uniper

Quarterly Statement Q1 2023

Financial Results

Performance Indicators at a Glance

Financial and Non-Financial Indicators for the Uniper Group[1]

First quarter	Unit	2023	2022	2021	2020	2019
Sales	€ in millions	34,209	68,474	21,159	12,891	20,820
Adjusted EBIT[2]	€ in millions	749	-917	731	651	185
For informational purposes: Adjusted EBITDA[2]	€ in millions	964	-737	889	811	356
Net income/loss	€ in millions	6,744	-3,154	842	484	758
Earnings per share[3] [4]	€	0.81	-8.47	2.24	1.33	2.01
Cash provided by operating activities of continuing operations (operating cash flow)	€ in millions	727	-1,990	408	119	105
Adjusted net income[5]	€ in millions	451	-674	594	499	117
Economic net debt[6]	€ in millions	2,316	3,049	324	3,050	2,650
Employees as of the reporting date[6]		6,790	7,008	11,494	11,751	11,532

[1]Due to the classification of the Russian Power Generation business area as discontinued operations in 2022, the operating and financial disclosures for the previous year have also been adjusted and therefore correspond to the values reported in these financial statements. For the years 2021 - 2019, the most recently published values continue to be reported.
[2]Adjusted for non-operating effects.
[3]Basis: outstanding shares as of reporting date.
[4]For the respective fiscal year.
[5]Adjusted net income is used as a management indicator for the entire Group for the first time beginning in 2020. The figure for 2019 is disclosed solely for informational purposes to provide year-over-year comparability.
[6]Figures as of March 31, 2023; comparative figures as of December 31 of each year.

This document is a Quarterly Statement pursuant to Section 53 of the Exchange Rules ("Börsenordnung") of the Frankfurt Stock Exchange ("Frankfurter Wertpapierbörse") as of April 3, 2023, and does not represent an interim financial report as defined in International Accounting Standard ("IAS") 34.

Only the German version of this Quarterly Statement is legally binding.

Uniper applies commercial rounding. Any rounding differences existing between individual amounts and totals are accepted.

The Uniper Group's business activities are subject to substantial seasonal fluctuations, which can have effects on the Uniper Group's assets, financial condition and earnings. Financial indicators communicated during the year can thus differ materially from the figures of the corresponding prior-year quarter and are therefore of limited significance for full-year results.

This Quarterly Statement, and especially the Forecast Report section, contains certain forward-looking statements that are based on current assumptions and forecasts made by Uniper SE management and on other information currently available to Uniper SE management. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial condition, development or performance of the Company to differ materially from that anticipated in the estimates given here. Risks and chances of this nature include, but are not limited to, the risks specifically described in the Risk and Chances Report. Furthermore, Uniper SE does not intend, and specifically disclaims any obligation, to update such forward-looking statements or to adjust them in line with future events or developments.

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Significant Developments of the Months of January through March 2023

- Adjusted EBIT and adjusted net income significantly above prior-year period
- IFRS net income strongly influenced by significantly lower commodity prices and substantial reversal of provisions for anticipated losses from procurement of replacement volumes of gas
- Significantly lower economic net debt mainly due to positive operating cash flow
- 2023 fiscal year still expected to be better than 2022

Business Report

Business Performance

Key Events for the Uniper Group in the Months of January through March 2023

- The first LNG cargo arrives at Germany's LNG terminal in Wilhelmshaven (January 3, 2023)
- Further personnel changes in Uniper's Board of Management announced – the departure of Chief Executive Officer Prof. Dr. Klaus-Dieter Maubach and Chief Operating Officer David Bryson in 2023 is announced (January 10, 2023)
- Uniper signs an agreement to divest its 20% indirect participation in the BBL pipeline (January 16, 2023)
- Dr. Jutta Dönges appointed new Chief Financial Officer of Uniper effective March 1, 2023 (January 20, 2023)
- Holger Kreetz appointed new Chief Operating Officer of Uniper effective March 1, 2023 (February 10, 2023)
- Uniper signs an agreement to divest its UAE-based marine fuel trading business (February 16, 2023)
- Chief Executive Officer Prof. Dr. Klaus-Dieter Maubach, Chief Financial Officer Tiina Tuomela and Chief Operating Officer David Bryson leave the company (March 1, 2023)
- Supervisory Board votes to appoint Michael Lewis as Chief Executive Officer of Uniper SE without delay (March 1, 2023). Michael Lewis will assume this role on July 1, 2023 (March 24, 2023)
- Dr. Gerhard Holtmeier is appointed by court order as new member of the Uniper Supervisory Board (March 21, 2023)
- Supervisory Board votes to appoint Dr. Carsten Poppinga to succeed Niek den Hollander as Uniper's new Chief Commercial Officer (March 24, 2023)

Detailed information can be found on the Uniper website: Article tagged with 'news' | Uniper.

Key Business Developments at the Uniper Segments in the Months of January through March 2023

European Generation

After a significant increase in fuel and electricity prices on wholesale markets in 2022, the first quarter of 2023 also saw a volatile but declining trend in prices. Generation volumes in the European Generation segment were lower year-on-year across almost all technologies and markets, despite the non-recurrence of temporary generation restrictions for the Maasvlakte hard-coal-fired power plant in the Netherlands in the prior-year period and the decision to resume market operations at the Heyden 4 hard-coal-fired power plant in Germany in the third quarter of 2022 to support supply security. However, this negative volume effect was more than offset on the earnings side by hedging and optimization activities at higher average prices. Swedish hydroelectric and nuclear power generation benefited in particular from the positive price effect of open positions in the first quarter, which offset declining generation volumes. In addition to lower water inflow volumes at the Swedish hydroelectric plants compared with the prior-year period, an extended period of unavailability at the Ringhals 4 nuclear power plant unit contributed to this decline in volume. The volumes of electricity generated by the German run-of-river power plants were also lower due to a deterioration in the hydrological situation. Regulatory measures to absorb profits from energy companies became more concrete in all of Uniper's core European markets in the first quarter of 2023.

Global Commodities

Despite the ongoing geopolitical crisis caused by the Russian war against Ukraine and the disruption of supplies from Russia, there was no fear of a gas shortage in the first quarter of 2023. A relatively warm winter, imports of LNG, and consumer conservation led to a sharp decline in European gas prices in a continued volatile market environment. As a result, gas storage levels remain at a high level at the end of the quarter. Uniper's diversified portfolio of procurement, transport, and storage activities enabled it to make a significant contribution to ensuring security of supply in this environment.

In the international portfolio, LNG deliveries from the Freeport LNG terminal in the U.S. were resumed in the first quarter of 2023 after a restoration phase lasting several months.

Earnings

Adjusted EBIT

Adjusted EBIT, a measure of earnings before interest and taxes adjusted for non-operating effects, is the key measure used in the Uniper Group for purposes of internal management control and is the most important indicator of the profitability of its operations.

Segments

The following table shows adjusted EBIT for the first three months of 2023 and the first three months of 2022, broken down by segment:

Adjusted EBIT[1]

First quarter € in millions	2023	2022	+/- %
European Generation	1,011	-152	766.0
Global Commodities	-291	-618	53.0
Administration/Consolidation	28	-148	119.0
Total	**749**	**-917**	**181.6**

[1]Prior-year figures have been adjusted due to the classification of the Russian Power Generation business area as discontinued operations in 2022.

European Generation

The significantly higher adjusted EBIT compared with the prior-year period resulted in earnings at exceptionally high level and was due in particular to earnings contributions from successful hedging transactions by hedging higher sales prices in the fossil merchant margin area. The return of the Heyden 4 hard-coal-fired power plant to commercial operation also had a positive impact. In addition, reduced expenses compared with the prior year in connection with the measurement of provisions for carbon allowances, which are offset by hedging transactions that will not be realized until the fourth quarter of 2023, resulted in a higher earnings contribution. The resulting fair value gains from hedging transactions are recognized in non-operating earnings until they are realized. In addition, price effects in Swedish nuclear power and hydroelectric power had a positive impact, with the latter additionally benefiting from lower price distortions between the system price and the Swedish price zones compared with the previous year. This is offset by higher current depreciation, particularly in the fossil power plant fleet. Positive effects from the elimination of fixed generation restrictions for the Maasvlakte power plant were offset by charges to earnings resulting from the regulations on the absorption of profits in Europe.

Global Commodities

The negative adjusted EBIT in the Global Commodities segment improved significantly compared with the prior-year period. Following a significantly more negative result in the prior-year period, the increase was mainly attributable to the gas business, which continued to be influenced by the extraordinary development of prices in the previous years and their consequences. In addition, trading activities in the electricity trading business generated particularly positive contributions in a volatile market environment.

The adjusted EBIT of the Global Commodities operating segment includes the additional costs for the procurement of replacement gas volumes. These costs arose from the need to purchase replacement volumes directly on the market due to the curtailment starting June 14, 2022, and due to the discontinuation of Russian gas deliveries since the end of August 2022. From June 14, 2022, until year-end 2022, the cumulative additional costs for the procurement of replacement gas volumes amounted to about €13.2 billion (prior-year period: €0.0 billion). In aggregate, Uniper did not incur further losses in the first quarter of 2023 from procuring replacement gas volumes.

Administration/Consolidation

Adjusted EBIT attributable to the Administration/Consolidation reconciliation item changed positively relative to that of the prior-year period. This change resulted particularly from the measurement of provisions for carbon emissions (remeasurement to cross-segment figures at Group level) and from the reconciliation of the operating segments’ adjusted EBIT to the Group’s adjusted EBIT with respect to the measurement of coal inventories, among other things.

Adjusted Net Income

Reconciliation to Adjusted Net Income[1]

First quarter € in millions	2023	2022
Adjusted EBIT	**749**	**-917**
Interest income/expense and other financial results	*-62*	*-1,017*
Non-operating interest expense and negative other financial results (+) / interest income and positive other financial results (-)	*-56*	*1,072*
Operating interest income/expense and other financial results	-118	55
Income taxes	*-625*	*779*
Expense (+) / Income (-) resulting from income taxes on non-operating earnings	*447*	*-585*
Income taxes on operating earnings	-178	194
Less non-controlling interests in operating earnings	-2	-6
Adjusted net income[1]	**451**	**-674**

[1]Prior-year figures have been adjusted due to the classification of the Russian Power Generation business area as discontinued operations in 2022.

The adjustments for financial effects relate primarily to the time value of money and to measurement effects of the provisions financed through the Swedish Nuclear Waste Fund ("Kärnavfallsfonden" or "KAF") in the European Generation segment. In the prior-year period, they had also included the write-down to zero of the financing extended to Nord Stream 2 AG in the amount of €1,003 million. Income of €56 million was adjusted for in total (prior-year period: €1,072 million expense).

Economic net interest income developed negatively compared with the prior-year period. This is primarily attributable to higher interest expenses than in the prior-year period due to the increased financing volume. The increase in interest rates and their effect on the measurement of non-current provisions for asset retirement obligations, primarily in hydro, also had a negative impact.

In the first three months of 2023, there was a non-operating tax expense, arising particularly from the measurement of derivative financial instruments, of €447 million (prior-year period: -€585 million income). The operating tax expense amounted to €178 million (prior-year period: -€194 million income), resulting in an operating effective tax rate of 28.1% (prior-year period: 22.5%).

Adjusted net income for the first three months of 2023 amounted to €451 million in total, a year-over-year increase of €1,126 million (prior-year period: -€674 million).

Financial Condition

The Uniper Group presents its financial condition using financial measures including economic net debt and operating cash flow before interest and taxes, among others.

Economic Net Debt

Economic net debt is used by Uniper to manage the Group's capital structure. All items are shown with their respective (+) or (-) sign in the summation.

Economic Net Debt

€ in millions	Mar. 31, 2023	Dec. 31, 2022
(+) Financial liabilities and liabilities from leases	8,157	11,575
(+) Liabilities to banks	*4,427*	*8,627*
(+) Lease liabilities	*676*	*690*
(+) Margining liabilities	*2,707*	*1,890*
(+) Liabilities from shareholder loans towards co-shareholders	*310*	*329*
(+) Other financing	*36*	*40*
(-) Cash and cash equivalents	4,374	4,591
(-) Current securities	44	43
(-) Non-current securities	99	95
(-) Margining receivables	3,629	6,217
Net financial position	**11**	**629**
(+) Provisions for pensions and similar obligations	483	537
(+) Provisions for asset retirement obligations	1,821	1,882
(+) Other asset retirement obligations	*699*	*679*
(+) Asset retirement obligations for Swedish nuclear power plants	*3,353*	*3,424*
(-) Receivables from the Swedish Nuclear Waste Fund recognized on the balance sheet	*2,230*	*2,221*
Economic net debt	**2,316**	**3,049**
(-) For informational purposes: Receivables from the Swedish Nuclear Waste Fund (KAF) ineligible for capitalization[1]	–	–
For informational purposes: Fundamental economic net debt	**2,316**	**3,049**

[1]Due to IFRS valuation rules (IFRIC 5), Uniper's full share of the fair value of the net assets of the Swedish Nuclear Waste Fund potentially may not be capitalized on the balance sheet. Accordingly, an additional receivable from the Swedish Nuclear Waste Fund ineligible for recognition on the balance sheet could exist, and the economic net obligation for the decommissioning of the Swedish nuclear power plants would thus be reported too high in the table by the amount of this receivable.

As of March 31, 2023, the net financial position amounted to €11 million and performed therefore €618 million below year-end 2022 (€629 million). This change resulted mainly from the positive operating cash flow (€727 million) reduced by the outflows for investments (-€109 million).

Within the net financial position, the KfW credit facility was used in the amount of €3,000 million as of March 31, 2023, which was €3,000 million below the usage at the end of 2022. The usage of the revolving credit facility amounted to €1,100 million as of March 31, 2023, which was €700 million below the usage at the end of 2022. Furthermore, promissory notes of €400 million have been repaid. Margining receivables decreased by €2,588 million to €3,629 million (December 31, 2022: €6,217 million) while margining liabilities increased by €817 million to €2,707 million (December 31, 2022: €1,890 million).

The decrease in economic net debt by €733 million as of March 31, 2023, followed the decrease in the net financial position and was additionally influenced by the decrease in provisions for asset retirement obligations from €1,882 million as of December 31, 2022, to €1,821 million as of March 31, 2023.

This decrease was mainly caused by FX effects and usages of provisions for asset retirement obligations in the Swedish nuclear sector as well as the reduction of the market value of the KAF refund claim. As an offsetting effect, the other asset retirement obligations increased mainly due to interest rate effects.

The provisions for pensions and similar obligations decreased by €54 million to €483 million (December 31, 2022: €537 million). This development was caused by an increase in interest rates in Germany in the first quarter of 2023 relative to year-end 2022, while interest rates in the UK decreased slightly. As the fair value of plan assets rose compared with year-end 2022, the two developments taken together resulted in overall lower provisions for pensions and similar obligations for the first quarter of 2023.

Changes in Ratings

There were no changes to Uniper's credit ratings in the first quarter of 2023.

On February 2, 2023, S&P published a report on Uniper following the EU's approval of the amended stabilization package and the implementation of two capital increases totaling about €13.5 billion, which were subscribed by UBG Uniper Beteiligungsholding GmbH (a wholly owned subsidiary of the Federal Republic of Germany) at the end of 2022. S&P acknowledged that the stabilization package provides significant clarity on the mechanism to cover losses from replacing missing Russian gas volumes, keeping Uniper's rating unchanged at BBB- with a negative outlook. The negative outlook reflects – inter alia – that S&P currently lacks clarity on Uniper's future strategic direction and the associated long-term business prospects. Uniper continues to be classified as a "government-related entity" by S&P.

Scope Ratings last affirmed Uniper's credit rating at BBB- with a stable outlook on September 27, 2022.

Uniper strives to maintain a solid investment-grade rating.

Cash Flow

Cash Flow from Continuing Operations[1]

First quarter € in millions	2023	2022
Cash provided by operating activities of continuing operations (operating cash flow)	**727**	**-1,990**
Cash provided by investing activities of continuing operations	**2,497**	**1,930**
Cash provided by financing activities of continuing operations	**-3,422**	**922**

[1] Prior-year figures have been adjusted due to the classification of the Russian Power Generation business area as discontinued operations in 2022.

Cash Flow from Operating Activities of Continuing Operations

Cash provided by operating activities of continuing operations (operating cash flow) changed by €2,717 million in the first three months of 2023 to a cash inflow of €727 million (prior-year period: cash outflow of €1,990 million). Aside from operational developments, operating cash flow was enhanced by positive changes in working capital. Higher inventories due to gas storage injections during 2022 resulted in a strong cash flow effect due to high prices in the first quarter of 2023, even though withdrawals were lower than in the prior-year period. The prior-year figure additionally reflected the negative impact of liquidity optimization measures taken at the end of 2021.

The following table presents the reconciliation of cash flow from operating activities of continuing operations (operating cash flow) to operating cash flow of continuing operations before interest and taxes:

Operating Cash Flow before Interest and Taxes[1]

First quarter € in millions	**2023**	**2022**	**+/-**
Operating cash flow of continuing operations	**727**	**-1,990**	**2,716**
Interest payments and receipts	119	28	91
Income tax payments (+) / refunds (-)	144	7	138
Operating cash flow of continuing operations before interest and taxes	**990**	**-1,955**	**2,945**

[1]Prior-year figures have been adjusted due to the classification of the Russian Power Generation business area as discontinued operations in 2022.

Cash Flow from Investing Activities of Continuing Operations

Cash provided by investing activities of continuing operations increased by €567 million, from a cash inflow of €1,930 million in the prior-year period to a cash inflow of €2,497 million in the first three months of the 2023 fiscal year. This development resulted primarily from changes in collateral to be provided by Uniper for futures and forward transactions (margining receivables), which changed by €666 million in the first three months of 2023. Where there had been a resulting cash inflow of €1,918 million in the prior-year period, there was a cash inflow of €2,584 million in the first quarter of 2023. Compared with the prior-year period (€97 million), cash payments for investments in intangible assets, in property, plant and equipment, and in equity investments increased by €12 million, to €109 million. Cash proceeds from disposals decreased by €72 million, from a cash inflow of €79 million in the prior-year period to a cash inflow of €7 million in the first quarter of 2023.

Cash Flow from Financing Activities of Continuing Operations

In the first three months of 2023, the cash outflow from financing activities of continuing operations amounted to -€3,422 million (prior-year period: cash inflow of €922 million). The increase in margin deposits received for futures and forward transactions led to a cash inflow of €809 million (prior-year period: cash inflow of €647 million) and increased margining liabilities accordingly. During the first quarter of 2023, the existing KfW credit facility was restructured effective February 10, 2023, and was accounted for in accordance with IFRS provisions as the extinguishment of the original financial obligation and the recognition of a new one. An outflow and an inflow of roughly €6 billion in cash was therefore reported respectively for each obligation. Loans totaling €3 billion were repaid later in the first quarter, leaving an amount of €3 billion in loans outstanding under the KfW credit facility as of March 31, 2023. In addition, promissory notes totaling €400 million and amounts drawn under the revolving credit facility totaling €700 million were repaid (in the prior-year period, the loan extended by the former shareholder Fortum had been increased, which had resulted in a cash inflow of €1,500 million). No commercial papers were outstanding as of either December 31, 2022, or March 31, 2023, which is why there was no corresponding inflow or outflow of cash in 2023 (prior-year period: cash outflow of €1,102 million). Repayments of lease liabilities in the amount of €25 million (prior-year period: €26 million) led to an additional reduction of liquid funds.

Explanation of Significant Changes in the Income Statement and the Balance Sheet

Changes in Selected Income Statement Items

In accordance with IFRS, income from discontinued operations is presented separately in the income statement and includes the earnings contribution relating to Unipro in the prior-year period of 2022.

At €34,209 million, sales revenues in the first quarter of 2023 were significantly below the prior-year level (prior-year period: €68,474 million), owing to the requirement to recognize revenues at current spot prices, which had fallen significantly year over year. The cost of materials decreased correspondingly by €33,041 million in the first quarter of 2023 to €33,673 million (prior-year period: €66,714 million).

Other operating income decreased to €48,216 million in the first three months of 2023 (prior-year period: €85,337 million). This was caused primarily by changes in commodity derivatives recognized at fair value – due to the significantly decreased commodity prices in all the markets relevant to the Uniper Group. Income from invoiced and open transactions and from related currency hedges amounted to €48,082 million, having decreased by €36,917 million year over year (prior-year period: €84,998 million).

Other operating expenses decreased to €40,118 million in the first three months of 2023 (prior-year period: €88,982 million). As it was for other operating income, the decrease was primarily attributable to changes in commodity derivatives recognized at fair value. In addition, the line item also includes the substantial reversal of provisions for onerous contracts anticipating the risk of possible future added costs for procuring replacement gas. Expenses from invoiced and open transactions and from related currency hedges amounted to €39,538 million, having decreased by €49,045 million year over year (prior-year period: €88,583 million).

The main driver of this significant change in other operating income/expenses is the strong decline in commodity prices, as Uniper structurally sells gas and power, and buys carbon allowances and coal, using forward transactions that are measured at fair value through profit or loss.

In measuring the provision for onerous contracts to reflect the risk of increased purchase costs to replace undelivered Russian gas supplies in the future, various differently weighted scenarios were used to account for the complete stoppage of Russian gas supply and different future price assumptions.

Depreciation, amortization and impairment charges amounted to €1,077 million in the first three months of 2023 (prior-year period: €344 million). The increase is primarily attributable to an increase of €679 million in impairment charges on property, plant and equipment to €862 million (prior-year period: €184 million). As in the prior-year period, impairments on property, plant and equipment recognized in the first three months of the 2023 fiscal year related primarily to the European Generation segment. Regular depreciation and amortization rose by €54 million to €215 million (prior-year period: €160 million).

Financial results improved significantly, by €956 million, to -€62 million (prior-year period: -€1,017 million). This change is primarily attributable to the write-down to zero of the financing extended to Nord Stream 2 AG in the amount of €1,003 million, including accrued interest, that had taken place in the first quarter of 2022.

In the first three months of 2023, there was a non-operating tax expense, arising particularly from the measurement of derivative financial instruments, of €447 million (prior-year period: -€585 million income). The operating tax expense amounted to €178 million (prior-year period: -€194 million income), resulting in a total tax expense of €625 million (prior-year period: -€779 million income).

Changes in Selected Balance Sheet Items

The decrease in non-current assets was caused in large part by the valuation-related decrease of €31,088 million – due to the significantly reduced commodity prices in nearly all the markets relevant to the Uniper Group – in receivables from derivative financial instruments, which fell from €40,617 million to €9,529 million. The change in the carrying amount of property plant and equipment of €1,123 million, from €9,228 million to €8,105 million, is primarily due to depreciation and impairment of property, plant and equipment. As in the prior-year period, impairments on property, plant and equipment recognized in the first three months of the 2023 fiscal year related primarily to the European Generation segment.

Equity as of March 31, 2023, rose by €6,582 million from its level on December 31, 2022, to €10,791 million, due primarily to the consolidated net income of €6,744 million (of which a contribution of €14 million is attributable to non-controlling interests). Net income was strongly influenced by reduced commodity prices and by the substantial reversal of provisions for possible further losses arising from procurement of replacement volumes in the future.

Non-current liabilities as of March 31, 2023, were lower than at the end of the previous year, due predominantly to the valuation-related reduction in liabilities from derivative financial instruments. These liabilities decreased by €36,750 million, from €45,737 million to €8,987 million, as a result of lower forward prices in the commodity markets. Similarly, non-current miscellaneous provisions decreased by €2,015 million, from €7,732 million to €5,718 million. This decline is mainly due to the substantial reversal of a non-current provision for onerous contracts recognized in the previous year for possible losses in the gas portfolio following the complete discontinuation of gas deliveries from Russia coupled with continuing obligations to customers. Non-current financial liabilities decreased by €673 million, mainly due to a reduction in amounts drawn under the revolving credit facility.

The decrease in current liabilities is primarily attributable to the €3,369 million reduction in miscellaneous provisions, from €7,049 million to €3,680 million, and to repayments of current financial liabilities. The decline in the provisions is mainly due to the substantial reversal of a current provision for onerous contracts recognized in the previous year for possible losses in the gas portfolio following the complete discontinuation of gas deliveries from Russia coupled with continuing obligations to customers. Current financial liabilities decreased by €2,745 million, from €8,878 million to €6,133 million. The change resulted primarily from lower usage of the KfW credit facility relative to December 31, 2022. As of March 31, 2023, loans totaling €3 million were outstanding under this credit facility, which Uniper plans to repay in full within the next 12 months, but for which Uniper has the option to use the funds in line with financing requirements and, therefore, not to repay them until after 12 months.

Risk and Chances Report

The commercial activity of the Uniper Group is naturally linked with uncertainties which lead to risks and chances. Resulting financial, credit, market, and operational risks and chances including their subcategories as well as the risk management system of the Uniper Group, are explained in detail in the 2022 Combined Management Report. The categories of risks/chances, as well as the methodology to determine the assessment classes, have not changed compared to the Risk and Chances Report in the 2022 Combined Management Report.

Key Changes in the Risk and Chances Profile of the Uniper Group

Although the full curtailment of gas deliveries from Gazprom to Uniper continued during the first quarter and the development of the war in Ukraine including potential implications on the geopolitical situation remains unpredictable, the Uniper Group's risk and chances profile has significantly improved as of March 31, 2022, compared with the situation on December 31, 2022. The Main driver for this were the significant reduction in commodity prices.

The key changes in the risk and chances profile of the Uniper Group compared to the year-end are described below by explaining changes in the impact assessment class of a risk/chance category as well as changes in the major individual risks and chances the Uniper Group is exposed to. An individual risk (chance) is considered major if its potential worst (best) case negative (positive) impact on the planned earnings or on cash flow is €300 million or more in any one year of the three-year planning horizon.

Gas Curtailment Risk
During the first quarter of 2023, Gazprom continued the non-delivery under all Uniper contracts. However, due to the reduced gas prices Uniper could procure the missing gas in the market to fulfill the contractual obligations towards its customers without incurring incremental costs overall. Due to this, no equity injection by the Federal Republic of Germany to cover such costs was required for the first quarter in 2023 as agreed under the stabilization package. As commodity prices could increase again the risk to replace the remaining curtailed volumes continues to be high and still qualifies as major individual risk.

Unplanned Asset Unavailability Risks
Due to the significant reduction of commodity prices the potential impact of unplanned unavailabilities of Uniper's power plants across all technologies no longer qualify as a major individual risk. For the same reason further outage risks in the nuclear fleet for a longer unavailability from an unknown degradation in large components as well as a transferable defect in a safety installation discovered at a similar nuclear plant to Uniper's no longer qualify as major individual risks. As a consequence, the assessment class of the Asset Operation Risk category reduced from major to significant.

LNG Supply Risk and related Market Environment Chances
During the first quarter of 2023 the Freeport LNG natural gas export terminal in Texas, USA, has incrementally been recommissioned after an explosion had led to a shutdown in June 2022. Since February Uniper started to receive some of the planned LNG volumes again and its most recent cargo was a full cargo. However, Uniper sees a residual risk of future under-deliveries which may have to be replaced at a higher price. This residual risk, however, no longer qualifies as a major individual risk at current price levels. This risk reduction resulted in other chances from the market environment no longer being compensated, which improves the assessment class of the Chances from the Market Environment category from none to moderate.

Datteln 4: Permitting Risk
As of March 31, 2023, an impairment test was conducted for Datteln 4. Due to a reduction in the spreads for coal-fired power generation and resulting lower runtimes the book value of Datteln 4 decreased. Consequently, the risk impact of losing the immission control permit for Datteln 4 decreased as well, but still qualifies as a major individual risk. This decrease caused a reduction in the assessment class of the Legal Risk category from significant to moderate.

Assessment of the Overall Risk Situation

At the end of December 2022, the stabilization package agreed between Uniper, the German government, and Fortum was implemented after receiving EU approval. The aim of this stabilization package is to mitigate the possible further effects of gas supply cuts and other risks on the liquidity and equity situation of the Uniper Group, thereby safeguarding Uniper's financial stability and investment-grade rating.

Depending on the development of gas prices, the Uniper Group may incur considerable additional or reduced incremental costs from future gas replacement purchases, taking into account the risk provisions already made. Following the implementation of two capital increases in December 2022 totaling around €13.5 billion to cover the incremental costs from gas replacement purchases in 2022, about €20 billion of Authorized Capital 2022 remains available as of March 31, 2023 to cover possible future incremental costs for the years 2023 and 2024.

In order to ensure liquidity, KfW and Uniper successfully restructured the existing credit line in the first weeks of 2023 (signing was on February 10, 2023) while maintaining the guarantee from the federal government. The new facility volume of €16.5 billion in total is divided into three tranches with different maturity dates between the second quarter of 2024 and the third quarter of 2026. On February 2, 2023, S&P published another report on Uniper, keeping the investment grade rating unchanged at with a negative outlook.

These financing measures significantly improved the Uniper Group's risk-bearing capacity compared to the previous year. Although the implementation of further capital increases as part of the utilization of the Authorized Capital 2022 to cover the actual future incremental costs from gas replacement purchases as part of the further implementation of the stabilization package is neither legally nor contractually binding for the German government, Uniper's Board of Management considers the implementation to be very likely.

The temporarily negative equity in the course of 2022 has also recovered, is positive, and, as in the previous year, sustainable for the earnings risks outside the additional costs for gas replacements.

Next to these overriding conditions, Uniper has comprehensively analyzed the impacts that the described key changes of its risk and chances profile could have on the Group as of March 31, 2023. Based on this the overall risk and chances situation of the Uniper Group significantly improved compared to the year-end.

Therefore, in summary, the Board of Management of Uniper SE is of the opinion that the application of the going-concern principle is appropriate and that there are no material uncertainties or risks associated with events or conditions that, individually or collectively, could cast significant doubt on Uniper's ability to continue as a going concern.

Outlook Report

Earnings Outlook

Based on current developments, Uniper expects full-year adjusted EBIT for 2023 to be above the prior-year level (-€10,859 million) for the Uniper Group and for the European Generation and Global Commodities segments. For adjusted net income, Uniper expects an increase over the 2022 fiscal year (-€7,386 million). In addition, the Group is expected to report positive total adjusted EBIT and adjusted net income. This results from higher average expected realized prices in 2023 compared with 2022 and, in particular, lower expected incremental costs for gas replacement purchases in the 2023 fiscal year. However, the further development of the business is subject to the trend in market prices over the rest of the 2023 fiscal year in a business environment that remains volatile and uncertain overall.

Outlook for Direct CO_2 Emissions (Scope 1)

The direct CO_2 emissions (Scope 1) are expected to be slightly above the prior-year level for the European Generation segment in 2023. To meet requirements for security of supply and system stability in Europe, higher generation especially in the United Kingdom is expected.

The outlook includes numerous uncertainties that can only be estimated to a limited extent, such as the resulting electricity prices and prices for raw materials (natural gas, hard coal) and CO_2 that are relevant to the use, the actual technical availability of the thermal plants, and the actual customer demand.

Other

Russia published a presidential decree on April 25, 2023, allowing the authorities to introduce temporary administration for assets owned by certain foreign companies in Russia, apparently including Uniper. Uniper is currently reviewing the legal situation. In Uniper's case, this concerns a shareholding of 83.73% in Unipro, which is listed in Russia.

Uniper had already decided to sell this stake in the summer of 2021 and informed the Russian government of its decision in the autumn of 2021. A contract with a Russian buyer was signed in September 2022. The intention to sell was submitted to the Russian authorities for approval, but this has not yet been granted.

Moreover, Uniper has de facto no longer been able to exercise operational control over Unipro since the end of 2022. In balance sheet terms, Unipro has been deconsolidated and completely written off since the end of 2022, so no impact on the net assets, financial position and results of operations is expected.

Non-Financial Information

Uniper discloses non-financial key performance indicators on a quarterly basis. The aim is to underscore Uniper's ongoing commitment to its most material sustainability topics and present information on how Uniper has performed in the reporting period. Uniper has deconsolidated PAO Unipro effective December 31, 2022, and therefore all comparative figures from the first three months of 2022 have been republished in this quarterly statement with Unipro excluded.

Uniper's decarbonization strategy aims to enable the energy transition by providing a reliable and affordable supply of low-carbon energy. A key element of the strategy is for the entire Group's direct (Scope 1) and indirect (Scope 2 and 3) CO_2e (CO_2-equivalents) emissions to be carbon-neutral by 2050. The European Generation segment aims to be carbon-neutral for Scope 1 and 2 CO_2e emissions by 2035. An interim target has been set for the European Generation segment to achieve a 50% reduction in Scope 1 and 2 CO_2e emissions by 2030, using 2019 as the baseline.

Uniper's direct CO_2 emissions, from the combustion of fossil fuels for power and heat generation, totalled 6.3 million metric tons in the first three months of 2023 (previous year period: 7.4 million metric tons). The comparative decrease is mainly due a reduction in output of some of Uniper's coal-fired power plants in 2023, particularly Ratcliffe in the United Kingdom, as a result of falling gas prices and therefore less favourable market conditions for coal than in 2022.

Uniper uses the combined Total Recordable Incident Frequency (TRIF) to measure safety performance. The combined TRIF measures the TRIs sustained both by the Uniper Group's employees and by those of external companies working on Uniper sites – per million hours of work. Uniper is aiming to reach a combined TRIF at or below 1.0 by 2025. The combined TRIF for the first three months of 2023 was 2.30 (previous year period 2.56), due to a number of recordable incidents that mostly occurred in Germany. The comparative decrease is a result of a lower number of recordable incidents in the decommissioning area of the nuclear fleet and the coal-fired power generation fleet. To further reduce the TRIF to meet the 2025 target, Uniper focuses on the influence of the leadership on Uniper's safety performance. Dedicated safety leadership training began in 2022 and was continued in 2023.

Uniper's HSSE & Sustainability Improvement Plan (IP) provides a structure for driving HSSE & Sustainability related improvements across Uniper through performance indicators and targets. The focus of the 2023 IP is supporting the mental health of Unipers' employees. Under the IP, Uniper leadership have committed to organize physical and mental health activities, and have discussions, which are to be known as "Care Moments", with employees on experiences and topics within all HSSE & Sustainability areas.

In evaluating the target achievement of the Improvement Plan, three different levels of achievement are possible: below 100%, 100%, and above 100%. During the first quarter of 2023, the HSSE & Sustainability IP 2023 was communicated to all Uniper business functions to ensure that the 2023 IP objectives and targets are understood and appropriate action plans can be established. The degree of implementation of the Improvement Plan as of June 2023 will be reported in the Interim Report 2023.

Providing a reliable and affordable supply of energy is a key element of Uniper's strategy. There are two kinds of plant outages: planned outages for maintenance and unplanned outages due to technical faults. During the first three months of 2023, the average availability factor of Uniper's gas- and coal-fired power plants was 81.0% (2022: 84.2%). The comparative decrease is due to more unplanned outages taking place in the first three months of 2023 than in the prior-year period in 2022.

Consolidated Financial Statements

Uniper Consolidated Statement of Income[1]

First quarter € in millions	2023	2022
Sales including electricity and energy taxes	34,247	68,537
Electricity and energy taxes	-38	-63
Sales	**34,209**	**68,474**
Changes in inventories (finished goods and work in progress)	78	92
Own work capitalized	15	16
Other operating income	48,216	85,337
Cost of materials	-33,673	-66,714
Personnel costs	-227	-228
Depreciation, amortization and impairment charges	-1,077	-344
Other operating expenses	-40,118	-88,982
Income from companies accounted for under the equity method	9	10
Income/Loss from continuing operations before financial results and taxes	**7,431**	**-2,339**
Financial results	-62	-1,017
Net income/loss from equity investments	*–*	*–*
Interest and similar income	*63*	*122*
Interest and similar expenses	*-187*	*-51*
Other financial results	*62*	*-1,088*
Income taxes	-625	779
Net income/loss from continuing operations	**6,744**	**-2,578**
Income/loss from discontinued operations	–	-576
Net income/loss	**6,744**	**-3,154**
Attributable to shareholders of Uniper SE	*6,730*	*-3,101*
Attributable to non-controlling interests	*14*	*-53*
€		
Earnings per share (attributable to shareholders of Uniper SE) – basic and diluted		
From continuing operations	0.81	-6.98
From discontinued operations	0.00	-1.50
From net income/loss	**0.81**	**-8.47**

[1]Prior-year figures have been adjusted due to the classification of the Russian Power Generation business area as discontinued operations in 2022.

Uniper Consolidated Statement of Recognized Income and Expenses

First quarter € in millions	2023	2022
Net income/loss	**6,744**	**-3,154**
Remeasurements of equity investments	-240	119
Remeasurements of defined benefit plans	68	269
Remeasurements of defined benefit plans of companies accounted for under the equity method	5	2
Income taxes	-21	-84
Items that will not be reclassified subsequently to the income statement	**-187**	**306**
Cash flow hedges	–	-982
Unrealized changes	*–*	*-798*
Reclassification adjustments recognized in income	*–*	*-184*
Currency translation adjustments	21	-192
Unrealized changes	*21*	*-192*
Reclassification adjustments recognized in income	*–*	*–*
Companies accounted for under the equity method	1	-1
Unrealized changes	*1*	*-1*
Reclassification adjustments recognized in income	*–*	*–*
Income taxes	–	301
Items that might be reclassified subsequently to the income statement	**22**	**-874**
Total income and expenses recognized directly in equity	**-166**	**-570**
Continuing operations	*-166*	*-389*
Discontinued operations	*–*	*-180*
Total recognized income and expenses (total comprehensive income)	**6,579**	**-3,724**
Attributable to shareholders of Uniper SE	*6,563*	*-3,639*
Continuing operations	*6,563*	*-2,941*
Discontinued operations	*–*	*-697*
Attributable to non-controlling interests	*15*	*-84*

Uniper Consolidated Balance Sheet

€ in millions	Mar. 31, 2023	Dec. 31, 2022
Assets		
Intangible assets	683	687
Property, plant and equipment and right-of-use assets	8,105	9,228
Companies accounted for under the equity method	305	291
Other financial assets	887	1,137
Equity investments	*788*	*1,042*
Non-current securities	*99*	*95*
Financial receivables and other financial assets	2,776	2,694
Receivables from derivative financial instruments	9,529	40,617
Other operating assets and contract assets	237	227
Deferred tax assets	2,236	2,776
Non-current assets	**24,757**	**57,657**
Inventories	3,106	4,718
Financial receivables and other financial assets	3,851	6,422
Trade receivables	8,566	9,560
Receivables from derivative financial instruments	35,961	36,198
Other operating assets and contract assets	2,747	1,595
Income tax assets	85	55
Liquid funds	4,418	4,634
Assets held for sale	585	639
Current assets	**59,318**	**63,820**
Total assets	**84,076**	**121,477**

Uniper Consolidated Balance Sheet

€ in millions	Mar. 31, 2023	Dec. 31, 2022
Equity and liabilities		
Capital stock	14,160	14,160
Additional paid-in capital	10,825	10,825
Retained earnings	-13,297	-19,840
Accumulated other comprehensive income	-897	-917
Equity attributable to shareholders of Uniper SE	**10,791**	**4,228**
Equity attributable to non-controlling interests	214	194
Equity	**11,005**	**4,422**
Financial liabilities and liabilities from leases	2,024	2,697
Liabilities from derivative financial instruments	8,987	45,737
Other operating liabilities and contract liabilities	357	353
Provisions for pensions and similar obligations	483	537
Miscellaneous provisions	5,718	7,732
Deferred tax liabilities	2,557	2,555
Non-current liabilities	**20,125**	**59,611**
Financial liabilities and liabilities from leases	6,133	8,878
Trade payables	7,711	9,359
Liabilities from derivative financial instruments	34,068	30,608
Other operating liabilities and contract liabilities	822	848
Income taxes	114	112
Miscellaneous provisions	3,680	7,049
Liabilities associated with assets held for sale	417	590
Current liabilities	**52,946**	**57,443**
Total equity and liabilities	**84,076**	**121,477**

Uniper Consolidated Statement of Cash Flows[1]

First quarter € in millions	2023	2022
Net income/loss	**6,744**	**-3,154**
Income/loss from discontinued operations	–	576
Depreciation, amortization and impairment of intangible assets, of property, plant and equipment, and of right-of-use assets	1,077	344
Changes in provisions	-5,350	1,839
Changes in deferred taxes	517	-779
Other non-cash income and expenses	-35	1,081
Gain/Loss on disposal of intangible assets, property, plant and equipment, equity investments and securities (> 3 months)	-1	-72
Intangible assets and property, plant and equipment	*-1*	*-72*
Equity investments	*–*	*–*
Changes in operating assets and liabilities and in income taxes	-2,225	-1,825
Inventories	*1,597*	*-281*
Trade receivables	*1,084*	*1,608*
Other operating receivables and income tax assets	*30,163*	*-62,526*
Trade payables	*19*	*1,058*
Other operating liabilities and income taxes	*-35,089*	*58,315*
Cash provided by operating activities of continuing operations (operating cash flow)	**727**	**-1,990**
Cash provided by discontinued operations	–	96
Cash provided by operating activities	**727**	**-1,894**
Proceeds from disposal of	7	79
Intangible assets and property, plant and equipment	*6*	*73*
Equity investments	*1*	*6*
Purchases of investments in	-110	-97
Intangible assets and property, plant and equipment	*-106*	*-96*
Equity investments	*-3*	*-*
Proceeds from disposal of securities (> 3 months) and of financial receivables and fixed-term deposits	2,665	2,127
Purchases of securities (> 3 months) and of financial receivables and fixed-term deposits	-65	-179
Cash provided by investing activities of continuing operations	**2,497**	**1,930**
Cash provided by investing activities of discontinued operations	–	-8
Cash provided by investing activities	**2,497**	**1,923**
Cash proceeds arising from changes in capital structure	4	–
Cash payments arising from changes in capital structure	–	–
Proceeds from new financial liabilities	6,827	2,177
Repayments of financial liabilities and reduction of outstanding lease liabilities	-10,252	-1,255
Cash provided by financing activities of continuing operations	**-3,422**	**922**
Cash provided by financing activities of discontinued operations	–	-34
Cash provided by financing activities	**-3,422**	**888**

Uniper Consolidated Statement of Cash Flows[1]

First quarter € in millions	2023	2022
Net increase/decrease in cash and cash equivalents	**-198**	**917**
Effect of foreign exchange rates on cash and cash equivalents	-5	7
Cash and cash equivalents at the beginning of the reporting period[2]	4,591	2,919
Cash and cash equivalents from disposal group	-14	–
Cash and cash equivalents of deconsolidated companies	–	–
Cash and cash equivalents at the end of the reporting period[2]	**4,374**	**3,843**
Supplementary information on cash flows from operating activities		
Income tax payments	-144	-7
Interest paid	-167	-36
Interest received	49	8
Dividends received	4	1

[1]Prior-year figures have been adjusted due to the classification of the Russian Power Generation business area as discontinued operations in 2022.

[2]The difference between the amounts reported here for cash and cash equivalents and the amount reported under “Liquid funds” on the balance sheet arises from short-term securities (> 3 months) and bank deposits (> 3 months), which are reported as liquid funds on the balance sheet.

Financial Calendar

May 24, 2023
2023 Annual General Meeting (Düsseldorf)

August 1, 2023
Half-Year Interim Report: January–June 2023

October 31, 2023
Quarterly Statement: January–September 2023

Further Information

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