

wintershall dea

ANNUAL PRESS CONFERENCE – STATEMENT MARIO MEHREN

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## WINTERSHALL DEA ANNUAL PRESS CONFERENCE 2023

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2022 was an extremely challenging year, which brought significant change for Wintershall Dea. The Russian war of aggression against Ukraine has dominated the last twelve months. From the very start, we have been clear in our condemnation of the war. It has caused unimaginable suffering and continues to do so. I remain shocked and appalled by this war and its consequences for the people of Ukraine.

The war was a turning point for international politics. And it was a turning point for European and international energy markets. It was a tumultuous year.

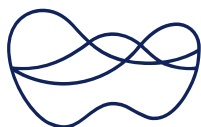
We saw a significant debate about a gas embargo – a complete stop to Russian gas deliveries to Europe. In the end, Russia itself turned off the tap. We saw a brazen and dangerous act of sabotage against the Nord Stream pipelines. A shocking symbol of the new European energy reality.

#### **2022 was a turning point for energy markets – and it was a turning point for Wintershall Dea.**

Since the start of the war, we have constantly assessed the situation. It was clear that there could be no continuing business-as-usual.

Five weeks ago, we took the only possible decision: Wintershall Dea will exit Russia. That was a hard decision. But the right decision. Continuing to operate in Russia is not tenable: The war is incompatible with our values. It has destroyed economic cooperation between Russia and Europe. And limitations imposed by the Russian government have made it impossible for us to operate in Russia as before.

So, we will now exit the country. In an orderly manner, complying with all applicable laws and regulations.



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And let me be crystal clear: Yes, we cannot leave the country overnight – we operate with responsibility. But there is no turning-back. There is no waiting in hope of improvement.

**We are exiting Russia. This chapter of our history is closed.**

Clearly, our decision to exit Russia has significant consequences, but our strong financial and operational performance means that we are ready for them. **In total, we have taken one-off non-cash losses of 7 billion Euros.** Since the start of the war, we have received no dividends out of Russia.

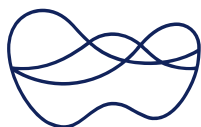
However, we remain strong and stable because we are prepared. We have prudently built financial flexibility. A strong balance sheet. And we have controlled our cost base, despite global inflationary pressures.

Let me take you through some of the key numbers for 2022, all excluding Russia. We realized an EBITDAX of 5.9 billion Euros and adjusted net income of 0.9 billion Euros. We achieved free cash flow of 2.5 billion Euros, and ended the year with net debt of only 1.3 billion Euros and a cash position of 3.1 billion Euros. So, we have a strong balance sheet, also confirmed by our credit ratings which stayed unchanged. With a stable outlook.

This performance was only possible because of the hard work of our teams, who have stayed focused on producing much-needed energy in difficult times. **I thank #teamwintershalldea for their commitment, dedication and performance during that extraordinary year 2022.**

With the process of exiting Russia underway, and with the deconsolidation of Russia from our financial reporting: The last year brought a lot of change. Including for Wintershall Dea. Nevertheless, there are constants.

We are still **one of the largest independent E&P companies in Europe.** With production of 321,000 barrels of oil equivalent per day in 2022, again, excluding Russia. We are internationally diversified. Active in 11 countries worldwide, with a focus on core operations in Norway, Argentina, Egypt and Germany; on growth in Mexico and Algeria; and with optionality in other countries.



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We look to the future as a **resilient and more focused company**. Nonetheless, there will be further changes to our business. In light of our changed portfolio, we will take a critical look at costs and how we operate in the coming year. We have to stay competitive.

We are an important producer of gas and oil. We are internationally diversified. We have a strong balance sheet and a healthy financial position. And we have a clear strategy for the future.

We have **two strategic priorities**. Moderate growth for our E&P business, aiming for 350,000 to 400,000 barrels of oil equivalent per day in the medium term. And building up our carbon management and hydrogen business.

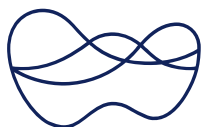
Firstly, let's look at **moderate growth for our E&P business**. We are strengthening our gas-weighted portfolio. We are geographically diversifying. We will do so with focused exploration, and value-accretive M&A.

In 2022, we made significant progress. We brought **additional production** online, at a time when it was sorely needed. Our operated Nova oil field came on stream in late July. In addition, the Njord field restarted production in December.

Our **development pipeline** is filled. In Norway we submitted eight development plans last year, two operated, and in Argentina we took the Final Investment Decision for the Fénix gas field.

Wintershall Dea had again a very **successful year for exploration**. In Norway, we participated in discoveries with a combined estimated gross volume of 88 to 286 million barrels of oil equivalent recoverable. And we secured eleven new exploration licences, three as operator. In Egypt, we found gas at East Damanhour, and added a new exploration block to our portfolio, the North West Abu Qir block.

Looking at **M&A**, we made a step forward for our growth plans. In Algeria, we increased our stake in the Reggane Nord gas project. In Mexico, we entered the producing Hokchi oil project, adding cost- and emissions-efficient barrels to our portfolio.



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Bringing additional production online, a full development pipeline, exploration and M&A successes: there were a lot of positive developments even in this year.

We will continue in this vein in 2023 and plan to further strengthen our portfolio.

Our **second strategic priority is carbon management and hydrogen**. We see significant markets developing for carbon capture and storage – CCS – and for low-carbon hydrogen. We see no route to net zero without them, and experts agree.

Our goal is to build a carbon management and hydrogen business to **potentially abate 20 to 30 million tonnes of CO2 a year by 2040**. Equivalent to sixty per cent of CO2 emissions from the huge German steel industry. These are significant numbers.

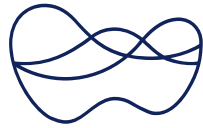
And this is not some theoretical plan. We are taking action. In just days, CO2 will be taken offshore Denmark and injected underground into the Nini-West reservoir. We are confident that this test injection will be the prelude to full-scale CO2 storage at Nini West from 2025/26.

This project – Project Greensand – is just one of a cluster of projects we are driving forward in the North Sea. In 2022: We secured our first CO2 storage licence in Norway, the Luna licence. We established the NOR-GE project: the goal of which is to connect German industry with Norwegian CO2 storage. We are working on a hydrogen and CO2 transport hub at Wilhelmshaven in Germany.

Together these projects have the potential to make a real difference: Connecting Germany, Norway, and Denmark. Decarbonising German and European industry, with safe offshore CO2 storage. Creating new value chains.

That is our goal. Achieving it will mean a significant evolution of our business. We are on track. Wintershall Dea is in transition: from the leading independent European gas and oil company to become a **leading independent European gas and carbon management company**.

I conclude. 2022 was a tough year. But we will move forwards. We do so with a clear strategy: Moderate growth in E&P. Building up our carbon management and hydrogen business.



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Two goals that are clearly aligned with the world's great energy challenges: Ensuring security of supply while tackling climate change.

Wintershall Dea is part of the solution. That drives our team forward.