



## Harbour Energy plc and the shareholders of Wintershall Dea sign business combination agreement

December 21, 2023

# Cautionary note regarding forward-looking statements

*This presentation contains forward-looking statements. These statements are based on current estimates and projections of the Board of Executive Directors and currently available information. Forward-looking statements are not guarantees of the future developments and results outlined therein. These are dependent on a number of factors; they involve various risks and uncertainties; and they are based on assumptions that may not prove to be accurate. Such risk factors include those discussed in Opportunities and Risks on pages 157 to 167 of the BASF Report 2022. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.*



# Highlights of the transaction

- **E&P business<sup>1</sup> of Wintershall Dea**, excluding Russia-related activities, **to be acquired by Harbour Energy plc** (Harbour); closing targeted for Q4 2024
- In exchange, at closing, **BASF will hold a share of 39.6% in Harbour** and will **receive cash consideration of \$1.56 billion**
- With this transaction, **BASF takes a major step** towards achieving its announced strategic goal **to exit the oil and gas business**
- In parallel to the transaction with Harbour, the **legal separation of Wintershall Dea's Russia-related business**, which is not part of the transaction, **is progressing as planned**; significant federal German investment guarantees are in place
- Furthermore, Wintershall Dea is continuing its preparations for a **separate sale of its stake in WIGA Transport Beteiligungs-GmbH & Co. KG (WIGA)**, which is not part of the transaction



# Harbour Energy plc at a glance

- **Harbour started** as a private company **in 2014** and has grown through M&A to around 200 thousand barrels of oil equivalent per day; Harbour **publicly listed in the UK** through a reverse merger with Premier Oil in 2021
- Today, Harbour is the **UK's largest oil and gas producer** with over 90% of its production coming from the UK and the balance from its assets in South East Asia
- In addition, Harbour has a **portfolio of international growth opportunities** including in Indonesia and Mexico and is progressing two CCS projects in the UK, including the Harbour-led Viking project, one of the largest planned CCS projects in the world
- Harbour is a **premium-listed, FTSE 250 company** headquartered in London with approximately 2,000 staff and contractors across its offshore platforms and offices

## Key financial figures

Million \$

	H1 2023	2022
EBITDAX <sup>1</sup>	1,428	4,011
Free cash flow <sup>2</sup>	1,046	2,105
Total assets	10,825	12,566

## Key operational figures

	H1 2023	2022
Production kboepd	196	208
2P reserves million boe	N/A	410

<sup>1</sup> EBITDAX is a non-IFRS measure calculated by taking earnings before tax, interest, depreciation and amortization, impairments, remeasurements, onerous contracts and exploration expenditure.

<sup>2</sup> Operating cash flow less cash flow from investing activities less interest and lease payments.

# Transaction overview (I/II)

- BASF, LetterOne and Harbour signed business combination agreement to transfer Wintershall Dea's **E&P business**<sup>1</sup>, excluding Russia-related activities, to Harbour
- In exchange, at closing, the shareholders of Wintershall Dea – BASF (72.7%) and LetterOne (27.3%) – will receive:
  - total **cash consideration** of \$2.15 billion (BASF share: \$1.56 billion)
  - and **new shares issued by Harbour** equating to a total shareholding in the enlarged Harbour of 54.5% (BASF share: 39.6%)
- The agreed **enterprise value** for the Wintershall Dea assets amounts to \$11.2 billion, including **outstanding bonds** of Wintershall Dea with a nominal value of around \$4.9 billion that will be transferred to Harbour at closing
- Until closing, Wintershall Dea and Harbour will continue to operate as independent companies; subject to regulatory approvals, **closing is targeted for Q4 2024**
- After closing, the transaction creates **optionality for monetization** of BASF's stake in the combined company, as Harbour is listed on the London Stock Exchange



wintershall dea

<sup>1</sup> Consisting of its producing and development assets as well as exploration rights in Norway, Argentina, Germany, Mexico, Algeria, Libya (excluding Wintershall AG), Egypt and Denmark (excluding Ravn) as well as Wintershall Dea's carbon capture and storage (CCS) licenses.

# Transaction overview (II/II)

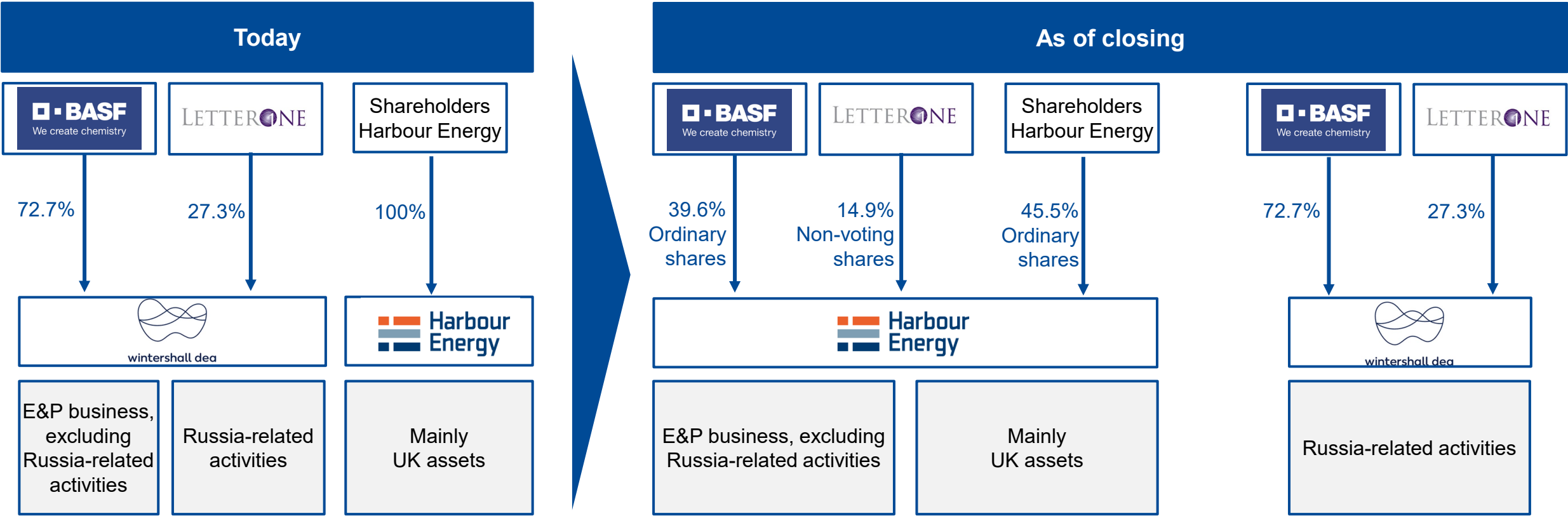
- **Wintershall Dea's headquarters** and the related staff are not part of the transaction. Harbour intends to take on some employees from the headquarters' units in Kassel and Hamburg that currently have ~850 employees into the combined company
- In parallel to the transaction with Harbour, the legal separation of Wintershall Dea's **Russia-related business**<sup>1</sup> is progressing as planned; BASF and LetterOne will remain the owners of the company holding the Russia-related business, for which significant federal German investment guarantees are in place
- Wintershall Dea is continuing its preparations for a separate sale of its stake in **WIGA Transport Beteiligungs-GmbH & Co. KG** (WIGA), which is not part of the transaction; WIGA, a joint venture of Wintershall Dea and SEFE Securing Energy for Europe GmbH, is active in the German gas transport business
- **Employee representatives** will be involved in the process according to respective legal regulations and established practices



wintershall dea

<sup>1</sup>The Russia-related business includes stakes in the joint ventures in Russia, the ownership interest in Wintershall AG in Libya, in Wintershall Noordzee BV in the Netherlands as well as the share in Nord Stream AG.

# Deal structure agreed between Harbour and the shareholders of Wintershall Dea



# Key investment highlights after completion of the transaction

## – A large, geographically diverse, independent oil and gas company

### Scale and diversification

A large, geographically diverse, independent oil and gas company with material positions in multiple established basins

### High quality, resilient asset base

High-margin, gas-weighted production supported by long reserve life and significant 2C resources

### Supporting the energy transition

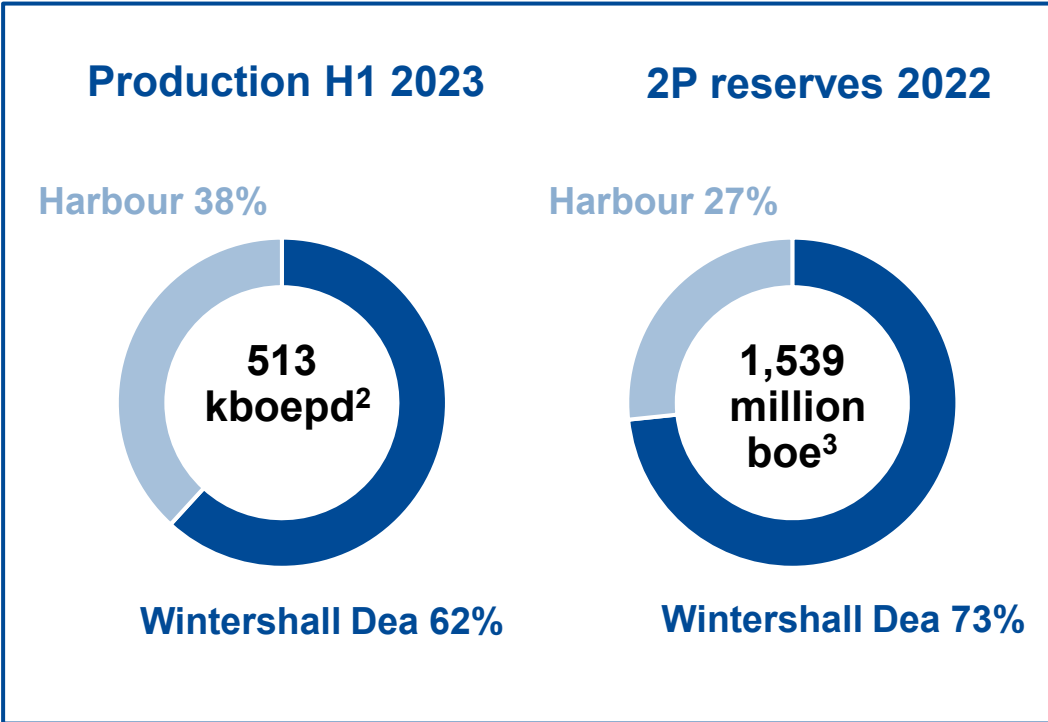
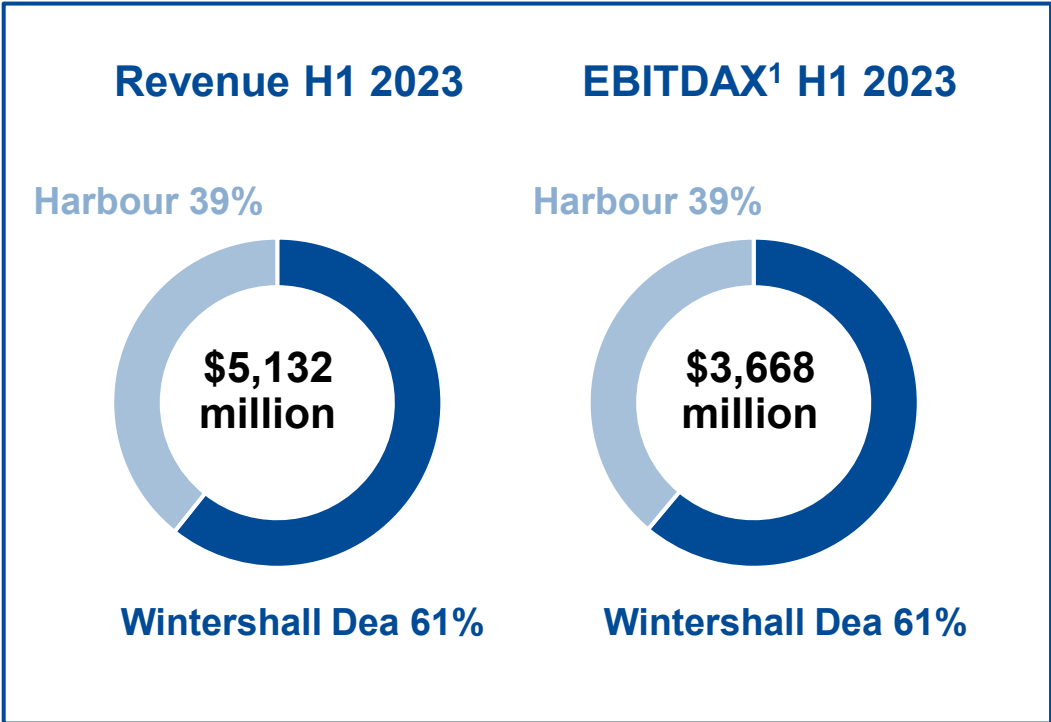
Net zero focused ESG leadership with emphasis on natural gas and strong pipeline of potential CCS projects

### Financial strength, sustainable returns

Expected to receive investment grade credit rating; strong free cash flow supports enhanced shareholder returns and continued growth



# H1 2023: Combined pro-forma KPIs of Harbour and Wintershall Dea

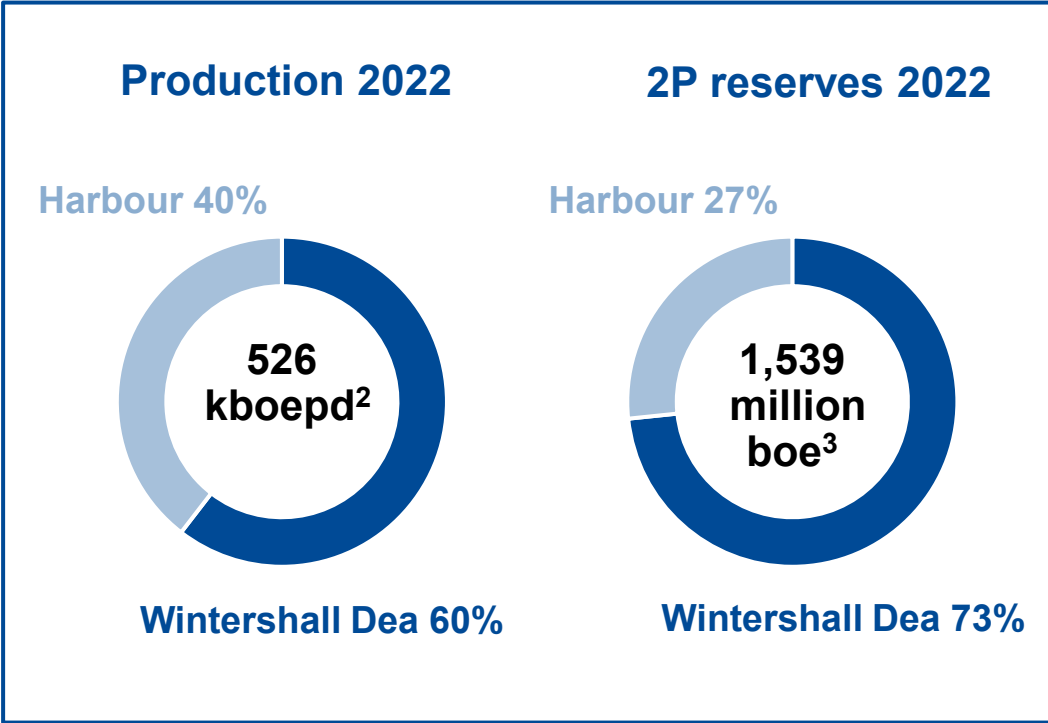
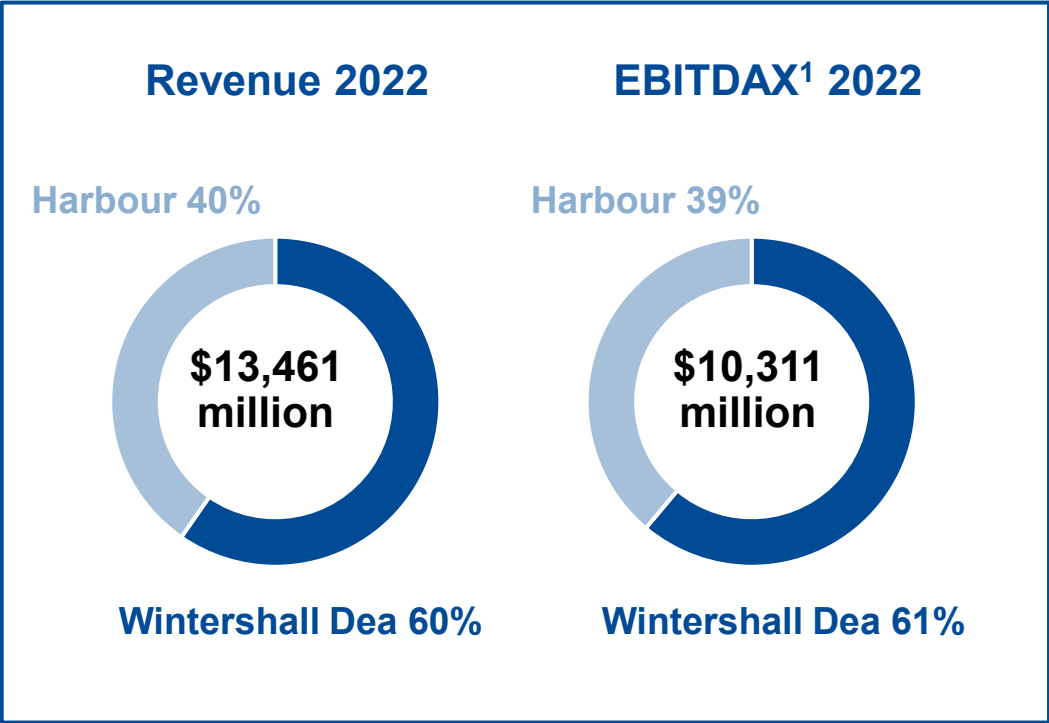


<sup>1</sup> EBITDAX is a non-IFRS measure calculated by taking earnings before tax, interest, depreciation and amortisation, impairments, remeasurements, onerous contracts and exploration expenditure.

<sup>2</sup> Thousand barrels of oil equivalent per day

<sup>3</sup> Barrels of oil equivalent

# FY 2022: Combined pro-forma KPIs of Harbour and Wintershall Dea

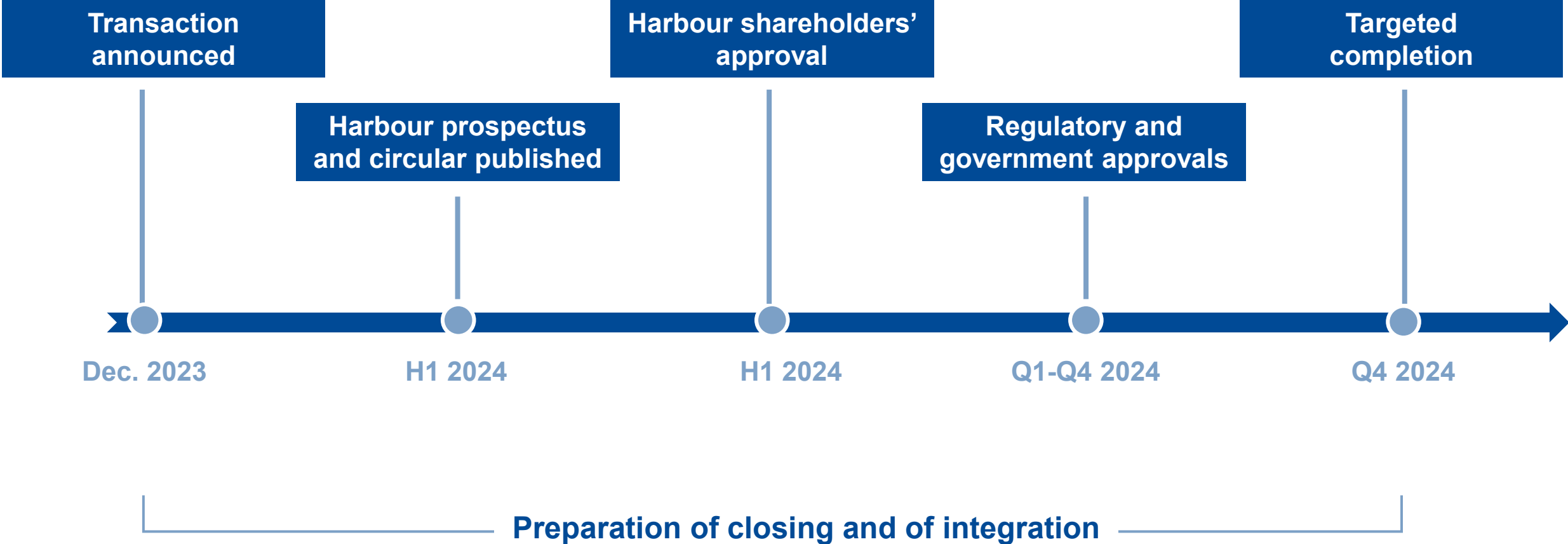


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# Next steps





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