario analysis covering different possible future outcomes.

However, as the outcome of these scenarios and assumptions is highly uncertain, the considered assumptions may need to be adjusted in the future, which may result in further impairment losses or reversal of impairments.

Other E&P assets

The impairment losses for other E&P assets (€295 million excluding goodwill) mainly relate to the Ogarrio field in Mexico and are triggered by updated operational assumptions from the latest business plan.

The reversals of impairments on assets in Algeria, Egypt and Germany (€128 million) are the result of an overall increase in the expected service potential.

Impairment losses on goodwill comprise impairments on the portion of the Norwegian goodwill that was allocated to the divestment in Norway (see Note 3).

The recoverable amounts for intangible assets and property, plant and equipment that have been impaired or for which an impairment has been reversed in the reporting period amount to €61 million for Northern Europe, €630 million for Latin America and €564 million for Middle East/North Africa.

Further information related to impairment testing and macroeconomic parameters is provided in Note 12.

NOTE 7 – EXPLORATION

Exploration expenses in the consolidated statement of income (€102 million) comprise, among other things, expenses related to seismology, geology, geophysics, unsuccessful exploration wells, additions and reversals of provisions and allocable administrative expenses. Impairment losses and reversals are not included in exploration expenses.

Provisions comprise decommissioning obligations as well as obligations arising from onerous contracts and unfulfilled work programmes related to exploration licences in the amount of €103 million.

The cash flow from operating activities attributable to exploration amounts to €-107 million. In addition, the cash flow from investment activities amounts to €-98 million.

NOTE 8 – ADDITIONAL DISCLOSURES: PERSONNEL EXPENSES AND EMPLOYEES

Total personnel expenses included in production and other operating expenses, exploration expenses and general and administrative expenses are as follows:

PERSONNEL EXPENSES

€ million	2022	2021
Wages and salaries	388	350
Social security and other benefits	42	41
Expenses relating to post-employment benefits	26	32
Total	**456**	**423**

NUMBER OF EMPLOYEES

	Average 2022	Average 2021
Wintershall Dea Group	2,314[1]	2,469[2]
of which trainees	43	49
of which employees on fixed-term contracts	78	153

[1] Thereof 231 employees in one proportionally consolidated company included in the consolidated financial statements until end of November (of which 38 employees on fixed-term contracts)

[2] Thereof 243 employees in the proportionally consolidated company (of which 49 employees on fixed-term contracts)

NOTE 9 – FINANCIAL RESULT

€ million	2022	2021
Interest income from third parties	187	128
Interest income from related parties	3	7
Foreign currency exchange gains, net	159	41
Income from investments	6	6
Other financial income	5	—
Financial income	**360**	**182**
Interest expenses to third parties	59	58
Interest expenses to related parties	2	—
Less capitalised borrowing costs	-23	-19
Losses from financial derivatives, net	389	252
Interest from addition to provisions	37	26
Loss absorptions	—	1
Net impairments on other financial assets	6	3
Net impairment on financial receivables and bank balances	1,005	—
Other financial expenses	23	1
Financial expenses	**1,499**	**323**
Total financial result	**-1,139**	**-141**

Interest income and interest expenses predominantly result from assets and liabilities measured at amortised cost. Other financial expenses comprise losses resulting from the fair value measurement of an issued financial guarantee in the amount of €12 million.

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 no longer expected to occur.

NOTE 10 – INCOME TAXES

In Germany, a uniform corporate income tax rate of 15% and a solidarity surcharge of 5.5% are levied on all distributed and retained earnings. In addition to corporate income tax, income generated in Germany is subject to a trade tax that varies depending on the municipality in which the company is represented. The weighted average corporate income and trade tax rate in 2022 was 30% (2021: 30%). The 30% tax rate used to calculate deferred taxes for German Group companies remained unchanged in 2022. The income of foreign Group companies is assessed using the tax rates applicable in their respective countries.

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

TAX RATES FOR THE DEFERRED TAX CALCULATION

Norwegian Group company	78%/71.8%/22%
Mexican Group companies	30%
Dutch Group companies	25.8%
Russian Group companies	20%
Argentine Group company	35%

In 2022, changes to the Norwegian Petroleum Tax Act were enacted with effect from 1 January 2022. The changes in the petroleum tax system provide for an immediate tax expense of capital expenditures incurred but repeal the uplift allowance, an additional tax depreciation allowance. In addition, the corporate income tax (22%) becomes deductible from the special petroleum tax base. To retain the overall tax rate at 78%, the special petroleum tax rate was increased from 56% to 71.8%.

TAX EXPENSES

€ million	2022	2021
Income taxes current year (corporate income tax, solidarity surcharge and trade taxes)	3,530	870
Income taxes for prior years	-5	41
Current income tax expenses	**3,524**	**910**
changes in temporary differences	9	409
changes in tax loss carryforwards/ unused tax credits	-92	-89
Deferred taxes	**-83**	**320**
Income taxes	**3,441**	**1,230**
EU solidarity contribution	**11**	**—**
Total	**3,452**	**1,230**

In 2022, Germany enacted the EU regulation of a temporary mandatory solidarity contribution of 33% for excess profits generated from activities in the oil, gas, coal and refinery sectors in 2022 and 2023. Wintershall Dea expensed an additional €11 million EU solidarity contribution for its oil and gas excess profits generated in its German operations in 2022.

In 2022, the Council of the EU adopted a directive on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union. The member states shall transpose the regulations of this directive into national law by year-end 2023. Wintershall Dea currently evaluates the extent to which it might be affected by this directive.

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

RECONCILIATION TO THE EFFECTIVE TAX EXPENSE AND THE TAX RATE

€ million	2022	2021
Income/loss (-) before taxes	**-1,351**	**1,823**
Expected income taxes based on German weighted average corporate and trade income tax rate (30%)	405	-547
Effect of deconsolidation and impairment of the Russian, Midstream and Brazilian business	-1,802	—
Effect of different tax rates on income of foreign Group companies	-1,711	-580
Effect of different tax bases on income of foreign Group companies	-141	29
Effect of different tax rates and tax bases on income of foreign branches	24	23[1]
Effect from tax rate changes	—	-13
Taxes for prior years	-5	-45
Withholding tax on dividends	-6	-19
Tax effects on		
Expenses of German Group companies not deductible for tax purposes	-23	-15
Changes in tax loss carryforwards	-265	-43
Intangible and fixed asset impairments and reversal of impairments North Africa	37	-42[1]
Goodwill impairments and disposal losses	-10	-7
Losses from disposal and gains from reversal of impairments of investments in associates and joint ventures	—	-9
Net income from investments in associated companies and joint ventures	27	67
Future dividends from subsidiaries and associates	45	-43
Miscellaneous	-16	13
Effective income taxes	**-3,441**	**-1,231**
Effective income tax rate in %	**-255**	**67**

[1] An amount of €42 million has been reclassified for the purpose of comparison

The effective income tax rate 2022 was massively impacted by non-tax-deductible expenses from the deconsolidation of the Russian business and impairments of equity-accounted Russian investments and non-tax-deductible impairments on equity-accounted investments of the midstream business.

The effect of different tax rates on income of foreign Group companies of €-1,711 million was caused mainly by a strong increase in pre-tax income in Norway. Due to the special petroleum tax regime particularly high income tax rates are to be applied here.

The effect of different tax bases on the income of foreign Group companies of €-141 million was mainly impacted by permanent differences such as non-tax-deductible foreign exchange currency losses in Argentina and deferred tax expenses from the revaluation of tax balances in Norway. In contrast, the tax relief in 2021 primarily resulted from the increase in the uplift allowance to 24% for investments and its immediate tax expense. This was a temporary, COVID-19 pandemic-related change in the petroleum tax system in Norway and limited to 2020 and 2021.

An amount of €-265 million resulted from changes in tax loss carryforwards for which deferred tax assets have not been recognised as it is not probable that sufficient taxable profit will be available to completely utilise the tax loss carryforwards. The main increase in tax loss carryforwards related to Germany was caused by the impairment of the financial receivable related to the financing of the Nord Stream 2 pipeline project. This was partly compensated for by deferred tax income from a previously unrecognised deferred tax asset for tax loss carryforwards in Mexico.

Income tax assets and liabilities

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

Deferred tax assets and liabilities

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

DEFERRED TAX ASSETS AND LIABILITIES IN 2022

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

DEFERRED TAX ASSETS AND LIABILITIES IN 2021

				Effects recognised in OCI					
€ million	1 Jan 2021, net	Effects recognised in income	Change in scope of consolidation	Cash flow hedge	Remeasurement of benefit plans	Currency translation effect	**31 Dec 2021, net**	Deferred tax assets	Deferred tax liabilities
Intangible assets, property, plant and equipment	-4,837	-165	—	—	—	-389	**-5,391**	6	5,397
Inventories, receivables and financial assets	-69	-271	—	14	—	-2	**-328**	10	338
Pension provisions	147	-3	—	—	-20	3	**127**	155	28
Other provisions, liabilities and financial liabilities	1,479	26	—	1,759	—	96	**3,360**	3,371	11
Other	2	-1	—	2	—	—	**3**	3	—
Tax loss carryforwards	168	89	—	—	—	8	**265**	265	—
Deferred tax assets/ liabilities before netting	**-3,110**	**-325**	**—**	**1,775**	**-20**	**-284**	**-1,964**	**3,810**	**5,774**
Netting (same taxation authority)	—	—	—	—	—	—	—	-3,576	-3,576
Deferred tax assets/ liabilities after netting	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**234**	**2,198**

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

Of the total amount of deferred tax assets and deferred tax liabilities, €1,745 million (2021: €1,481 million) and €112 million (2021: €250 million) are expected to be realised within 12 months.

No deferred tax liabilities were recognised for temporary differences associated with investments in subsidiaries, branches and associates in the amount of approximately €283 million in 2022 (2021: €409 million) because Wintershall Dea is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

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

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

For matters, the Group has not recorded a provision as the Group believes that the tax authorities' claims have no merit and that no adjustment is warranted, but if, contrary to the Group's view, the tax authorities were to prevail finally in their arguments, the Group would expect to have an additional expense of approximately €44 million.

Tax loss carryforwards

Deferred tax assets result from domestic and foreign activities. Deferred tax assets comprise capitalised tax credit claims resulting from the expected utilisation of loss carryforwards in subsequent years. The realisation of these tax loss carryforwards is ensured to an adequate level of certainty. In the reporting period, there were tax loss carryforwards of €1,328 million (2021: €993 million) in Germany, €537 million (2021: €382 million) in Mexico and €3 million (2021: €0 million) in the Netherlands, for which deferred taxes of €364 million (2021: €265 million) were recognised. The amount of tax loss carryforwards not covered by deferred tax assets totals €2,411 million (2021: €736 million). A total amount of €2,094 million (2021: €472 million) will not expire. A total amount of €317 million (2021: €264 million) will expire between 2025 and 2037 (2021: 2025 and 2036).

Wintershall Dea recognised deferred tax assets of €171 million resulting from tax loss carryforwards and temporary differences relating to tax jurisdictions in which losses were incurred in 2022 and 2021.

Tax expenses include deferred tax income of €2 million (2021: €1 million) from a reversal of a previously written-down deferred tax asset from temporary differences.

Deferred tax income from a previously unrecognised tax loss amounts to €21 million (2021: €5 million).

The assessment of the availability of future taxable profits is based on planning assumptions such as those on the macro-economic environment, reserves and production. The war in Ukraine increased the level of uncertainty in regard to the planning of future taxable profits in Germany for periods beyond the business plan period of five 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 utilised within the business plan period of five years.

The change in accounting estimate resulted in a deferred tax expense of €4 million.

NOTE 11 – SEGMENT REPORT

The Group's business is conducted in six segments:

› Northern Europe
› Russia[6]
› Latin America
› Middle East/North Africa
› Midstream
› Headquarter and Other

Following the deconsolidation of all Russian subsidiaries and equity-accounted investments in the fourth quarter of 2022, going forward the Group will consist of five segments, excluding Russia (see Note 3).

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

› **Northern Europe:** Germany, Norway, the Netherlands, United Kingdom and Denmark
› **Russia:** Russia
› **Latin America:** Argentina, Mexico and Brazil[7]
› **Middle East/North Africa:** Egypt, Libya, Algeria and United Arab Emirates

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

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

The accounting policies for the segments are the same as the Group's accounting policies described in Note 1.

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

The key internal performance measure "adjusted EBITDAX" (EBITDAX), which is used for internal management control purposes, and the additional performance indicator "adjusted net income" are disclosed as a measure of profit and loss for each reporting segment. EBITDAX and adjusted net income are not recognised measures under IFRS.

In addition, the segment reporting includes the non-IFRS measures "free cash flow" and "production", which also serve as key performance indicators for internal management control.

[6] All Russian subsidiaries and equity-accounted investments were deconsolidated in Q4 2022
[7] Following the decision to terminate all activities in Brazil, the Brazilian subsidiary was deconsolidated as of 1 June 2022

	2022							
€ million/mboe/d	Northern Europe	Russia	Latin America	Middle East/ North Africa	Midstream	HQ and Other	Consolidation	**Total**
External revenues	3,354	1,779	579	506	2	12,495	—	**18,714**
Inter-segment revenues	3,146	—	—	—	—	190	-3,336	**—**
Segment revenues	6,500	1,779	579	506	2	12,685[1]	-3,336	**18,714**
Depreciation and amortisation	-1,042	-37	-184	-160	—	-6	—	**-1,429**
Net impairment on assets	-8	-348	-292	122	-1,132	—	—	**-1,658**
Exploration expenses	-55	—	-40	-5	—	-2	—	**-102**
Income taxes	-3,200	-332	62	-39	2	56	—	**-3,452**
Adjusted net income	831	1,429	-13	77	21	12	—	**2,357**
EBITDAX	5,300	1,751	353	362	21	-111	—	**7,675**
of which net income from equity-accounted investments	56	102	—	-57	-8	—	—	**93**
Non-current assets[2]	10,058	—	1,600	1,108	484	2,747	-2,085	**13,912**
Total capex[3]	712	6	106	131	—	15	—	**970**
of which production and development capex	645	6	75	128	—	15	—	**869**
of which exploration capex	67	—	31	3	—	—	—	**100**
Free cash flow	2,173	1,385	49	219	99	-56	—	**3,869**
Production[4]	207	276	67	47[5]	—	—	—	**597**
of which gas	111	221	59	40	—	—	—	**431**
of which oil	96	55	8	7	—	—	—	**166**

[1] The segment revenues are almost exclusively related to trading activities managed by the headquarter (€12,684 million including trading activities for the Group's own production)
[2] As at 31 Dec 2022
[3] Cash outflows for intangible assets and property, plant and equipment
[4] On a working-interest basis, including proportional production from at equity-accounted companies
[5] Excluding Libya onshore

	2021							
€ million/mboe/d	Northern Europe	Russia	Latin America	Middle East/ North Africa	Midstream	HQ and Other	Consolidation	**Total**
External revenues	2,249	862	464	472	2	3,754	—	**7,804**
Inter-segment revenues	955	—	—	—	—	62	-1,017	**—**
Segment revenues	3,204	862	464	472	2	3,816[1]	-1,017	**7,804**
Depreciation and amortisation	-1,106	-41	-169	-133	—	-8	—	**-1,456**
Net impairment on assets	241	—	-211	-141	—	—	—	**-111**
Exploration expenses	-79	—	-49	5	—	-10	—	**-134**
Income taxes	-979	-148	11	-62	—	-51	—	**-1,230**
Adjusted net income	246	547	-99	165	202	-112	—	**950**
EBITDAX	2,337	728	306	404	201	-145	—	**3,832**
of which net income from equity-accounted investments	—	51	—	32	202	—	—	**285**
Non-current assets[2]	10,499	2,213	1,969	1,083	2,607	1,242	-829	**18,785**
Total capex[3]	870	6	66	105	—	3	—	**1,050**
of which production and development capex	800	6	39	105	—	3	—	**952**
of which exploration capex	70	—	27	1	—	—	—	**98**
Free cash flow	1,348	505	65	91	121	-49	—	**2,082**
Production[4]	206	303	70	55[5]	—	—	—	**634**
of which gas	106	243	62	43	—	—	—	**454**
of which oil	100	60	8	12	—	—	—	**180**

[1] The segment revenues are almost exclusively related to trading activities managed by the headquarter (€3,811 million including trading activities for the Group's own production)
[2] As at 31 Dec 2021
[3] Cash outflows for intangible assets and property, plant and equipment
[4] On a working-interest basis, including proportional production from at equity-accounted companies
[5] Excluding Libya onshore

External revenues are allocated to the following divisions:

EXTERNAL REVENUES

€ million	2022	2021
Norway	2,883	1,856
Germany	452	380
The Netherlands/UK/Denmark	19	12
Northern Europe	**3,354**	**2,249**
Russia	**1,779**	**862**
Argentina	479	402
Mexico	100	62
Latin America	**579**	**464**
Egypt	374	315
Libya	53	106
Algeria	78	51
Middle East/North Africa	**506**	**472**
Midstream	**2**	**2**
HQ and Other	**12,495**	**3,754**
Total	**18,714**	**7,804**

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 and loss from deconsolidation Russia).

€ million	2022	2021
Revenues gas and oil	18,549	7,611
adjusted for unrealised changes in fair value of commodity derivatives	-118	8
Revenues other	165	193
Net income from equity-accounted investments: gas and oil	101	83
adjusted for net impairments on assets included in the net income of equity-accounted investments	16	29
Net income from equity-accounted investments: midstream	-8	202
adjusted for net impairments on assets included in the net income of equity-accounted investments	31	—
Other operating income	58	99
adjusted for gains from sale of assets/changes in consolidation scope	-11	-47
Production and operating expenses	-10,702	-3,971
adjusted for net impairments and write-offs on/from operating receivables	102	1
adjusted for losses from sale of assets	132	35
adjusted for non-recurring items (merger-related costs, acquisition costs, etc.)	0	41
Production and similar taxes	-221	-123
General and administrative expenses	-451	-429
adjusted for net impairments and write-offs on/from operating receivables	-1	2
adjusted for losses from sale of assets/changes in consolidation scope	14	36
adjusted for non-recurring items (merger-related costs, acquisition costs, etc.)	19	61
EBITDAX	7,675	3,832

€ million	2022	2021
EBITDAX	**7,675**	**3,832**
Depreciation and amortisation	-1,429	-1,456
Exploration expenses	-102	-134
adjusted for gains and losses from sale of assets	-1	31
adjusted for non-recurring items (merger-related costs, acquisition costs, etc.)	—	3
Financial income	360	182
Financial expenses	-1,499	-323
adjusted for net impairments on financial receivables, bank balances and other financial assets	1,011	3
Income taxes	-3,452	-1,230
adjusted for taxes on adjusted and disregarded items	-206	41
Adjusted net income	**2,357**	**950**

NOTE 12 – INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

INTANGIBLE ASSETS

€ million	Goodwill	Exploration assets	Other intangible assets	Total
Cost of acquisition and production				
As at 1 Jan 2022	2,435	511	4,049	**6,995**
Change in scope of consolidation	-488	-28	-1,104	**-1,620**
Additions	—	100	18	**119**
Disposals	—	-2	-18	**-20**
Transfers	-32	-40	-4	**-76**
Currency translation effect	242	29	470	**740**
As at 31 Dec 2022	**2,156**	**569**	**3,412**	**6,137**
Accumulated amortisation				
As at 1 Jan 2022	—	284	1,418	**1,703**
Change in scope of consolidation	—	-28	-615	**-643**
Amortisation/depreciation	—	—	224	**224**
Impairments	—	—	292	**292**
Reversal of impairments	—	—	—	**—**
Disposals	—	—	-18	**-18**
Currency translation effect	—	15	199	**214**
As at 31 Dec 2022	**—**	**272**	**1,500**	**1,772**
Net carrying amount as at 31 Dec 2022	**2,156**	**298**	**1,912**	**4,366**

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	—	98	9	**106**
Disposals	-10	-101	-6	**-116**
Transfers	-15	-357	-44	**-415**
Currency translation effect	161	43	251	**454**
As at 31 Dec 2021	**2,435**	**511**	**4,049**	**6,995**
Accumulated amortisation				
As at 1 Jan 2021	—	185	1,150	**1,335**
Amortisation/depreciation	—	8	209	**217**
Impairments	—	118	120	**238**
Reversal of impairments	—	—	-86	**-86**
Disposals	—	-39	-5	**-44**
Transfers	—	—	-34	**-33**
Currency translation effect	—	12	64	**76**
As at 31 Dec 2021	**—**	**284**	**1,418**	**1,703**
Net carrying amount as at 31 Dec 2021	**2,435**	**226**	**2,631**	**5,292**

PROPERTY, PLANT AND EQUIPMENT

€ million	Land and buildings[1]	Gas and oil assets[2]	Other plant, machinery and equipment	Fixtures and fittings and office equipment	Total
Cost of acquisition and production					
As at 1 Jan 2022	185	19,393	26	92	19,696
Change in scope of consolidation	-15	-731	-16	-8	-770
Additions	9	961	—	6	976
Disposals	-7	-1,469	—	-9	-1,485
Transfers	-1	-1,036	-1	1	-1,036
Currency translation effect	8	1,102	4	3	1,117
As at 31 Dec 2022	**179**	**18,220**	**13**	**84**	**18,496**
Accumulated amortisation					
As at 1 Jan 2022	81	10,366	18	61	10,526
Change in scope of consolidation	-2	-247	-6	-7	-262
Amortisation/depreciation	13	1,217	1	8	1,238
Impairments	—	3	—	—	3
Reversal of impairments	—	-128	—	—	-128
Disposals	-5	-841	—	-8	-854
Transfers	—	-817	—	—	-817
Currency translation effect	1	541	2	2	546
As at 31 Dec 2022	**88**	**10,094**	**13**	**56**	**10,251**
Net carrying amount as at 31 Dec 2022	**91**	**8,127**	**—**	**28**	**8,245**

[1] Land and buildings include investment property
[2] Gas and oil assets include assets under construction in the amount of €1,576 million as at 31 Dec 2022

PROPERTY, PLANT AND EQUIPMENT

€ million	Land and buildings[1]	Gas and oil assets[2]	Other plant, machinery and equipment	Fixtures and fittings and office equipment	Total
Cost of acquisition and production					
As at 1 Jan 2021	186	17,671	25	95	**17,977**
Additions	13	1,103	—	6	**1,121**
Disposals	-22	-700	—	-16	**-738**
Transfers	2	199	—	6	**207**
Currency translation effect	5	1,121	1	1	**1,128**
As at 31 Dec 2021	**185**	**19,393**	**26**	**92**	**19,696**
Accumulated amortisation					
As at 1 Jan 2021	62	9,053	17	69	**9,201**
Amortisation/depreciation	24	1,242	1	9	**1,275**
Impairments	1	206	—	—	**207**
Reversal of impairments	—	-260	—	—	**-260**
Disposals	-9	-354	—	-15	**-378**
Transfers	1	-95	—	-4	**-98**
Currency translation effect	1	575	—	1	**578**
As at 31 Dec 2021	**81**	**10,366**	**18**	**61**	**10,526**
Net carrying amount as at 31 Dec 2021	**105**	**9,026**	**8**	**31**	**9,170**

[1] Land and buildings include investment property.
[2] Gas and oil assets include assets under construction in the amount of €3,028 million as at 31 Dec 2021.

Capitalised borrowing costs

In connection with the acquisition and production of qualified assets, borrowing costs amounting to €23 million (2021: €19 million) were capitalised as part of acquisition and production costs in the reporting period. The financing cost rate applied in this context was 1.2% (2021: between 1.1% and 1.2%).

Impairment testing

Impairment tests of individual cash-generating units are performed when triggering events point to a potential impairment. External triggering events include, for example, changes in oil and gas prices and in the estimated reserves, whereas changes in production processes or physical damage to assets constitute internal indicators of impairment.

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

In the reporting period, impairment losses of €295 million and reversal of impairment losses of €128 million were recognised on intangible assets and property, plant and equipment (further details regarding net impairments of assets are provided in Note 6).

Macroeconomic parameters

The following macroeconomic assumptions have been used for the impairment test as at 31 December 2022.

Oil and gas prices

Oil and gas price forecasts are based on the Group's current oil and gas price scenario taking into account management's estimates and available market data. The oil and gas price scenario includes a Brent price of $85/bbl and a European gas price of $35/mmbtu for the year 2023. In the long-term, respective prices up to a maximum of $70/bbl (after 2024) and a maximum of $8.5/mmbtu (after 2029) in real terms are assumed.

In conjunction with the impairment test for our producing and development assets, a sensitivity analysis was performed for commodity prices. A possible reduction in commodity prices of 20% over the expected economic lifetime would result in approximately €500 million higher net impairments (pre-tax).

Discount rates

The discount rates applied are based on the weighted average cost of capital, taking into consideration the individual functional currency and specific country risks. The Group applies after-tax discount rates. The beta factor is based on publicly available market data about the identified peer group. For the impairment test in 2022, the discount rates applied per functional currency ranged between 5.3% and 34.2%.

Discount rates of 7.6% and 7.9% were used for the goodwill impairment test for the business units Germany and Norway, to which a significant portion of the goodwill was allocated.

Goodwill impairment test

Goodwill is subject to an annual impairment test, which was carried out as at 31 December 2022 at the level of groups of cash-generating units. At Wintershall Dea, these units largely correspond to the business units.

Goodwill is allocated to the following groups of cash-generating units:

€ million	31 Dec 2022	31 Dec 2021
Norway	1,714[1]	1,644
Germany	303	303
Achimgaz	—	201
YRGM Trading	—	156
Argentina	122	115
The Netherlands	11	10
Middle East	6	6
Total	**2,156**	**2,435**

[1] The goodwill in Norway was impaired (€11 million) and subsequently partly disposed (€21 million) due to the sale of assets.

Oil and gas prices, production volumes and discount rates are considered to be the most critical input parameters and assumptions for goodwill impairment testing. A sensitivity analysis was carried out for these items. In accordance with IAS 36.134 f, the analysis focused solely on the Norway and Germany business units.

After determining the corresponding recoverable amounts of the business units by assessing reasonable deviations (-20% on prices, -20% on production and +1% on discount rates) for the stated input parameters, there was no indication that the carrying amount would exceed the recoverable amount and trigger goodwill impairment for the business units Germany and Norway.

NOTE 13 – EQUITY-ACCOUNTED INVESTMENTS

€ million	2022	2021
Net carrying amount at the beginning of the reporting period	2,856	2,671
Change in scope of consolidation/ disposals	-1,085	-9
Dividends	-92	-173
Proportional net income	93	285
Proportional other comprehensive income	55	15
Impairments	-1,480	—
Reversal of impairments	—	4
Currency translation effect	253	63
Net carrying amount at the end of the reporting period	**599**	**2,856**

NOTE 14 – OTHER FINANCIALS ASSETS

Other financial assets comprise mainly Wintershall Dea’s participation in all Russian entities for which the full or proportional consolidation and equity valuation ceased in the fourth quarter of 2022 due to loss of control/joint control and significant influence (see Note 3). At initial recognition, Wintershall Dea made the election to classify the participations as measured at fair value through OCI.

NOTE 15 – INVENTORIES

€ million	31 Dec 2022	31 Dec 2021
Raw materials, consumables and supplies	138	167
Work in process and finished goods	77	11
Total	**215**	**177**

NOTE 16 – FINANCIAL RECEIVABLES

	31 Dec 2022		31 Dec 2021	
€ million	Non-current	Current	Non-current	Current
Loans and financial receivables to related parties and other participations	212	4	212	12
Loans and financial receivables to other parties	—	2	948	40
Financial receivables from cash pooling	—	13	—	13
Total	**212**	**19**	**1,159**	**65**

Loans and financial receivables to other parties relating to the financing of the Nord Stream 2 pipeline project were fully impaired in Q1 2022 (see Note 9).

NOTE 17 – TRADE AND OTHER RECEIVABLES

	31 Dec 2022		31 Dec 2021	
€ million	Non-current	Current	Non-current	Current
Trade accounts receivable				
Trade accounts receivable from revenues	—	1,667	—	1,407
Other trade accounts receivable	—	29	—	78
	—	**1,696**	**—**	**1,485**
Other receivables				
Receivables from other taxes	—	78	—	82
Prepayments and prepaid expenses	3	40	1	51
Underlift receivables	—	43	—	53
Miscellaneous other receivables and assets	11	79	9	73
	14	**241**	**11**	**260**
Total	**14**	**1,937**	**11**	**1,745**

NOTE 18 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, credit balances on bank accounts and term deposits for up to three months with banks. Cash and cash equivalents at 31 December 2022 include cash amounts in Egypt and Argentina that are subject to restrictions on foreign currency transfer (€186 million) as well as restricted cash in the amount of €18 million (31 December 2021: €13 million) that is primarily required for gas trading activities at the commodity exchange.

NOTE 19 – 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 Handels- und Exportgesellschaft mbH, with 72.7%, and L1 Energy Capital Management Services S.à r.l. (LetterOne), with 27.3%.

As at 31 December 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.

Wintershall Dea is subject to significant influence from BASF and LetterOne as set out in the corporate governance.

In a letter dated 12 October 2021, BASF Handels- und Exportgesellschaft mbH, in accordance with Section 20 (4) AktG, notified that it directly held a majority shareholding in Wintershall Dea AG pursuant to Section 16 (1) AktG.

In a letter dated 26 October 2021, L1 Energy Capital Management Services S.à r.l., pursuant to Section 20 (1) AktG, notified that it directly held more than one-quarter of the shares in Wintershall Dea AG pursuant to Section 16 (1) AktG.

Indirect shares pursuant to Section 16 (4) AktG are held by BASF SE and LetterOne Holdings S.A

Due to a compensation claim from BASF against 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 was distributed to BASF as dividends, whereby, for these specific dividend distributions LetterOne waived its right for payment of dividends reflecting their ordinary shares in the company.

Moreover, a preference dividend in the amount of €86 million and a common dividend of €1,006 million were distributed in the reporting period.

The capital reserves of the Group are generally equivalent to the statutory financial statements of the parent company. They can deviate due to timing effects related to decisions regarding the appropriation of profits of the parent company.

Equity attributable to subordinated notes investors

In January 2021, Wintershall Dea AG issued two series of subordinated resettable fixed rate notes (subordinated notes) in the aggregate principal amount of €1,500 million through its fully owned subsidiary Wintershall Dea Finance 2 B.V. The subordinated notes are callable three months prior to the first reset date for the NC2026 series and six months prior to the first reset date for the NC2029 series. The first reset date for the NC2026 Subordinated Notes (€650 million with a coupon of 2.4985%) is on 20 July 2026, and the first reset date for the NC2029 Subordinated Notes (€850 million with a coupon of 3.0000%) is on 20 January 2029.

Under IAS 32, subordinated notes are wholly classified as equity. The capital raised through subordinated notes issues is recognised in equity, less discounts and transaction costs. Deferred taxes on discounts and transaction costs are also recognised in equity. Accrued interest payable to the subordinated notes investors increases equity, whereas the distribution of interest payments reduces equity.

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

NOTE 20 – PENSION PROVISIONS

In addition to state pension plans, most employees are granted company pension benefits from either defined contribution or defined benefit plans. Benefits generally depend on the length of service, compensation and contributions and take into consideration the legal framework of labour, tax and social security laws in the countries where the companies are located. To limit the risks of changes in financial market conditions and demographic developments, for a number of years now, employees have been offered almost exclusively defined contribution plans or equivalent company pension benefits for future years of service.

Description of the defined benefit plans

Germany

Some Wintershall Dea companies in Germany participate in the BASF group's pension plans. BASF Pensionskasse VVaG provides a basic level of benefits which is financed by employer and employee contributions and the return on plan assets. Some of the benefits financed via BASF Pensionskasse VVaG are subject to adjustments that must be borne by its member companies to the extent that these cannot be borne by BASF Pensionskasse VVaG due to the regulations imposed by the German supervisory authority. In 2004, the basic defined benefit plan was closed for newly hired employees at German Wintershall Dea companies and replaced by a defined contribution plan. Occupational pension commitments that exceed the basic level of benefits are financed via pension provisions at the German Group companies. The benefits are largely based on modular plans. Furthermore, employees are given the option of participating in various deferred compensation schemes.

BASF SE is not providing the required plan information from BASF Pensionskasse regarding the allocation of assets to Wintershall Dea for year-end closing. As a result, the participation in BASF Pensionskasse is accounted for as a multi-employer defined benefit plan with no access to sufficient information about the asset allocation and, therefore, as a defined contribution plan in accordance with IAS 19.36.

In addition, Wintershall Dea has self-managed pension plans in place in Germany. In relation to these pension plans, assets have been transferred to Willis Towers Watson Treuhand GmbH within the framework of Contractual Trust Arrangements (CTAs) and to Willis Towers Watson Pensionsfonds AG as insolvency insurance. Willis Towers Watson Pensionsfonds AG falls within the scope of the Act on Supervision of Insurance Undertakings and Oversight by the German Federal Financial Supervisory Authority (BaFin). Insofar as a regulatory deficit occurs in the pension fund, supplementary payments are requested from the employer. Irrespective of the aforementioned rules, the liability of the employer shall remain in place. The bodies of Willis Towers Watson Treuhand GmbH and Willis Towers Watson Pensionsfonds AG are responsible for ensuring that the funds under management are used in compliance with the contract and thus fulfil the requirements for their recognition as plan assets. The defined benefit plans that are recognised as pension provisions mainly include a pension promise and are hence subject to longevity risk.

All of the aforementioned pension plans (including deferred compensation schemes) have been closed to new employees since 31 March 2020.

Against this background, employees of Wintershall Dea companies in Germany hired after 31 March 2020, including those who in the meantime are entitled to unspecified blanket commitments, have been participating since October 2022 in a capital market-oriented defined benefit pension scheme financed by employer and employee contributions and its investment performance. Wintershall Dea guarantees at least the sum of all paid employer and employee contributions and intends to fully fund these pension obligations with plan assets within the framework of additional CTAs.

Furthermore, benefits provided to Wintershall Dea employees in Germany from the BASF group's pension plans will be replaced by Wintershall Dea plans for future service beginning in April 2023. The defined benefit plan of BASF Pensionskasse VVaG, which was closed to new Wintershall Dea employees in 2004, will continue in a similar form as a direct promise from Wintershall Dea. The defined contribution plan of BASF Pensionskasse VVaG, which was closed to new Wintershall Dea employees in 2020, will be replaced by the current plan for new hires.

Norway

The Wintershall Dea Norge defined benefit plans have been closed to new employees since 1 January 2016. For Norwegian employees whose remaining length of service until retirement on 1 January 2016 was 15 years or less, a final salary commitment continues to apply after the closure of the plan. The plans are partly funded via Nordea Liv AS. Employees who still had a remaining length of service of more than 15 years on the date of 1 January 2016 and employees who joined the company after this date are entitled to benefits under a defined contribution pension plan. Defined contribution plans are either secured with Nordea Liv AS or unfunded and administered by Storebrand Pensjonstjenester on behalf of Wintershall Dea Norge AS.

Moreover, closed defined benefit plans are in place for former DEA Norge employees. These are secured with DNB ASA. Employees who on 1 January 2021 still had 15 years or less until retirement remained in the existing plans. All others were transferred to existing defined contribution plans.

Actuarial assumptions

The amount of the provision for defined benefit pension schemes was determined by actuarial methods on the basis of the following key assumptions.

	31 Dec 2022		31 Dec 2021	
Key assumptions (%)	Germany	Norway	Germany	Norway
Discount rate	3.69%	3.20%	1.15%	1.50%
Pension growth	2.30%	1.70%	1.70%	0.00%

The assumptions used to determine the present value of the entitlements as at 31 December 2021 are used in the following fiscal year to determine the expenses for pension plans.

The valuation of the defined benefit obligation is generally performed using the most recent actuarial mortality tables as at 31 December 2022.

ACTUARIAL MORTALITY TABLES AS AT 31 DEC 2022

Germany	Heubeck Richttafeln 2018 G
Norway	K2013

PROVISIONS FOR PENSIONS

€ million	Defined benefit obligations	Plan assets	Total
As at 1 Jan 2022	1,028	-469	558
Current service costs	17	—	17
Interest expense/(income)	12	-5	7
	29	-5	24
Remeasurements			
Return on plan assets, excluding amounts already recognised in interest income	—	50	50
Actuarial gains/losses			
of which effect of changes in financial assumptions	-280	—	-280
of which effect of experience adjustments	55	—	55
	-225	50	-175
Currency effect	-4	2	-2
Employer contribution to the funded plans	—	-9	-9
Benefit payments	-46	21	-25
Effects from divestitures	-6	5	-1
As at 31 Dec 2022	776[1]	-405	371

[1] Including unfunded pension plans in the amount of €279 million

€ million	Defined benefit obligations	Plan assets	Total
As at 1 Jan 2021	1,078	-447	**631**
Current service costs	21	—	**21**
Interest expense/(income)	8	-3	**5**
	29	**-3**	**26**
Remeasurements			
Return on plan assets, excluding amounts already recognised in interest income	—	-29	**-29**
Actuarial gains/losses			
of which effect of changes in financial assumptions	-59	—	**-59**
of which effect of experience adjustments	19	—	**19**
	-40	**-29**	**-69**
Currency effect	4	-2	**2**
Employer contribution to the funded plans	—	-12	**-12**
Benefit payments	-43	24	**-19**
As at 31 Dec 2021	**1,028**[1]	**-469**	**558**

[1] Including unfunded pension plans in the amount of €352 million

The present value of the defined benefit obligations less plan assets measured at fair value results in the net defined benefit obligation arising from funded and unfunded plans and is recognised as pension provision on the balance sheet. Of the present value of defined benefit obligations, €711 million (31 December 2021: €948 million) relate to benefit obligations in Germany and €64 million (31 December 2021: €80 million) to benefit obligations in Norway.

Domestic company pensions are subject to an obligation to review for adjustments every three years pursuant to Section 16 of the German Occupational Pension Act (BetrAVG). Additionally, some commitments grant annual pension adjustments, which may exceed the legally mandated adjustment obligation.

The weighted average duration of the pension obligations is 13 years in Germany (prior year: 17 years) and 15 years in Norway (prior year: 19 years).

Sensitivity analysis of defined benefit obligations

An increase or decrease in the discount rate and pension growth would have the following impact on the present value of the defined benefit obligations:

CHANGE IN ACTUARIAL ASSUMPTIONS

	Impact on defined benefit obligations	
€ million	31 Dec 2022	31 Dec 2021
Discount rate		
Increase of 0.5 percentage points	-47	-59
Reduction of 0.5 percentage points	53	68
Pension growth		
Increase of 0.5 percentage points	40	35
Reduction of 0.5 percentage points	-36	-30

An alternative valuation of the pension obligations was performed to determine how changes in the underlying assumptions influence the amount of the pension obligations. A linear extrapolation of these amounts based on alternative changes in the assumptions, as well as an addition of combined changes in the individual assumptions, is not possible.

Plan assets

The investment policy in Germany is based on detailed asset liability management (ALM) studies. Portfolios are identified that can achieve the best target return within a given risk budget. From these efficient portfolios, one is selected and the strategic asset allocation is determined. The strategic asset allocation consists of two main elements. The first one is used to hedge fluctuations. This involves the use of capital market instruments that hedge the financial risks arising from the valuation of pension obligations. The second part of the allocation is used to generate income and for diversification purposes. The broadly diversified portfolio includes investments in bonds, equities, real estate and other asset classes. The assets are continuously monitored and managed from a risk and return perspective.

Contributions to the CTA are usually processed to the extent that at least an overall constant or increasing level of funding is achieved. The funding level in 2023 will depend, among other things, on the performance of the plan assets, interest rate developments and planned contributions. Wintershall Dea expects that contributions of €43 million will be made to the defined benefit plans in 2023.

COMPOSITION OF PLAN ASSETS (FAIR VALUES)

	31 Dec 2022			
€ million	Germany	Of which has an active market	Norway	Of which has an active market
Assets held by insurance company	3	—	32	100%
Specialised funds	370	100%	—	—
Total	**373**	—	**32**	—

Defined contribution plans

For defined contribution plans, expenses of €9 million were incurred in the reporting period (2021: €8 million).

As Wintershall Dea AG does not have the required information on asset allocation, it accounts for the multi-employer defined benefit plan of BASF Pensionskasse as a defined contribution plan. The pension provision of €38 million covers the obligation for future pension adjustments. Other future supplementary payment obligations may occur due to unexpected funding requirements. Since these obligations are neither predictable nor probable, they are not included in the company's pension provisions. The company's contribution to the multi-employer plan represents a certain percentage of the employee contribution. This percentage is the same for all participating employers. It takes into account the differences between the actuarial estimates and the actual values for the factors used to determine liabilities and contributions. For 2023, the company expects to make contributions of €1 million to the plan.

NOTE 21 – DECOMMISSIONING AND OTHER PROVISIONS

	31 Dec 2022		31 Dec 2021	
€ million	Non-current	Current	Non-current	Current
Decommissioning provisions	**1,954**	**133**	**2,467**	**193**
Other provisions				
Employee obligations	62	112	60	104
Litigation risks, damage claims	—	5	—	6
Other	61	182	83	181
	124	**299**	**143**	**291**
Total	**2,078**	**432**	**2,610**	**483**

€ million	As at 1 Jan 2022	Changes in scope of consolidation	Additions	Utilisations	Reversals	Other changes	As at 31 Dec 2022
Decommissioning provisions	**2,660**	**-23**	**143**	**-64**	**-668**	**40**	**2,087**
Other provisions							
Employee obligations	164	-4	106	-87	-9	4	**174**
Litigation risks, damage claims	6	—	—	1	—	—	**5**
Other	264	—	26	-45	-13	11	**243**
	434	**-4**	**132**	**-132**	**-22**	**15**	**423**
Total	**3,094**	**-26**	**275**	**-196**	**-690**	**54**	**2,510**

Decommissioning obligations pertain mainly to anticipated costs for filling wells and removing production equipment after production activities have come to an end. In order to determine the present value, discount rates between 2.05% and 6.94% were applied in the reporting period (2021: 0.00% to 8.69%).

The determination of the discount rates is country-/currency-specific based on the terms of the respective fields. The expected settlement of the provisions depends on the ratio of produced reserves to expected reserves and generally varies within a range of less than one year up to approximately 30 years.

Provisions for employee obligations include, in particular, obligations to pay long-service bonuses, anniversary bonuses, and variable remuneration, including the associated social security contributions and provisions due to restructuring measures or early retirement as well as phased-in early retirement models.

NOTE 22 – FINANCIAL DEBT

	31 Dec 2022		31 Dec 2021	
€ million	Non-current	Current	Non-current	Current
Bonds	3,000	912	4,000	12
less transaction cost	-9	-1	-13	—
	2,991	**911**	**3,987**	**12**
Debt to banks	—	—	—	3
	—	—	—	**3**
Financial liabilities to related parties	—	410	—	538
Lease liabilities	75	18	67	23
Other financial liabilities	1	16	—	—
Total	**3,067**	**1,356**	**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 programme. The bonds maturing in 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 31 Dec 2022 (€ million)	**Carrying amount 31 Dec 2022 (€ million)**
Bond ISIN XS2054209320	0.452	2023	EUR	901	881	**900**
Bond ISIN XS2054209833	0.840	2025	EUR	1,000	905	**998**
Bond ISIN XS2054210252	1.332	2028	EUR	1,000	816	**997**
Bond ISIN XS2055079904	1.823	2031	EUR	1,000	747	**996**
Total				**3,901**	**3,349**	**3,891**

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.

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES UNDER IAS 7

€ million	1 Jan 2022	Cash flows from repayments/ proceeds	Currency effect	Other changes	**31 Dec 2022**
Bonds	3,999	-98	—	1	**3,903**
Debt to banks	3	-3	—	—	**—**
Financial liabilities to related parties	538	-114	1	-15	**410**
Lease liabilities	90	-34	4	33	**93**
Other financial liabilities	—	—	2	15	**16**
Total	**4,629**	**-249**	**7**	**34**	**4,422**

The reconciliation breaks down the changes in financial liabilities into cash-effective and non-cash-effective changes. The cash flows from repayments/proceeds presented above correspond to the figures in cash flow from financing activities.

NOTE 23 – TRADE ACCOUNTS PAYABLE AND OTHER LIABILITIES

	31 Dec 2022		31 Dec 2021	
€ million	Non-current	Current	Non-current	Current
Trade accounts payable	**—**	**1,088**	**—**	**770**
Other liabilities				
Liabilities from other taxes	—	88	6	192
Prepayments – contract liabilities	5	15	6	16
Other prepayments and deferred income	4	25	4	51
Liabilities related to social security	—	3	—	4
Overlift liabilities	—	76	—	50
Other miscellaneous liabilities	10	233	11	194
	19	**440**	**27**	**507**
Total	**19**	**1,528**	**27**	**1,277**

NOTE 24 – LEASES

The lease agreements of the Group are essentially related to office buildings, transport and production vessels and drilling rigs. The capitalised right-of-use-assets are allocated to the following asset classes:

Right-of-use assets

€ million	Additions 2022	31 Dec 2022	31 Dec 2021
Land and buildings	5	53	56
Gas and oil assets	38	36	16
Total	**43**	**89**	**72**

The following amounts are recognised in the consolidated statement of income:

LEASE EXPENSES

€ million	2022	2021
Amortisation and depreciation right-of-use assets	20	48
Interest expenses on lease liabilities	3	3
Expenses relating to short-term leases	1	3
Expenses from variable lease payments (not included in lease liability)	1	1
Total	**25**	**54**

The amortisation and depreciation of right-of-use assets are allocated to the following asset classes for the reporting periods:

AMORTISATION AND DEPRECIATION RIGHT-OF-USE ASSETS

€ million	2022	2021
Exploration assets	—	8
Land and buildings	7	8
Gas and oil assets	12	31
Fixtures and fittings and office equipment	—	1
Total	**20**	**48**

Some of the lease contracts contain price-adjustment clauses as well as extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination options can be assumed with reasonable certainty.

The statement of cash flows comprises cash outflows for leases amounting to €39 million (2021: €65 million). In addition to the cash payments for the interest and principal portions of recognised lease liabilities, the amounts reported include payments for unrecognised short-term leases and leases for low-value assets. Cash payments for the principal portion (€34 million) are reported within cash flow from financing activities. Cash payments for the interest portion are included in the cash flow from operating activities.

Wintershall Dea has also entered into a lease agreement that, following its commencement, will lead to a nominal cash outflow of around €46 million over a lease term of 10 years and 3 months.

NOTE 25 – OTHER FINANCIAL OBLIGATIONS

Contingent liabilities

Contingent liabilities relate to legal disputes and potential tax risks. Wintershall Dea AG and its subsidiaries are regularly involved as defendants or other parties in judicial and arbitration proceedings, as well as in official proceedings. Based on the present knowledge, these proceedings have no significant impact on Wintershall Dea's economic situation.

Wintershall Dea is also subject to statutory liability related to participations in various joint ownerships.

Provisions for litigation risks and damage claims are included in other provisions (see Note 21) and amount to €5 million (2021: €6 million). Further provisions for legal risks were not required.

Obligations from purchase contracts

As at 31 December 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 €627 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 €188 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 €311 million as at 31 December 2022 (31 December 2021: €291 million). For information on cash outflows from purchase commitments within the scope of IFRS 9, please see Note 26.

OBLIGATIONS ARISING FROM COMMODITY PURCHASE CONTRACTS

€ million	31 Dec 2022	31 Dec 2021
2022	–	160
2023	174	80
2024	96	33
2025	36	13
2026 and beyond	6	4
Total	**311**	**291**

NOTE 26 – REPORTING ON FINANCIAL INSTRUMENTS

Financial risks and hedging instruments

By operating in an international environment, Wintershall Dea AG is exposed to market (price and foreign currency risks) and interest rate risks as well as to credit and liquidity risks in the ordinary course of its business. Subsidiaries are subject to a strict risk management regime. The operational framework, as well as responsibilities and controls, are regulated by binding internal corporate guidelines. Financial derivatives are used exclusively to hedge the risk related to underlying transactions, and not for speculative purposes.

Foreign currency, interest rate and commodity price risks

Foreign currency risks

Changes in exchange rates could lead to losses in the value of financial instruments and adverse changes in future cash flows. Foreign currency risks from financial instruments arise from the translation of financial receivables, cash and cash equivalents and financial liabilities into the functional currency of the respective Group company at the closing rates. The Group monitors and manages foreign currency exposure on a weekly basis with the aim to eliminate the effect of currency fluctuations on the statement of income. Currency risks are monitored at a Group level and on individual entity level, and the Group's net foreign currency exposure (after natural hedges) is actively hedged, where feasible, with linear contracts.

A sensitivity analysis is conducted by simulating a 10% appreciation and a 10% depreciation in the functional currency against the other currencies. The impact on the income/loss before taxes of the Group would have been €20 million and €-20 million, respectively.

EXPOSURE AND SENSITIVITY BY CURRENCY

	31 Dec 2022[1]			31 Dec 2021		
€ million	Exposure	Sensitivity (+10%)	Sensitivity (-10%)	Exposure	Sensitivity (+10%)	Sensitivity (-10%)
RUB	—	—	—	115	-10	10
ARS	195	-18	18	37	-3	3
USD	-203	18	-18	124	-11	11
EUR	—	—	—	1,298	-118	118
GBP	123	-11	11	149	-14	14
NOK	-317	29	-29	-1,086	99	-99
MXN	-93	8	-8	-42	4	-4
EGP	67	-6	6	-24	2	-2
Total	**-228**	**20**	**-20**	**571**	**-52**	**52**

[1] As from the reporting period, the USD/EUR exposures are presented on a net basis.

In order to hedge against currency risks, linear products with symmetrical sensitivity were used in particular.

Interest rate risks

Interest rate risks arise due to potential changes in prevailing market interest rates, which can lead to changes in the fair value of fixed-rate instruments and interest payment fluctuations for variable-rate instruments. These risks are not of material significance for the Group's operating activities.

Commodity price risks

The Group's revenue, cash flows and profitability depend to a large extent on prevailing international and local commodity prices. Any resulting adverse changes in market prices could have a negative impact on the Group's net result and equity.

Commodity price risks related to production are assessed and mitigated regularly using systematic risk management. The principles of this approach are defined in the commodity hedging policy.

All hedging transactions are entered into for the sole purpose of reducing risks from planned transactions exposed to commodity price risks that have a high probability of occurrence. The Group hedges part of its oil and gas price risks to protect its investment-grade rating and improve dividend predictability. This serves to ensure sufficient debt capacity and thus to provide the management with the flexibility necessary to adapt its strategy should commodity prices fall to a critically low level. The volumes to be hedged depend on the economic exposure and the current level of oil and gas prices. The maximum hedge volumes are 75%, 50%, and 25% of effectively hedgeable production for a one, two, or three-year horizon, respectively.

Existing hedges as at 31 December 2022 include forward gas sales to stabilise portions of gas revenues until 2025 as well as Dated Brent oil swaps to stabilise portions of the Group's oil sales until 2025. For the latter, German and Norwegian oil production currently serves as a hedged item. The contracted price is defined via a price formula. Regression analyses show a high correlation between Dated Brent oil prices and contracted prices and provide the basis for determining optimal hedge ratios.

Commodity price risks also arise in the ordinary course of business for contracted gas purchase and supply agreements. The specific price risk, which results from the valuation of the gas agreements concluded in the event of an adverse change in market prices, is mitigated by Wintershall Dea by imposing and constantly monitoring the limits on the type and scope of the transactions concluded.

Wintershall Dea carries out value-at-risk analyses for the existing commodity derivatives. Value-at-risk is used to quantify the market risk on an ongoing basis and to give an assessment of the possible maximum loss within the given confidence interval over a certain period. The value-at-risk calculation is based on a confidence interval of 95% and a holding period of one day. Wintershall Dea applies the exponentially weighted variance-covariance approach.

The value-at-risk limit, along with a stop-loss limit, is used to control market risks of commodity derivatives. The value-at-risk amounts to €1 million as at 31 December 2022.

Derivative financial instruments and hedge accounting

Commodity prices and foreign currencies are hedged using derivative instruments as necessary in accordance with a centrally defined strategy. Hedging is only employed for underlying items in the operating business, cash investments, financing and planned capital measures. The risks associated with the hedged items and the derivatives are constantly monitored. Where derivatives have a positive market value, the Group is exposed to credit risks from derivative transactions in the event of the non-performance of the other party.

To minimise the default risk of derivatives with positive market values, transactions are conducted exclusively with creditworthy banks and partners and subject to predefined credit limits.

The contracting and execution of derivative financial instruments for hedging purposes are conducted according to internal guidelines and are subject to strict control mechanisms.

FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

€ million	31 Dec 2022	31 Dec 2021
Commodity derivatives	-3,142	-2,560
of which designated hedging instruments as defined by IFRS 9 (hedge accounting)	-3,251	-2,546
Foreign currency derivatives	-137	-70
of which designated hedging instruments as defined by IFRS 9 (hedge accounting)	-172	-76
Total	**-3,280**	**-2,630**

Derivative financial instruments are measured at fair value. When interpreting positive or negative fair values, account must be taken of the fact that underlying transactions with compensating risks have an offsetting effect. All derivative financial instruments are reported as assets or liabilities.

Fair values of derivative financial instruments are determined using customary market valuation methods taking into account public market data available on the measurement date. Credit value adjustments (CVAs) and debit value adjustments (DVAs) for the company's own credit risk are applied to all derivatives. CVAs and DVAs are calculated using the standardised approach for measuring counterparty credit risk (SA-CCR).

Commodity derivatives

The Group has designated oil swaps 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 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.

Existing derivatives related to the gas trading business are recognised at fair value through profit or loss and disclosed based on net risk exposure in accordance with IFRS 13.48.

Foreign currency derivatives

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

In order to hedge the foreign currency risk from future USD repayments of intercompany loans, the Group entered into cross-currency swaps. The future cash flows resulting from the repayment of the intercompany loans have been designated as hedged items. The spot elements and the forward elements of the cross-currency swaps have been separated, whereas only the value changes of the spot elements have been designated as hedging instrument. The forward elements are recognised as cost of hedging in other comprehensive income and are reclassified to profit or loss on a systematic (linear) basis. Hedge ineffectiveness is immediately recognised in profit or loss.

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

	31 Dec 2022/2022		
€ million	Commodity derivatives (fixed-price gas sales)	Commodity derivatives (oil swaps)	Foreign currency derivatives
Carrying amount			
Derivative assets	39	17	—
Derivative liabilities	3,144	163	172
Nominal amount	1,852	837	2,188
Maturity date	01/2023-12/2025	01/2023-12/2025	01/2023-09/2028
Quantity	217,592 mmscf	12,342 mbbl	
Average price or rate	€29.03/MWh	$67.83/bbl	$1.11/€
Amounts recognised in profit or loss and other comprehensive income (net)			
Changes in fair value of hedging instruments recognised in OCI	-4,169	-266	-149
Deferred taxes on change in fair value of hedging instruments recognised in OCI	3,137	55	—
Reclassified from OCI to profit or loss	3,392	314	164
Deferred taxes on reclassification from OCI to profit or loss	-2,542	-62	—
	-182	**40**	**15**

The changes in fair values of the foreign currency derivatives recognised in other comprehensive income relate exclusively to cost of hedging.

Gains and losses on commodity derivatives are reclassified from other comprehensive income to revenues, while gains and losses on foreign currency derivatives are reclassified to financial income/financial expenses.

The effectiveness of hedge relationships is determined at the inception of the relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument. CVA/DVA adjustments may cause ineffectiveness.

The ineffective portion of the hedge relationship between intercompany loans and the hedging instruments (cross-currency swaps) results from CVA/DVA adjustments and the exclusion of intercompany interests from the hedging relationship. Changes in the correlation of the hedged items and the oil derivatives are an additional source of ineffectiveness. In contrast, no ineffectiveness from changes in correlation for the fixed-price gas sales agreements and the hedged items occurs due to the application of the critical terms match method.

The hedge ineffectiveness as at 31 December 2022 recognised in profit and loss is shown in the table below:

	31 December 2022	
€ million	Commodity derivatives	Foreign currency derivatives
Change in fair value of the hedging instrument	27	-84
Change in fair value of the hedged item	-29	86
Hedge ineffectiveness	—	2

Ineffectiveness is reported in revenues for commodity derivatives and in financial income/expenses for foreign currency derivatives.

Default and credit risks

Default and credit risks arise when contractual partners do not fulfil their obligations. The Group is exposed to credit risks from its operating activities (primarily trade accounts receiv-able) and its financing activities, including deposits with banks and financial institutions, favourable derivative financial instruments (positive fair value) and other financial receivables. Credit risks are managed on a Group basis. Wintershall Dea has Group-wide procedures in place that address credit approval applications, the granting and renewing of counterparty limits, the proactive monitoring of exposures against these limits and requirements for triggering secured payment terms. As part of these processes, counterparty credit exposure is regularly monitored and assessed on a timely basis.

If customers are independently rated, these ratings are used for assessment. If there is no independent rating, the risk management function assesses customers' credit quality based on their financial position or bases the assessment on past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with set limits. There are no significant concentrations of credit risks through the exposure to individual customers or regions. Country-specific payment risks are within the limits stipulated by the management and closely monitored.

A default event occurs if management has good reason to believe that a customer will not repay its liability to Wintershall Dea, usually due to the customer's financial difficulty. A payment delay in the course of regular business practice does not alone indicate a customer default. An assessment of the overall situation is required on a case-by-case basis.

The maximum risk of default corresponds to the carrying amounts of the financial assets.

Financial assets are written off when there is no reasonable expectation of recovery of the contractual cash flows. Losses from financial assets that have been written off were not material in the reporting period or in the prior year.

Impairment on financial assets

In order to determine the impairment of financial assets, Wintershall Dea uses either a general three-stage approach or the simplified approach, according to IFRS 9, as applicable. In the case of financial assets for which the simplified approach does not apply, their assessment takes place as at each reporting date to determine whether the credit risk on a financial instrument has increased significantly since its initial recognition.

Trade accounts receivable, other receivables, financial receivables and deposits with banks are subject to the expected credit loss model. This is generally based on either externally provided or internal ratings for each debtor which, in certain cases, are updated based on recently available information.

To measure the expected credit losses on trade accounts receivable, Wintershall Dea applies the simplified approach according to IFRS 9. Accordingly, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For trade accounts receivable, the contractual payment term is usually 30 days. In deviation to this general rule, terms of up to one year are considered for the calculation of expected credit losses due to different regional payment practices.

The loss allowance for other receivables, financial receiv-ables and deposits with banks is measured at an amount equal to the twelve-month expected credit loss. If the term of the financial instrument is shorter than 12 months, the lifetime expected credit loss is applied.

The valuation loss allowances are determined as follows:

€ million	As at 1 Jan 2022	Changes in scope of consolidation	Additions	Reversals	Disposals	Reclassification between stages	Transfers	Currency translation effects	**As at 31 Dec 2022**
Trade accounts receivable									
of which Stage 2[1]	3	-2	32	-31	—	—	—	—	2
of which Stage 3[2]	14	-119	102	-5	-1	—	—	18	8
	16	**-121**	**134**	**-36**	**-1**	**—**	**—**	**19**	**10**
Other receivables									
of which Stage 2[1]	3	—	—	—	—	—	-4	—	—
of which Stage 3[2]	—	—	2	—	—	—	4	—	6
	3	**—**	**2**	**—**	**—**	**—**	**—**	**—**	**6**
Financial receivables and bank balances									
of which Stage 1[3]	1	—	—	—	—	—	—	—	1
of which Stage 2[1]	—	-3	5	-3	—	—	—	—	—
of which Stage 3[2]	35	—	1,003	—	-1	—	—	—	1,037
	37	**-3**	**1,008**	**-3**	**-2**	**—**	**—**	**—**	**1,038**
Total	**56**	**-124**	**1,145**	**-39**	**-3**	**—**	**—**	**19**	**1,054**

[1] The credit risk has increased significantly since initial recognition, the loss allowance for the financial assets is measured at an amount equal to the lifetime expected credit losses.
[2] The financial asset is credit-impaired.
[3] The loss allowance for financial assets is measured at an amount equal to a twelve-month expected credit loss.

€ million	As at 1 Jan 2021	Additions	Reversals	Disposals	Reclassification between stages	Transfers	Currency translation effects	As at 31 Dec 2021
Trade accounts receivable								
of which Stage 2[1]	3	5	-5	—	—	—	—	3
of which Stage 3[2]	23	1	-2	-8	—	—	1	14
	26	**5**	**-7**	**-9**	**—**	**—**	**1**	**16**
Other receivables								
of which Stage 2[1]	—	3	—	—	—	—	—	3
	—	**3**	**—**	**—**	**—**	**—**	**—**	**3**
Financial receivables								
of which Stage 1[3]	2	—	—	—	—	—	—	1
of which Stage 3[2]	62	—	—	-26	—	—	—	35
	64	**—**	**—**	**-26**	**—**	**—**	**—**	**37**
Total	**90**	**9**	**-8**	**-35**	**—**	**—**	**1**	**56**

[1] The credit risk has increased significantly since initial recognition, the loss allowance for the financial assets is measured at an amount equal to the lifetime expected credit losses
[2] The financial asset is credit-impaired
[3] The loss allowance for financial assets is measured at an amount equal to a twelve-month expected credit loss

Liquidity risks

The liquidity risk management ensures that the required liquidity to meet financial obligations is available at all times and that the liquidity position of the Group is optimised. Centralised financial planning is the basis for liquidity risk management. Financial planning is performed for the following twelve months on a monthly basis and for the following month on a daily basis.

The Group monitors its liquidity risk by reviewing the cash flow requirements on a regular basis, taking into consideration the funding sources, existing bank facilities and cash flow generation from the producing asset base. Specifically, it is ensured that there is sufficient liquidity to meet operational funding requirements and debt servicing.

Maturity analysis

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows. Derivatives are included when they have a negative fair value and therefore represent a liability. Commodity derivatives that are settled in cash are included with their net cash flows, whereas physically settled trading contracts that are within the scope of IFRS 9 are included with their cash outflows for the purchase of the commodity. Foreign currency derivatives are shown with their gross cash outflows. Derivatives with positive fair values are assets and are therefore not taken into account.

Trade and other payables within the scope of IFRS 7 are essentially non-interest-bearing and due within one year. As a result, their carrying amount corresponds to the sum of future cash flows.

€ million	31 Dec 2022			
	≤ 1 year	1–5 years	> 5 years	Total
Bonds	912	1,000	2,000	3,912
Debt to banks	—	—	—	—
Financial liabilities to related parties	410	—	—	410
Lease liabilities	20	50	36	107
Other financial liabilities	16	1	—	16
Commodity derivative liabilities (settled in cash)	112	40	—	152
Trading contracts within the scope of IFRS 9 (settled physically)[1]	3,366	3	—	3,369
Foreign currency derivative liabilities[2]	1,799	—	—	1,799
Trade and other payables within the scope of IFRS 7	1,314	10	—	1,325
Total	**7,950**	**1,104**	**2,036**	**11,090**

[1] Cash outflows are used to purchase a commodity
[2] The gross cash outflows shown are offset by a comparable amount of cash inflows

€ million	31 Dec 2021			
	≤ 1 year	1–5 years	> 5 years	Total
Bonds	12	2,000	2,000	4,012
Debt to banks	3	—	—	3
Financial liabilities to related parties	538	—	—	538
Lease liabilities	24	41	37	102
Other financial liabilities	—	—	—	—
Commodity derivative liabilities (settled in cash)	116	70	—	186
Trading contracts within the scope of IFRS 9 (settled physically)[1]	3,360	2,015	—	5,374
Foreign currency derivative liabilities[2]	1,216	—	—	1,216
Trade and other payables within the scope of IFRS 7	954	10	—	964
Total	**6,222**	**4,136**	**2,037**	**12,395**

[1] Cash outflows are used to purchase a commodity
[2] The gross cash outflows shown are offset by a comparable amount of cash inflows

Classes and categories of financial instruments

For financial receivables, trade and other receivables and cash and cash equivalents that are measured at cost, the carrying amounts approximate the fair values. The balance sheet item "other financial assets" relates to affiliated companies and investments that are not fully consolidated or recognised as equity-accounted investments for materiality reasons. Other equity investments shown under this position are measured at fair value through OCI or through profit or loss, respectively.

For financial debt other than bonds as well as trade and other payables that are measured at amortised costs, the carrying amounts approximate the fair values.

Financial assets and liabilities are assigned to the following valuation categories according to IFRS 9:

VALUATION CATEGORIES

	Carrying amount as at 31 Dec 2022					
€ million	Amortised costs	Fair value through profit or loss	Fair value OCI with reclassification[1]	Fair value OCI without reclassification[2]	Beyond the scope of IFRS 9/IFRS 7	**Total**
Other financial assets	—	10	—	248	2	**261**
Financial receivables	230	—	—	—	—	**230**
Trade and other receivables	1,726	54	—	—	171	**1,952**
Derivative financial assets	—	376	55	—	—	**431**
Cash and cash equivalents	3,089	—	—	—	—	**3,089**
Bonds	3,903	—	—	—	—	**3,903**
Financial liabilities to related parties	410	—	—	—	—	**410**
Lease liabilities	93	—	—	—	—	**93**
Other financial liabilities	1	16	—	—	—	**16**
Trade accounts payble and other liabilities	1,323	—	—	—	224	**1,548**
Derivative financial liabilities	—	233	3,478	—	—	**3,711**

[1] Fair value through other comprehensive income (will be reclassified to the statement of income at a later date)
[2] Fair value through other comprehensive income (will not be reclassified to the statement of income at a later date)

FAIR VALUE HIERARCHY

	31 December 2022			
€ million	Total	Level 1[1]	Level 2[2]	Level 3[3]
Other financial assets	258	—	—	258
Trade accounts receivable	51	—	—	51
Other receivables and assets	3	—	—	3
Derivative financial assets	431	—	431	—
of which commodity derivatives	384	—	384	—
of which currency derivatives	48	—	48	—
Derivative financial liabilities	3,711	—	3,711	—
of which commodity derivatives	3,526	—	3,526	—
of which currency derivatives	185	—	185	—
Other financial liabilities	16	—	—	16

[1] The fair value is determined on the basis of listed (unadjusted) prices for identical assets and liabilities on active markets
[2] The fair value is determined based on parameters for which directly or indirectly quoted prices on active markets were available
[3] The fair value is determined based on parameters for which there were no observable market data

Other financial assets comprise mainly Wintershall Dea's participations in all Russian entities (€248 million) that are recognised at fair value through OCI since Q4 (see Note 3).

For a sub-portfolio of trade accounts receivable, the model was changed from "hold in order to collect the contractual cash flows" to "sale" in the reporting period, and the corresponding trade accounts receivable are measured at fair value through profit and loss as at 31 December 2022. The valuation is based on the expected cash flows to be realised less expected credit losses. Changes in fair value were immaterial and recognised in production and other operating expenses.

Other receivables and assets represent a contingent receivable expected to be received from a final settlement of a divestment in Norway.

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 was based on a weighted scenario analysis. The probability of being claimed under the financial guarantee is considered to be very low. As at 31 December 2022, the negative fair value of the financial guarantee amounts to €16 million. The underlying assumptions are unchanged compared to the initial recognition. The increase of €4 million is related to foreign currency translation and discounting effects.

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

VALUATION CATEGORIES

	Carrying amount as at 31 Dec 2021				
€ million	Amortised costs	Fair value through profit or loss	Fair value OCI with reclassification[1]	Beyond the scope of IFRS 9/IFRS 7	**Total**
Financial receivables	1,224	—	—	—	**1,224**
Trade and other receivables	1,556	—	—	200	**1,756**
Derivative financial assets	—	484	7	—	**492**
Cash and cash equivalents	2,106	—	—	—	**2,106**
Bonds	3,999	—	—	—	**3,999**
Debt to banks	3	—	—	—	**3**
Financial liabilities to related parties	538	—	—	—	**538**
Lease liabilities	90	—	—	—	**90**
Trade accounts payable and other liabilities	969	—	—	340	**1,310**
Derivative financial liabilities	—	493	2,629	—	**3,122**

[1] Fair value through other comprehensive income (will be reclassified to the statement of income at a later date)

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

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

31 Dec 2022	Offset amounts			Amounts that cannot be offset		
€ million	Gross amount	Amount offset	Net amount	Due to global netting agreements	Relating to financial collateral	Potential net amount
Derivatives with a positive fair value	2,390	-2,024	367	—	—	367
Derivatives with a negative fair value	5,387	-2,024	3,363	—	—	3,363

31 Dec 2021	Offset amounts			Amounts that cannot be offset		
€ million	Gross amount	Amount offset	Net amount	Due to global netting agreements	Relating to financial collateral	Potential net amount
Derivatives with a positive fair value	1,325	-844	481	—	—	481
Derivatives with a negative fair value	3,705	-844	2,862	—	—	2,862

The table above show the extent to which financial assets and financial liabilities are offset on the balance sheet. They also show the potential effects from the offsetting of instruments subject to a legally enforceable global netting agreement (primarily in the form of European Federation of Energy Traders [EFET] agreements for gas purchase and supply agreements that have been concluded) or similar agreement. Only financial assets and liabilities that are covered by such agreements are included in these tables.

NOTE 27 – CAPITAL STRUCTURE MANAGEMENT

The objective of capital structure management is to maintain the financial flexibility needed to further develop the business portfolio and take advantage of strategic opportunities. The objectives of the Group's financial policy are to ensure solvency, limit financial risks and optimise the cost of capital.

The Group aims to ensure financial stability through its long-term commitment to an investment-grade credit rating.

The Group is focused on maintaining cash flow discipline and active cash management is a priority. The Group manages capital commitments to generate positive cash flows from operations in order to sustain its investments, pay dividends and create financial flexibility through the economic cycle.

NET DEBT

€ million	31 Dec 2022	31 Dec 2021
Bonds	3,903	3,999
Debt to banks	—	3
Financial liabilities from cash pooling	410	536
Lease liabilities	93	90
Total debt	**4,406**	**4,628**
Financial receivables from cash pooling	-13	-13
Cash and cash equivalents	-3,089	-2,106
Total	**1,303**	**2,510**

NOTE 28 – RELATED PARTY DISCLOSURES

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

Wintershall Dea is subject to significant influence from BASF and LetterOne. Therefore, BASF and LetterOne and their subsidiaries are considered related parties. In addition, related parties comprise non-consolidated subsidiaries, joint ventures and associated companies not included in the consolidated financial statements due to materiality reasons.

The following tables show the volume of business with related parties that are included in the consolidated financial statements at amortised cost or accounted for using the equity method as well as with our shareholders and their affiliates.

REVENUES WITH RELATED PARTIES

€ million	2022	2021
Joint ventures/associated companies	141	161
Shareholders and their affiliates	2,106	708
Total	**2,247**	**869**

TRADE ACCOUNTS RECEIVABLE FROM/TRADE ACCOUNTS PAYABLE TO RELATED PARTIES

	Trade accounts receivable		Trade accounts payable	
€ million	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Non-consolidated subsidiaries	17	8	18	—
Joint ventures/associated companies	15	15	23	24
Shareholders and their affiliates	185	169	—	—
Total	**217**	**192**	**42**	**25**

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

	Financial and other receivables		Financial and other liabilities	
€ million	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Non-consolidated subsidiaries	28	36	7	15
Joint ventures/associated companies	201	200	404	523
Shareholders and their affiliates	2	2	4	5
Total	**231**	**239**	**414**	**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.

Related persons are the members of the Management Board and Supervisory Board of the Wintershall Dea AG and the shareholders. No business relationships exist with members of the Management Board or the Supervisory Board or individuals close to them. The remuneration paid to the Management Board and Supervisory Board can be found in Note 29.

NOTE 29 – COMPENSATION RECEIVED BY THE MANAGEMENT BOARD AND SUPERVISORY BOARD

€ thousand	2022	2021
Total compensation paid to the Management Board	6,501	5,974
Provisions for long-term/short-term incentive plans (LTIs/STIs)	15,327	4,179
	21,828	**10,153**
Compensation paid to the Supervisory Board	366	80
Total compensation paid to former members of the Management Board	1,446	713
Pension provisions for former members of the Management Board and their surviving dependents	26,616	35,294

NOTE 30 – SERVICES PROVIDED BY THE EXTERNAL AUDITOR

Wintershall Dea recognised the following fees as expenses for services rendered by the auditor of the consolidated financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (KPMG AG), and companies belonging to KPMG's international network.

€ thousand	2022	2021
Audit services	2,678	2,405
of which KPMG AG	1,264	1,161
Other services	764	500
of which KPMG AG	756	482
Total	**3,442**	**2,905**

The audit services expenses are related to the audit of the consolidated financial statements of the Wintershall Dea Group, as well as to the legally required financial statements of Wintershall Dea AG and the subsidiaries and joint operations included in the consolidated financial statements. Fees for other services include mainly other attestation services by the auditor that are permissible under applicable independence rules.

NOTE 31 – EVENTS AFTER THE BALANCE SHEET DATE

On 17 January 2023, Wintershall Dea announced its intention to fully exit Russia in an orderly manner, complying with all applicable laws and regulations. The announcement had no further impact on the consolidated financial statements.

NOTE 32 – WINTERSHALL DEA LIST OF SHARES HELD PURSUANT TO SECTION 313 (2) OF THE GERMAN COMMERCIAL CODE (HGB)

The list of consolidated companies and the complete list of all companies in which Wintershall Dea holds shares, as required by Section 313 (2) HGB, as well as the information on the exemption of subsidiaries from accounting and disclosure obligations, are an integral component of the audited consolidated financial statements submitted to the German Federal Gazette (Bundesanzeiger).

I. Companies included in the consolidated financial statements on a full basis or accounted for using the equity method

Fully consolidated subsidiaries

Company	Registered office	Share of capital (%)
DEA Cyrenaica GmbH[1]	Hamburg, Germany	100.00
DEA E&P GmbH[1]	Hamburg, Germany	100.00
DEA North Africa/Middle East GmbH[1]	Hamburg, Germany	100.00
DEA Trinidad & Tobago GmbH	Hamburg, Germany	100.00
DEM México Erdoel, S.A.P.I. de C.V.	Mexico City, Mexico	100.00
E & A Internationale Explorations- und Produktions-GmbH[1]	Kassel, Germany	100.00
Izta Energia, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Blanca P&D, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Coronado E&P, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Nevada E&P, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra O&G Exploracíon y Produccion, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Offshore Exploracíon, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Oil & Gas Holdings, L.P.	Ontario, Canada	100.00
Sierra Oil & Gas, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Sierra Perote E&P, S. de R.L. de C.V.	Mexico City, Mexico	100.00

WD México-Alemania, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Wintershall Dea AG	Celle, Germany	100.00
Wintershall Dea Algeria GmbH[1]	Hamburg, Germany	100.00
Wintershall Dea Argentina S.A.	Buenos Aires, Argentina	100.00
Wintershall Dea Asset Holding GmbH	Kassel, Germany	100.00
Wintershall Dea Deutschland GmbH	Hamburg, Germany	100.00
Wintershall Dea Finance 2 B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Finance B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Immobilien GmbH & Co. KG[1]	Hamburg, Germany	100.00
Wintershall Dea Insurance Limited	St. Peter Port, Guernsey	100.00
Wintershall Dea International GmbH[1]	Hamburg, Germany	100.00
Wintershall Dea Mexico Holding B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea México, S. de R.L. de C.V.	Mexico City, Mexico	100.00
Wintershall Dea Middle East GmbH[1]	Kassel, Germany	100.00
Wintershall Dea Nederland Asset Holding B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Nederland B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Nederland Transport and Trading B.V.	Rijswijk, The Netherlands	100.00
Wintershall Dea Nile GmbH[1]	Hamburg, Germany	100.00
Wintershall Dea Norge AS	Stavanger, Norway	100.00
Wintershall Dea Schweiz AG	Zug, Switzerland	100.00
Wintershall Dea Suez GmbH[1]	Hamburg, Germany	100.00
Wintershall Dea Technology Ventures GmbH	Kassel, Germany	100.00
Wintershall Dea TSC GmbH & Co. KG	Kassel, Germany	100.00
Wintershall Dea Vermögensverwaltungsgesellschaft mbH[1]	Kassel, Germany	100.00
Wintershall Dea WND GmbH[1]	Hamburg, Germany	100.00
Wintershall Petroleum (E&P) B.V.	Rijswijk, The Netherlands	100.00

Joint ventures accounted for using the equity method

Company	Registered office	(%)
WIGA Transport Beteiligungs-GmbH & Co. KG	Kassel, Germany	50.02
Wintershall Noordzee B.V.	Rijswijk, The Netherlands	50.00

Associated companies accounted for using the equity method

Company	Registered office	(%)
Nord Stream AG	Zug, Switzerland	15.50[2]
Wintershall Aktiengesellschaft	Celle, Germany	51.00

[1] Application of Section 264 (3) of the German Commercial Code (HGB)
[2] Wintershall Dea exerts a significant influence over financial and corporate policy.

II. Participations not fully/proportionally consolidated or accounted for using the equity method

Company	Registered office	Share of capital (%)
AMBARtec AG[1]	Dresden, Germany	24.40
AO Achimgaz[2]	Novy Urengoy, Russia	50.00
AO Gazprom YRGM Trading[2]	Saint Petersburg, Russia	25.00
AWIAG Limited[3]	Birkirkara, Malta	100.00
DEA Ukraine LLC[3,4]	Kiev, Ukraine	100.00
Erdgas Münster GmbH[3]	Münster, Germany	33.66
Joint Stock Company Achim Trading[2]	Saint Petersburg, Russia	18.01
Limited Liability Company Achim Development[2]	Novy Urengoy, Russia	25.01
Nordkaspische Explorations- und Produktions GmbH[3,4]	Kassel, Germany	100.00
OAO Severneftegazprom[2,5]	Krasnoselkup, Russia	25.00
Wellstarter AS[1]	Trondheim, Norway	24.40
WIGA Verwaltungs-GmbH[3]	Kassel, Germany	50.02
Wintershall Dea Carbon Management Solutions B.V.[3]	Rijswijk, The Netherlands	100.00
Wintershall Dea do Brasil Exploração e Produção Ltda.[3]	Rio de Janeiro, Brazil	100.00
Wintershall Dea Exploration and Production International C.V.[3]	Rijswijk, The Netherlands	100.00
Wintershall Dea Global Support B.V.[3]	Rijswijk, The Netherlands	100.00
Wintershall Dea Immobilien Management GmbH[3]	Hamburg, Germany	100.00
Wintershall DEA Mexico Holdings GP Ltd.[3]	N. Brunswick, Canada	100.00
Wintershall Dea Russia GmbH[3]	Kassel, Germany	100.00
Wintershall Dea South East Asia GmbH[3]	Kassel, Germany	100.00
Wintershall Dea TSC Management GmbH[3]	Kassel, Germany	100.00
Wintershall Dea Wolga Petroleum GmbH[3]	Kassel, Germany	100.00
Wintershall Libyen Oil & Gas GmbH[3]	Kassel, Germany	100.00

[1] Venture capital investment measured at fair value through profit and loss
[2] Not fully/proportionally consolidated or accounted for using the equity method due to lack of control/joint control or lack of significant influence
[3] Not fully consolidated or accounted for using the equity method due to immateriality
[4] In liquidation
[5] Share of result and overall share of charter capital total 35% via additional preference shares

NOTE 33 – MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD

Supervisory Board

Dr Hans-Ulrich Engel
Chairman; Deputy Executive Chairman of BASF SE

Dmitry Avdeev
First Deputy Chairman; Senior Partner, L1 Energy

Michael Winkler
Second Deputy Chairman; Trade Union Secretary of IG BCE

Saori Dubourg
Member of the Board of Executive Directors of BASF SE

Dr Dirk Elvermann
President Corporate Finance, BASF SE

Michael Heinz
Member of the Board of Executive Directors of BASF SE

Timothy Summers
Managing Partner, L1 New Energy (member of the Supervisory Board since 10 May 2022)

Matti Lievonen
Board Professional

Scott Nyquist
Management Consultant

Birgit Böl
Chairwoman of the General Works Council of Wintershall Dea AG

Günther Prien
Chairman of the Central Works Council Hamburg and member of the General Works Council of Wintershall Dea AG

Heiko Rehder
Head of Production District Mittelplate, Deputy Chairman of the Central Works Council Hamburg of Wintershall Dea Deutschland GmbH

German Khan
Entrepreneur (member of the Supervisory Board until 15 March 2022)

Management Board

Mario Mehren
CEO

Paul Smith
CFO

Hugo Dijkgraaf
CTO

Dawn Summers
COO

Thilo Wieland
Member of the Board, Region Russia, Latin America and Midstream

Kassel/Hamburg, 17 February 2023
The Management Board

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

E

SUPPLEMENTARY INFORMATION

DECLARATION BY THE MANAGEMENT BOARD AND STATEMENT OF RESPONSIBILITY PURSUANT TO SECTIONS 297 (2) AND 315 (1) OF THE GERMAN COMMERCIAL CODE (HGB)

The Management Board of Wintershall Dea AG is responsible for preparing the annual consolidated financial statements and the group management report of Wintershall Dea.

The consolidated financial statements of Wintershall Dea for the fiscal year ending 31 December 2022 were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards (IASB), London, and adopted by the European Union.

We have established effective internal control and management systems to ensure that the group management report and the consolidated financial statements of Wintershall Dea comply with the applicable accounting standards and to ensure due and proper corporate reporting.

The risk management system that we have established is designed to allow the Management Board to identify material risks at an early stage so that it can take appropriate measures to counteract them if necessary. The reliability and functionality of the internal control and risk management system are reviewed by the Internal Audit department throughout the Group on an ongoing basis.

To the best of our knowledge, and in accordance with the applicable accounting principles, the consolidated financial statements of Wintershall Dea give a true and fair view of the net assets, financial position and results of operations of Wintershall Dea. Furthermore, the group management report of Wintershall Dea provides a true and fair view of the Group's business development, including the business results and situation of Wintershall Dea, together with a description of the principal opportunities and risks associated with the expected development of Wintershall Dea.

Kassel/Hamburg, 17 February 2023

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

INDEPENDENT AUDITOR'S REPORT

TO WINTERSHALL DEA AG, CELLE

Opinions

We have audited the consolidated financial statements of Wintershall Dea AG, Celle and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a segment reporting as well as a summary of significant accounting policies. In addition, we have audited the group management report of Wintershall Dea AG for the fiscal year from 1 January to 31 December 2022. In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the "Other Information" section of our auditor's report.

The group management report contains cross-references marked as unaudited and not required by law. In accordance with German legal requirements, we have not audited the content of the cross-references or the information to which they refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the fiscal year from 1 January to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management report specified in the "Other Information" section of the auditor´s report. The group management report contains cross-references marked as unaudited and not required by law. In accordance with German legal requirements, we have not audited the content of the cross-references or the information to which they refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Other Information

Management and supervisory board are responsible for the other information. The other information comprises the information in the annual report.

The other information also comprises the following components of the group management report, whose content was not audited:

- information extraneous to group management reports and marked as unaudited.
- the voluntary disclosure on the quota for women in management positions which is included in section "1.2 Management System"

The other information also includes the annual report obtained before the date of this audit opinion.

The other information does not include the consolidated financial statements, the group management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt am Main, 17 February 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Wetzel
Wirtschaftsprüfer
[German Public Auditor]

Strzalkowski
Wirtschaftsprüfer
[German Public Auditor]

GLOSSARY

KEY DEFINITIONS AND GLOSSARY OF TECHNICAL AND FINANCIAL TERMS

1, 2, 3

1P reserves or proved reserves
Quantities of petroleum that can be estimated with reasonable certainty (at least 90 per cent) to be commercially recoverable.

2C resources or contingent resources
Best estimate of contingent resources.

2P reserves or proved plus probable reserves
Proved reserves plus reserves that are deemed probable (at least 50 per cent likely) to be commercially recoverable.

A

Achim Development 4A and 5A
Areas 4A and 5A of the Urengoyskoye oil, gas and condensate field

ADNOC
Abu Dhabi National Oil Company

AG
German Stock Corporation (Aktiengesellschaft)

AktG
German Stock Corporation Act (Aktiengesetz)

APA
Award for predefined areas

B

BaFin
German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)

bbl
Barrel (= 159 litres)

BetrAVG
German occupational pension act (Gesetz zur Verbesserung der betrieblichen Altersversorgung)

BlueHyNow
Project for the production of eco-friendly hydrogen from natural gas at Wilhelmshaven energy hub.

boe
Barrels of oil equivalent

C

Capex
Capital expenditure

CCS
Carbon capture and storage

CMH
Carbon Management and Hydrogen

CMA-1
Cuenca Marina Austral 1

CNH
National Hydrocarbons Commission (Comision Nacional de Hidrocarburos)

CO_2
Carbon dioxide

CO_2nnectNow
CCS project at HES Wilhelmshaven Tank Terminal

COFECE
Federal Economic Competition Commission (Comisión Federal de Competencia Económica)

COSO
Committee of Sponsoring Organizations of the Treadway Commission

CTA
Contractual trust arrangements

CTP
Central treatment plant

CVA
Credit valuation adjustment

D

d
per day

DISOUCO
Disouq Petroleum Company

DVA
Debit valuation adjustment

E

E & P
Exploration and appraisal, field development and production activities

EBITDAX
Earnings before interest, taxes, depreciation, amortisation and exploration expenses adjusted for special items

ECB
European Central Bank

EFET
European Federation of Energy Traders

EGAS
Egyptian Natural Gas Holding Company

EGC
General Court of the European Union

EGPC
Egyptian General Petroleum Corporation

EOR
Enhanced oil recovery

EPC
Engineering, Procurement and Construction

ESG
Environmental, Social and Governance

ETP
Energy Transition Pathway

EU
European Union

F

FCF
Free cash flow

FEED
Front-end engineering design

FID
Final investment decision

FPSO
Floating production, storage and offloading unit

FSRU
Floating storage regasification unit

G

GAS
German Accounting Standard

GHG
Greenhouse gas

GWh
Gigawatt hour

H

HGB
German Commercial Law (Handelsgesetzbuch)

HSEQ
Health, Safety, Environment & Quality

I

IAS
International Accounting Standards

IASB
International Accounting Standards Board

IFRIC
International Financial Reporting Interpretations Committee

IFRS
International Financial Reporting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

IG BCE
The German Industrial Mining, Chemistry, Energy Trade Union (Industriegewerkschaft Bergbau, Chemie, Energie)

ILO
International Labour Organization

IOGP
International Association of Oil and Gas Producers

IPIECA
International Petroleum Industry Environmental Conservation Association

ISMS
Information security management system

J

JV
Joint venture

K

KPI
Key performance indicator

L

LATAM
Latin America

LDAR
Leak detection and repair

LNG
Liquefied natural gas

LoI
Letter of Intent
einfügen

LTI
Long term incentive programme

LTIR
Lost Time Injury Rate per million hours worked

LTM
Last twelve months

M

M&A
Merger and Acquisition

mbbl
One thousand barrels

mboe
One thousand barrels of oil equivalent

mboe/d
One thousand barrels of oil equivalent per day

MENA
Middle East and North Africa

mmboe
Million barrels of oil equivalent

mmbtu
Million british thermal units

mmscf
Million standard cubic feet

MoU
Memorandum of Understanding

mscf
One thousand standard cubic feet

MTP
Medium-term planning

MWh
Megawatt hour

N

NGL
Natural gas liquids

NOC
Libya's National Oil Corporation

NOR-GE
Norwegian-German (NOR-GE) CCS infrastructure project aiming to connect Norway and Germany

NPV
Net present value

NWO
Nord-West Oelleitung GmbH

NWSG
North West Sidi Ghazi development project

O

OCI
Other comprehensive income

oe
Oil equivalent

OECD
Organisation for Economic Co-operation and Development

OGCI
Oil and Gas Climate Initiative

OGI
Optical Gas Imaging

OGMP 2.0
Oil and Gas Methane Partnership 2.0

OPEC
Organization of Petroleum Exporting Countries

P

PRMS
Petroleum resources management system

R

RCF
Revolving credit facility

S

SA-CCR
Standardised approach for measuring counterparty credit risk

scf
Standard cubic feet

Scope 1 emissions
Direct GHG emissions that occur from sources that are controlled or owned by the company.

Scope 2 emissions
Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling by the company.

Scope 3 emissions
Other indirect GHG emissions that are the result of activities from assets not owned or controlled by the company but that the company indirectly impacts in its value chain.

SDGs
Sustainable Development Goals of the United Nations.

SEFE
Securing Energy for Europe GmbH

Shareholders
Refers to Wintershall Dea shareholders BASF and LetterOne.

SNGP
Severneftegazprom

SPE
Society of Petroleum Engineers

SPEAD
Special Professional Experts Accelerated Development (SPEAD)

STI
Short term incentive programme

T

TCFD
Task Force on Climate-related Financial Disclosures

TRIR
Total Recordable Injury Rate per million hours worked

TTF
Title transfer facility (The Netherlands) is a virtual trading point for natural gas.

TWh
Terawatt hour

U

UAE
United Arab Emirates

W

WACC
Weighted average cost of capital

WIAG
Wintershall Aktiengesellschaft

WIGA
WIGA Transport Beteiligungs-GmbH & Co. KG

WINZ
Wintershall Noordzee B.V.

WPC
World Petroleum Council

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