

# News Release

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

- **E&P business of Wintershall Dea, excluding Russia-related activities, to be transferred to Harbour Energy plc**
- **BASF and LetterOne to receive cash consideration and share in the combined company**
- **Subject to regulatory approvals, closing is targeted for Q4 2024**

BASF, LetterOne and Harbour Energy plc (Harbour) today (December 21, 2023) signed a business combination agreement to transfer Wintershall Dea's E&P business 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 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. This amount includes the outstanding bonds of Wintershall Dea with a nominal value of around \$4.9 billion that will be transferred to Harbour at closing.

With this transaction, BASF takes a major step towards achieving its announced strategic goal to exit the oil and gas business. 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. "In addition to the cash component, the shares in Harbour that BASF will receive upon completion of the transaction offer

significant potential for value creation and allow for a gradual and optimized exit from the oil and gas business over the next few years,” said Dr. Dirk Elvermann, Chief Financial Officer of BASF SE.

Wintershall Dea’s headquarters and the related staff are not part of the transaction. This will require further restructuring and ultimately the closure of the headquarters’ units in Kassel and Hamburg that currently have around 850 employees. Harbour intends to take on some employees from the current headquarters into the combined company. Further specifics will be agreed after a more detailed review between signing and closing. Employee representatives will be involved in the process according to respective legal regulations and established practices.

In parallel to the transaction with Harbour, the legal separation of Wintershall Dea’s Russia-related business 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. The Russia-related business includes stakes in the joint ventures in Russia, the ownership interest in Wintershall AG in Libya (Wintershall Dea share: 51%), in Wintershall Noordzee BV in the Netherlands (Wintershall Dea share: 50%) as well as the share in Nord Stream AG (Wintershall Dea share: 15.5%).

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. WIGA is active in the German gas transport business; it is a joint venture of Wintershall Dea (50.02%) and SEFE Securing Energy for Europe GmbH (49.98%). WIGA’s operationally independent subsidiaries operate high-pressure pipeline networks, including GASCADE’s transport network, as well as OPAL and NEL.

Until closing, Wintershall Dea and Harbour will continue to operate as independent companies. There is no assurance that the agreed transaction will be consummated. The transaction is, among other things, subject to approvals of merger control and foreign investment authorities in several countries. Subject to these regulatory approvals, closing is targeted for the fourth quarter of 2024.

In the first half of 2023, the combined business had pro-forma revenue of \$5.1 billion and EBITDAX of \$3.7 billion. Overall, production volumes of Harbour and Wintershall Dea amounted to 513 thousand barrels of oil equivalent per day in the

first half of 2023. In 2022, the combined business had pro-forma revenue of \$13.5 billion and EBITDAX of \$10.3 billion. Overall, production volumes of Harbour and Wintershall Dea amounted to 526 thousand barrels of oil equivalent per day in 2022. Combined 2P reserves stood at 1.5 billion barrels of oil equivalent at the end of 2022.

BASF has appointed Morgan Stanley & Co. International plc as exclusive financial advisor as well as Freshfields Bruckhaus Deringer as legal advisor in connection with the transaction.

#### **About Wintershall Dea**

Wintershall Dea has more than 120 years of experience as an operator and project partner across the entire E&P value chain. The company with German roots explores for and produces gas and oil in 11 countries worldwide in an efficient and responsible manner. With activities in Europe, Latin America and the MENA region (Middle East & North Africa), Wintershall Dea has a global upstream portfolio and, with its participation in natural gas transport, is also active in the midstream business. Furthermore, the company develops carbon management and low carbon hydrogen projects to contribute to climate goals and secure energy supplies.

#### **About Harbour Energy**

Harbour Energy 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.

#### **About LetterOne**

LetterOne is a \$20 billion long-term investment business headquartered in Luxembourg. It supports 120,000 jobs globally in sectors including health, energy, technology and retail.

#### **About BASF**

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 111,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio comprises six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €87.3 billion in 2022. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. Further information at [www.basf.com](http://www.basf.com)

**Forward-looking statements and forecasts**

This release 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. BASF does not assume any obligation to update the forward-looking statements contained in this release above and beyond the legal requirements.