



Press release  
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## Update on Uniper's Russian activities and way forward

For more information please contact:

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Uniper condemns the Russian invasion of Ukraine in the strongest possible terms. With this war, Russia is breaking international law and the principles of the UN Charter.

"I feel deep sympathy for all people who are directly or indirectly affected by a war in Ukraine for which there is no justification whatsoever. Especially in light of our long-standing business relations with Russia, we are both shocked and moved by these unprecedented developments," said **Uniper CEO Klaus-Dieter Maubach**. "It is important that the German government is currently doing everything humanly possible to reduce Germany's dependence on Russian commodity exports. As an energy supplier, it is our duty to make our contribution to securing energy supply, especially in such difficult times. Due to the existing contracts with Russia or Russian companies, we bear a special responsibility not only for ourselves, but also for large parts of German industry and many people in Germany and across Europe. Two things need to be done now: Maintain the existing energy flows, and at the same time find ways and means to make the gas supply for Germany and Europe more diverse in the short-, medium- and long-term and thus less vulnerable to geopolitical risks. In the short-term, we have resumed work on a national LNG import terminal in Wilhelmshaven and are fully supporting the German government in this, as well as other projects."

### **Uniper has taken decision to record a full impairment loss on the Nord Stream 2 financial claim**

Uniper will recognize an impairment loss of its loans towards Nord Stream 2 AG in the amount of €987 million. The book value results from the loans originally provided to Nord Stream 2 (€695 million) plus the current amount of accrued interests (€292 million). This non-operating impairment loss will impact the consolidated IFRS-result in the first quarter of the current financial year, but will not affect the adjusted earnings figures. Going forward, Uniper will stop accruing the related interest income of around €100 million per year.



### **Divestment process for Russian subsidiary Unipro will be resumed when possible**

Uniper is the majority owner of the Russian company PAO Unipro with 83.73%. The company is listed on the Moscow Stock Exchange and operates independently within the framework of Russian legislation.

At the end of last year, Uniper started a divestment process of Unipro. Due to the current situation, this process has been halted for the time being and will be restarted as soon as it is feasible.

Unipro's activities are ongoing including the power plant modernization program. However, Uniper will not make any new investments in Russia and will not transfer any funds to Unipro until further notice.

It is currently impossible to predict how potential Russian sanctions could affect Unipro's business and financial situation. Unipro's most important goal at the moment is the secure operation of its plants and the fulfilment of its delivery obligations to its customers.

Unipro operates five power plants with a total capacity of over 11 gigawatts in Russia with its approximately 4,300 employees. Unipro generated an adjusted EBIT of €230 million in the 2021 financial year, accounting for just under 20% of Uniper's operating result (EBIT) and around €160 million of adjusted net income.

### **Existing, long-term gas import contracts with Russia remain part of a secure European gas supply**

Uniper's long-term import contracts with Russia play an essential role for the gas supply in Europe, especially in Germany. Today, Germany is more than 90% dependent on natural gas imports. In 2021, Germany imported just under 90 bcm of natural gas. More than half of that amount (approx. 55%) comes from Russia.

Uniper's gas midstream business comprises a portfolio of around 370 TWh of long-term gas supply contracts: Of these, about 200 TWh originate from Russia. Uniper sees it as its mission to do everything in its means to supply people in Germany and Europe with energy, also and especially in these volatile times. Uniper will continue to be reliable in fulfilling this task on the basis of the existing contracts. Uniper has ambitious climate protection goals for electricity generation in Europe – as well as for its gas midstream business. Against this background, our gas portfolio will also gradually shift from natural gas to CO<sub>2</sub>-low or -free gases. Uniper will not enter into new long-term supply contracts for natural gas with Russia.

In the event of a limited and short-term curtailments of gas flows from Russia, Uniper is expected to be able to use its flexible assets, including its gas storage facilities, in such a way that the outage is largely compensated. In contrast, significant interruptions of gas flows would jeopardize the stability of the German gas system and would most likely lead to a declaration of emergency by the German Federal Ministry of Economics and Climate Protection. In the corresponding legal framework, the Federal Network Agency (BNetzA) would assume the role of the so-called federal load dispatcher, effectively taking control of the system and issuing instructions to market participants on the supply and demand side to balance the system in a timely manner.



In such a scenario, Uniper would actively support the BNetzA with its assets to stabilize the system, but it would ultimately be the responsibility of the BNetzA in which way the gas is delivered and distributed to the customers. We expect such measures and events to replace existing contractual arrangements.

**Uniper CFO Tiina Tuomela:** "I am deeply affected by this war and the suffering of the families in Ukraine. In my role as CFO of Uniper, I focus on how we as Uniper can ensure security of supply in Europe. Uniper currently has no structural price risk in its gas portfolio, as the supply volumes have been sold to customers in advance. A possible interruption of Russian gas supplies would affect the German gas import system and thus also Uniper. At this point in time, we assess the probability of such a restriction as low: Currently, all parties seem committed to continue gas supplies and there are no indications of a restriction of supply so far. In case of an interruption of flows from Ukraine, there are currently alternative routes available that could be utilized to stabilize the import of gas into Europe."

#### **Alternative gas supplies: Resumption of the LNG terminal project in Wilhelmshaven and increased diversification of supply sources**

Uniper continues to implement its strategy, which includes making energy supply more diversified and secure – for example by procuring additional volumes of liquefied natural gas (LNG) for Germany. Uniper is continually diversifying its gas portfolio by increasing its LNG portfolio. It has over the years increased its long term capacity at the Isle of Grain and Gate terminals in order to import LNG into Europe from a diverse source of global supply. This forms a good foundation to establish LNG as an important part of the German supply portfolio. Uniper is well positioned for this with its global LNG business and its contractually secured LNG volumes. Last year, Uniper traded more than 360 cargos, worldwide.

In order to further diversify the portfolio and as requested by the German government, Uniper plans to bring LNG directly to the German market. Also, an LNG regasification plant is required, which does not yet exist in Germany. Uniper has therefore resumed its planning for a LNG terminal in Wilhelmshaven. These activities will be closely linked to our plans to make Wilhelmshaven a green energy hub, with green ammonia import and hydrogen production to fulfill more than 10% of the German hydrogen demand in 2030. However, talks with the Russian company Novatek on the import of ammonia are put on hold.

In addition, we are driving the further diversification of our gas procurement sources, operating our gas storage facilities responsibly and consistently implementing our strategy in the areas of hydrogen and renewables. These two areas will account for the major share of our future investments.

#### **Proactive measures taken to strength security of supply and improve fuel supply diversification for power generation**

Uniper has taken the necessary steps to ensure its coal-fired power plants in Europe can be technically operated without Russian coal and has decided not to extend its Russian coal supply contracts. Uniper already procures hard coal from a wide variety of regions worldwide and is executing a transitional coal diversification strategy which expects to be completed at the end of 2022 when the existing Russian coal supply contracts are finalized. Most of existing coal supply contracts are still being fulfilled by Russia without major disruptions. Uniper is closely monitoring how this situation develops.



Uniper is also ready to further strengthen the security of supply and has analyzed the options to prolong coal fired power generation at its German sites Staudinger, Heyden, Scholven and Wilhelmshaven, if this is requested. Uniper remains available to pursue those options in close cooperation with the respective government to protect security of supply.

Finally, Uniper continues developing its power generation fleet in EU and remain fully committed to achieve carbon neutrality by 2035, by continuing its Hydro and Nuclear operations, by investing in renewables power, by focusing on the use of clean fuels in the gas fired power portfolio.

#### **Uniper seeks extension of the existing KfW credit facility**

On 4 January 2022, Uniper was granted a credit facility of €2 billion by the Kreditanstalt für Wiederaufbau (KfW bank). This facility has not yet been drawn and expires at the end of April. As a precautionary measure in the light of continuous volatile markets, Uniper has asked for a prolongation of the credit facility. The credit facility would continue to serve as a back-up facility in case of further extreme commodity market developments.

#### **Financial outlook currently unchanged**

The above mentioned impairment loss of the loans towards Nord Stream 2 AG is neither relevant to adjusted EBIT nor to adjusted Net Income, as this is a non-operating loss. The stop to accrue interest income will be reflected in adjusted Net Income in the amount of about €100 million. Overall, no other significant business risks have materialized with regards to our earnings forecast, as of today. Accordingly, the outlook provided on 23 February 2022 remains unchanged for the time being. Given the current volatile business environment we continue to closely monitor the developments.

#### **About Uniper**

Uniper is a leading international energy company, has around 11,500 employees, and operates in more than 40 countries. The company plans for its power generation business in Europe to be carbon-neutral by 2035. Uniper's roughly 33 GW of installed generation capacity make it one of the world's largest electricity producers. The company's core activities include power generation in Europe and Russia as well as global energy trading and a broad gas portfolio, which makes Uniper one of Europe's leading gas companies. In addition, Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonization journey. Uniper is a hydrogen pioneer, is active worldwide along the entire hydrogen value chain, and is conducting projects to make hydrogen a mainstay of the energy supply.

The company is based in Düsseldorf and is currently Germany's third-largest publicly listed energy supply company. Together with its main shareholder Fortum, Uniper is also Europe's third-largest producer of zero-carbon energy.

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