Half-Year Interim Report 2023

Financial Results

Performance Indicators at a Glance

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

January 1–June 30	Unit	2023	2022	2021	2020	2019
Power purchases and owned generation	Billion kWh	101.9	147.1	233.4	268.8	318.7
Electricity sales	Billion kWh	101.4	146.7	231.8	266.6	316.5
Gas volume sold	Billion kWh	746.5	897.3	1,158.8	1,137.6	1,105.2
Direct fuel-derived carbon emissions	Million t CO_2	9.3	11.8	24.5	20.6	N/A
Sales	€ in millions	54,475	118,731	41,447	19,977	33,736
Adjusted EBIT[2]	€ in millions	3,701	-757	580	691	308
For informational purposes: Adjusted EBITDA[2]	€ in millions	4,069	-385	900	1,012	657
Net income/loss	€ in millions	9,443	-12,418	-20	677	921
Earnings per share[3] [4]	€	1.13	-33.73	-0.18	1.75	2.40
Cash provided by operating activities of continuing operations (operating cash flow)	€ in millions	4,259	-2,427	346	288	-322
Adjusted net income[5]	€ in millions	2,487	-490	485	527	189
Investments	€ in millions	240	177	341	279	240
Growth	*€ in millions*	*74*	*39*	*186*	*175*	*145*
Maintenance and replacement	*€ in millions*	*166*	*139*	*154*	*104*	*94*
Economic net debt (+) / net cash position (-)[6]	€ in millions	-1,493	3,049	324	3,050	2,650
Employees as of the reporting date[6]		6,724	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 June 30, 2023; comparative figures as of December 31 of each year.

Contents

Only the German version of this Interim Report is legally binding.

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

This Interim Report, and especially the Outlook Report section, contains certain forward-looking statements that are based on current assumptions and outlooks 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.

Interim Management Report

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

Business Model of the Group

Uniper is an international energy company with operations in more than 40 countries and with some 7,000 employees. Its business is the secure provision of energy and related services in an increasingly decarbonizing environment in accordance with the requirements of energy and climate policy and the regulatory environment, as well as related voluntary commitments. The parent company of the Uniper Group is Uniper SE; the corporate headquarters are in Düsseldorf, Germany. Since December 21, 2022, the Federal Republic of Germany (the German state) has held a 99.12% interest in, and thus has control over, Uniper SE via UBG Uniper Beteiligungsholding GmbH, a wholly-owned subsidiary of the Federal Republic of Germany. As a listed group, Uniper publishes its quarterly statements, half-year interim financial statements, and consolidated annual financial statements.

The shares of Uniper SE are traded on the Frankfurt Stock Exchange's regulated market in its sub-segment with additional post-admission obligations (the "Prime Standard"). Effective December 27, 2022, Uniper was removed from the SDAX since its free float dropped below 10% in connection with the takeover by the German state. Uniper remains in the CDAX.

The Uniper Group is currently composed of two operating segments: European Generation and Global Commodities. Combined separately under Administration/Consolidation are administrative functions that are performed centrally across segments, as well as the consolidations required to be carried out at Group level.

Business Report

Industry Environment

Energy Policy and Regulatory Environment

The energy crisis and concerns about security of supply have continued to dominate energy policy discussions at the European Union. The European Commission convened nine official meetings of the Industry Advisory Group for joint gas purchasing, which have culminated in the organization of the first tendering rounds under the EU Energy Platform's new aggregation mechanism in late spring 2023. On March 14, 2023, the European Commission proposed to reform the EU electricity market design to reduce the impact of high gas prices on electricity prices while at the same time supporting the energy transition. It further proposed reviewing the Wholesale Energy Market Integrity and Transparency Regulation. Although the European Commission decided not to extend the temporary cap of €180/MWh on the revenues of electricity producers beyond June 30, 2023, the European Parliament and the Council are discussing setting a permanent revenue cap as part of the electricity market reform mentioned above.

Published on February 1, 2023, as Europe's answer to U.S. and Chinese subsidies, the Green Deal Industrial Plan aims to enhance the competitiveness of the EU's net-zero industry. It is to be implemented by, among other things, scaling up the EU manufacturing base through the so-called Net-Zero Industry Act. The definitions for renewable fuels of non-biological origin (RFNBOs), i.e., renewable hydrogen and hydrogen-based fuels, have been legally specified by the European Commission. The adopted delegated acts entered into force on July 10, 2023. The first of these acts sets the conditions for deploying electricity from renewable sources, while the second establishes the methodology for calculating the greenhouse gas emissions of RFNBOs. While negotiations on the Hydrogen and Decarbonised Gas legislative package have been delayed by the energy crisis, a major part of the Fit for 55 climate-action package, including the reform of the EU Emissions Trading System, has been finalized.

Responding further to Russia's war of aggression against Ukraine, the European Council adopted the 11th EU sanctions package against Russia on June 23, 2023. With this package, the EU is deploying additional tools to interdict the circumvention of sanctions, with particular emphasis on the export and transfer of dual-use items and technologies that have both military and civilian applications. In addition, vessels that conduct ship-to-ship transfers shall be denied access to ports in EU territory. The temporary exception for Germany and Poland permitting the supply of Russian crude oil by pipeline shall expire in accordance with other provisions of the package.

In Germany, the Federal Ministry for Economic Affairs and Climate Action (BMWK) launched discussions on the future design of the country's electricity market on February 20, 2023. The Climate-Neutral Electricity System Platform has been created to involve stakeholders in the development of recommendations by the end of 2023. The BMWK further announced in February 2023 that it would bring forward a "Power Plant Strategy for 2026" to establish the framework for building the new gas-fired power plants before the end of this decade that are needed to support the power-generation fleet's ultimate transition to hydrogen.

On March 24, 2023, the BMWK launched a stakeholder dialogue for its Carbon Management Strategy. The goal of this dialogue is to deliberate on the contribution that carbon capture and storage (CCS) and carbon capture and utilization (CCU) technologies might make to achieving greenhouse gas neutrality by 2045. On June 6, 2023, the BMWK commenced the preparatory procedure for planned bids on the basis of the ministry's guidelines for funding climate-neutral industrial manufacturing processes using carbon contracts for difference (FRL KSV). Under these guidelines, businesses are to be reimbursed for the added cost of investments in the reduction of greenhouse gas emissions.

On May 5, 2023, the BMWK additionally presented a working paper titled "Competitive Electricity Prices for Energy-Intensive Businesses in Germany and Europe." In this paper, the BMWK proposes the introduction of a fixed electricity price for industry by 2030. This industry price is to be pegged to the cost of power generation with offshore wind farms. On May 26, 2023, the German federal government brought forward draft legislation to amend the Energy Industry Act to provide, among other things, for the timely creation of a core hydrogen network in Germany to accelerate the launch of the hydrogen market.

The German Bundestag plans to finish debating the draft law amending the Buildings Energy Act and to adopt it in the autumn of 2023. In combination with the "Act on Heating Planning and Decarbonization of Heating Networks," which is still being finalized, it provides for the introduction of a requirement that each new heating system installed in a new or an existing building must use at least 65% renewable energy in order to help deliver greenhouse-gas neutrality by 2045. The purpose of heating planning is to identify existing potential for decarbonizing the heating supply and to implement the conversion and expansion of district-heating networks.

On July 26, 2023, the German government decided to update the National Hydrogen Strategy, which is intended, among other things, to accelerate the market ramp-up of hydrogen, build up an infrastructure and increase the availability of hydrogen.

In the United Kingdom, the restructuring of government departments saw the creation in February 2023 of a new Department for Energy Security and Net Zero, carving out the energy remit from the former Department for Business Energy and Industrial Strategy.

On March 30, 2023, the UK government published a number of documents on energy security and net zero; they included the publications intended to meet the government's obligation under a court order to set out its plans to meet the legally binding net zero by 2050 commitment and the government's response to the Net Zero Review launched under the previous administration. The publications primarily bring together previous announcements and set out measures to meet net zero, such as streamlining the planning consent process. The government stated that it plans to bring forward legislation on hydrogen transport and storage and is also considering whether there needs to be specific support for hydrogen for power generation. The government's support for offshore wind farms and for ground and rooftop-mounted solar power is reiterated, but with no changes to make planning consent easier for onshore wind turbines.

The UK government had already announced £20 billion in funding for carbon capture, usage and storage (CCUS) in its spring budget on March 21, 2023. As part of this round of publications, the government stated its intention to consult further on electricity market reform (REMA), expanding the UK Emissions Trading Scheme (UK ETS), a UK Green Taxonomy and transition financing. The government is consulting on measures to address carbon leakage risk including considering a Carbon Border Adjustment Mechanism. The UK government intends to legislate for the UK ETS to continue through 2050. Plans to reform the UK ETS have been published and, as expected, will take forward the proposal to align the trajectory with the legally binding net zero commitment, expand the scope of the scheme and implement a reduction or removal of free allocation of allowances for some sectors. Business models for hydrogen production based on contracts for difference (CfD), dispatchable power agreements and CO_2 transport and storage are being progressed. The government has said it will consider a business model for hydrogen power, but thus far it has focused on fuel price parity.

The Energy Bill, which was announced on May 10, 2022, and introduced in the UK parliament in July 2022, is moving through the legislative process, but further delay means it will not be passed until the autumn of 2023. The bill includes the legislation needed to implement the business models for low-carbon hydrogen production and for industrial and power generation carbon capture, to bring forward CO_2 transport and storage and to establish a new Future System Operator (FSO) that will provide strategic oversight across electricity and gas systems. In addition, the government has put forward an amendment in the Energy Bill to make provisions for a counterparty and a support mechanism for hydrogen transport and storage.

In the Netherlands, the bill for a new Energy Act (Energiewet) has been introduced in the Dutch parliament. The new legislation combines the old Electricity Act (Elektriciteitswet) of 1998 and the Gas Act (Gaswet). In its advisory opinion on the bill, the Council of State requested further information as to how the legislation would be implemented because it had doubts that the bill would be an improvement on current legislation. The government still sent the bill to parliament. Any potential debate on the bill will not take place before the end of 2023.

The government has introduced subsidies for building CO_2-free adjustable power plants. A total of €1 billion is available to convert existing gas-fired power plants into CO_2-free CCGT (combined-cycle gas turbine) plants, preferably using hydrogen as combustible fuel. Details about the funding will be presented in the second half of 2023.

On June 23, 2023, the Dutch government announced that extraction of natural gas from Europe's largest gas field at Groningen shall cease by October 1, 2023. On June 27, 2023, the government sent draft legislation implementing the price cap as required by EU regulation to the Council of State for its deliberation. The draft law must receive the Council's advisory opinion before it can be introduced in parliament for debate. The Minister for Climate and Energy Policy has informed parliament on the status of the draft law by letter.

The Swedish government has significantly accelerated its efforts to deliver on the energy policy set out in the Tidö Agreement. The planning target for the expansion of fossil-free generation by 2050 is 300 TWh. The original policy goal of "100% renewable" has thus been abandoned. This is partly to secure the future of both existing and new nuclear power plants.

Nuclear power is a key strategic pillar of the government's energy policy, and several so-called public committees have been launched to change legislation, improve funding opportunities and reduce permitting-process lead times in order to enable the construction of new facilities. These initiatives apply similarly for offshore wind generation, with three major wind farms having been granted permits this year, as well as for expansion of the transmission grid and for market improvements by the TSO Svenska Kraftnät. The previous policy of free connections for new offshore wind farms has been discontinued.

Support for hydrogen, from the perspective of Swedish industry, has improved compared with the previous government, as the funding for industry available from the Swedish Energy Agency has been increased.

It was announced in the spring of 2023 that a review of the four most relevant authorities for the energy sector would be conducted in the autumn of 2023. The review will focus on tasks, roles and organization, and its objective is to support the authorities in the performance of their tasks to bring the energy policy to fruition. The radiation authority SSM will join a European initiative aimed at reducing licensing lead times for new reactors by applying the concept of type licensing methodology.

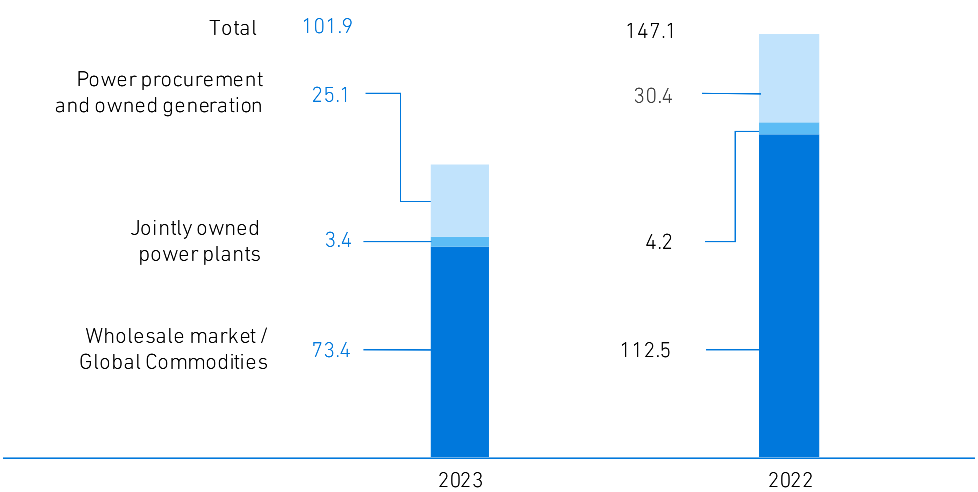
Business Performance

Power Procurement and Owned Generation

In the first half of 2023, the amount of electricity generated by the Uniper Group's own power plants stood at 25.1 billion kWh, a significant decrease of 5.3 billion kWh, or 17.5%, compared with the prior-year period. Purchased electricity fell significantly, by 39.1 billion kWh, or 34.8%, to 73.4 billion kWh.

Power Procurement and Owned Generation[1, 2, 3]

Billion kWh in the first half-year



[1]Any rounding differences between individual volumes and totals are accepted.

[2]The consolidation approach used in financial control means that only fully consolidated power plants (shareholding of more than 50%) are included in the generation volume, regardless of who operates these power plants.

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

The significant reduction in electricity procurement via the wholesale markets is primarily due to lower optimization and trading activities in the Global Commodities segment resulting from Uniper's liquidity situation in the previous year, the impact which was seen particularly in the first quarter of 2023.

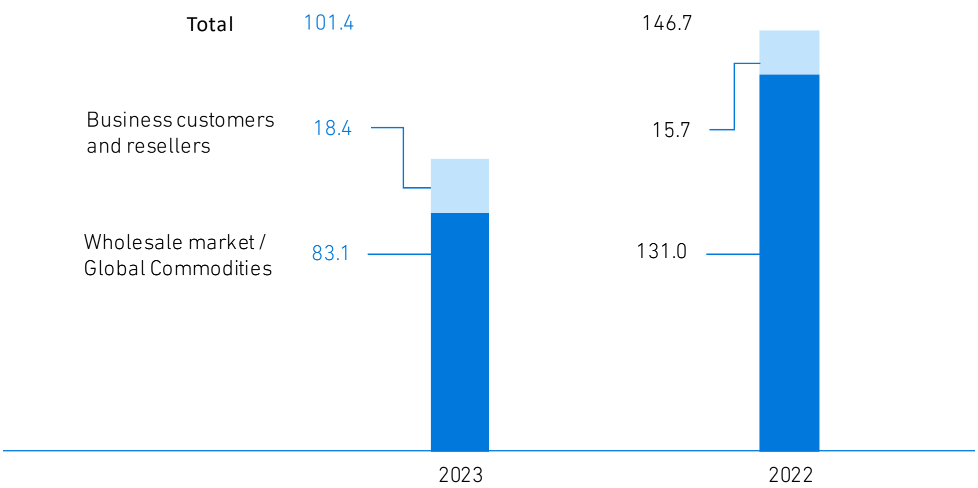
The European Generation segment's owned generation totaled 25.1 billion kWh in the first half of 2023, a significant decline of 5.3 billion kWh, or 17.5%, from the prior-year level of 30.4 billion kWh. This was mainly due to a decrease in the operating times in the fossil power plant fleet, especially within the hard-coal-fired power plant portfolio, which is attributable to the changed market conditions for these power plants. Generation volumes from Swedish nuclear power were down slightly, mainly due to unavailability at Oskarshamn 3 and Ringhals 4, which meant that the power plant units were temporarily not used commercially. The volume of electricity generated by hydroelectric power plants in Sweden also fell slightly compared with the prior-year figure due to lower precipitation. German hydroelectric power plants, in contrast, recorded a slightly higher generation volume due to the comparatively lower precipitation levels in the same period of the previous year.

Electricity Sales

In the first half of 2023, the Uniper Group's electricity sales stood at 101.4 billion kWh, a significant decrease of 30.8% from the level of 146.7 billion kWh recorded in the prior-year period.

Electricity Sales[1, 2, 3]

Billion kWh in the first half-year



[1]Difference from electricity procurement results from operating consumption and network losses.

[2]Any rounding differences between individual volumes and totals are accepted.

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

The significant reduction in electricity sales via the wholesale markets is primarily due to lower optimization and trading activities in the Global Commodities segment resulting from Uniper's liquidity situation in the first previous year, the impact of which was seen in particular in the first quarter of 2023.

Alongside electricity trading in the energy markets, a portion of the Uniper Group's electricity sales to major customers such as municipal utilities and industrial customers in Germany and in Europe is transacted through an internal sales unit, Uniper Energy Sales GmbH (UES). In addition to sales, UES also handles marketing for the Uniper Group. It also offers its customers services in consulting, service and the electricity industry.

Electricity sales by UES in the first half of 2023 came to 16.9 billion kWh, significantly more than in the first half of 2022 (14.0 billion kWh). Sales volumes in the first half of 2023 were therefore up by a total of 2.9 billion kWh compared with the first half of 2022. While volumes in the industrial and power plant customer segments declined, volumes in the reseller customer segment (e.g., municipal utilities) increased significantly.

Gas Business

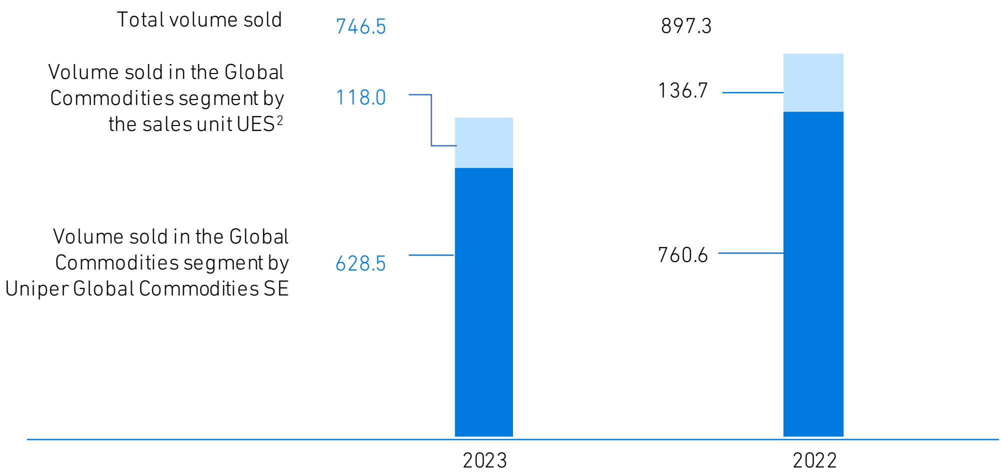
The total volume of natural gas sold in the first half of 2023 was 746.5 billion kWh (prior-year period: 897.3 billion kWh). During the same period, the Uniper Group acquired a total of 754.8 billion kWh (prior-year period: 905.5 billion kWh). The vast majority of the volumes moved result from transactions on domestic and foreign trading markets, which are carried out to manage the Group's own gas-fired power plants, to optimize booked natural gas storage or transport capacities, and to commercially exploit regional price differences.

Gas Sales Business

Uniper sells natural gas to resellers (e.g., municipal utilities), large industrial customers and power plant operators through its internal sales unit UES. The volume of gas sold by UES in the first half of 2023 came to 118.0 billion kWh, which is significantly below the level of the prior-year period (136.7 billion kWh). While volumes in the industrial and power plant customer segments were at a similar level to the prior-year period, volumes in the reseller and industrial customer segments decreased due to the increased competitive pressure relative to the previous year.

Gas Sales[1]

Billion kWh in the first half-year



[1]Any rounding differences between individual volumes and totals are accepted.

[2]Including intragroup volumes.

Long-Term Gas Supply Contracts

The procurement of natural gas is largely based on long-term contracts with suppliers from the Netherlands, Norway and Russia. For the first half of 2023, Uniper had long-term contracts amounting to 168 billion kWh (prior-year period: 178 billion kWh). From June 14, 2022, Gazprom began reducing Russian gas deliveries, and it discontinued them completely at the end of August 2022.

Gas Storage Capacity

Uniper Energy Storage GmbH is responsible for the operation of gas storage for the Uniper Group. Its activities include technical and commercial development, the construction and operation of underground storage facilities for natural gas, the marketing of capacities, services and products on the European storage market and the development of new storage technologies. Uniper Energy Storage GmbH manages natural gas storage facilities in Germany and Austria. In addition, a British Uniper Group company operates a gas storage facility in England. In the first half of 2023, gas storage capacity stood at 7.4 billion cubic meters (m^3), a slight increase of 0.1 billion m^3 from the prior-year level (7.3 billion m^3).

Key Events for the Uniper Group in the First Half of 2023

Changes in the Composition of the Board of Management and of the Supervisory Board

Prof. Dr. Klaus-Dieter Maubach (Chief Executive Officer (CEO)), David Bryson (Chief Operating Officer (COO)) and Tiina Tuomela (Chief Financial Officer (CFO)) respectively departed from the Board of Management of Uniper SE effective at the end of February 2023.

On January 20, 2023, and February 10, 2023, the Supervisory Board of Uniper SE appointed Dr. Jutta A. Dönges and Holger Kreetz to the Board of Management of Uniper SE as CFO and COO, respectively, effective March 1, 2023. Dr. Jutta A. Dönges, who had been a member of Uniper SE's Supervisory Board since December 2022, resigned from the Supervisory Board of Uniper SE effective at the end of February 2023. Holger Kreetz had been Head of the Asset Management division at Uniper until then.

At an extraordinary meeting on March 24, 2023, the Supervisory Board of Uniper SE resolved to appoint Michael Lewis as CEO of Uniper SE. The formal appointment of Michael Lewis as CEO was made by the Supervisory Board of Uniper SE on May 3, 2023, and became effective on June 1, 2023.

In addition, the Supervisory Board of Uniper SE already appointed Dr. Carsten Poppinga to the Board of Management of Uniper SE on May 15, 2023, effective August 1, 2023. Dr. Carsten Poppinga will succeed Niek den Hollander, who will, as announced, depart from the Board of Management on July 31, 2023, as Chief Commercial Officer (CCO).

Dr. Gerhard Holtmeier, who had been managing director of UBG Uniper Beteiligungsholding GmbH since December 2022, joined the Supervisory Board of Uniper SE as a new member effective March 21, 2023. Dr. Gerhard Holtmeier was nominated by the Federal Ministry of Finance and UBG to succeed Dr. Jutta A. Dönges on the Supervisory Board. The Düsseldorf District Court had appointed Dr. Holtmeier and additional shareholder representatives as members of the Supervisory Board. Shareholders then formally elected the initially court-appointed shareholder representatives to the Supervisory Board at the Annual General Meeting on May 24, 2023.

Russia Places Unipro under State Administration

Russia published a presidential decree on April 25, 2023, allowing the authorities to introduce temporary administration for assets in Russia owned by certain foreign companies in Russia, apparently including Uniper. Uniper is currently reviewing the legal situation. In Uniper's case, state administration has been ordered for the 83.73% equity interest 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 therefore been deconsolidated and completely written off since the end of 2022, so that there have been no effects on the net assets, financial position and results of operations.

Sale of Indirect Interest in BBL Pipeline Completed

On May 15, 2023, Uniper completed the sale of its 20% equity interest in BBL Company V.O.F., the Dutch owner of a 235-kilometer gas interconnection linking the UK and the Netherlands. The joint venture partners Gasunie and Fluxys executed their preemption right after Uniper's sale to a third party earlier this year. Divestment of this non-strategic shareholding is part of the remedies Uniper must fulfill pursuant to the EU's state aid approval.

Sale of UAE-Based Marine Fuel Trading Business Completed

On May 31, 2023, Uniper completed the sale of 100% of the shares in its United Arab Emirates-based crude oil processing and marine fuel trading business (Uniper Energy DMCC) to a consortium of Montfort Group and the Private Office of His Highness Sheikh Ahmed Dalmook Al Maktoum, following the fulfillment of conditions precedent and the receipt of regulatory approvals. Divestment of this non-strategic shareholding is part of the remedies Uniper must fulfill pursuant to the EU's state aid approval.

Gas Supply Obligations to Customers Almost Effectively Hedged, KfW Credit Line Reduced Ahead of Schedule

In the first half of the 2023 fiscal year, Gazprom maintained the complete supply interruption for all Uniper contracts. Uniper has almost effectively hedged the associated gas supply obligations to customers for the years 2023 and 2024, including through forward contracts during the second quarter of 2023. As a result, the price risk from increased procurement costs has been almost effectively hedged. Uniper now expects no further financial losses from the procurement of replacement gas volumes in connection with the supply curtailments from Russia. Therefore, no further capital increases by the German state will be necessary and there is no longer any need for tranche C of the KfW credit line with a volume of €5.0 billion. The KfW credit line has thus been reduced ahead of schedule from €16.5 billion to €11.5 billion as of June 30, 2023.

Key Business Developments at the Uniper Segments in the First Half of 2023

European Generation

The first half of 2023 was dominated by the volatile but strongly declining trend in fuel and electricity prices on the wholesale markets, which have since fallen to the level seen before the Ukraine war. This development was supported, among other things, by a combination of high gas storage levels in view of the mild winter weather, stable LNG inflows and significant savings by residential and industrial consumers. However, ongoing uncertainties surrounding the European gas supply contributed to a volatile market environment in the second quarter.

Generation volumes in the European Generation segment were noticeably lower year over year across almost all technologies and markets. The absence of temporary generation curtailments for the Maasvlakte hard-coal power plant in the Netherlands and the decision to resume market operations at Germany's Heyden 4 hard-coal power plant in the third quarter of 2022 to support security of supply were not sufficient to offset this development. However, this volume effect was more than offset on the earnings side by hedging and optimization activities at higher average prices. With regard to the fossil power plant portfolio, declining gas prices combined with higher procurement costs for hard coal led to a deterioration in the competitive position of coal-fired power plants.

Higher precipitation in the second quarter of 2023 led to increased power generation at German run-of-river plants compared with the first half of the previous year. In the first half of 2023, Swedish hydroelectric and nuclear generation benefited from the positive price effect of open positions, which offset declining generation volumes due to inflow-related low reservoir levels at the hydroelectric power stations and extended overhaul and maintenance measures at the Ringhals 4 and Oskarshamn 3 nuclear power plant units.

The excess profits tax for energy companies in Germany expired at the end of June 2023, while discussions on regulatory measures for profit absorption in Uniper's other core European markets continued in the second quarter of 2023.

Mainly in order to hedge long-term price risks in an illiquid and volatile market environment, Uniper and the Talanx Group via Augusta Investment Management entered into a power purchase agreement in June 2023 for a term of 15 years and a total volume of around 5.3 TWh. Under the agreement, Uniper SE's Swedish hydroelectric power business will sell part of the electricity generated by 15 different hydroelectric power plants.

Global Commodities

Despite the ongoing geopolitical crisis caused by Russia's war against Ukraine and the disruption of supplies from Russia, there was no fear of a gas shortage in the first half of 2023. A relatively warm winter, imports of LNG, high gas storage levels at the start of the year, 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 first half of 2023. 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. Uniper now expects no further financial losses from the procurement of replacement gas volumes in connection with the supply curtailments from Russia. Uniper has almost effectively hedged its gas supply obligations to customers for the years 2023 and 2024.

The European Commission's approval of the granting of state aid requires Uniper to repay any potential excess compensation received as a result of the stabilization measure. Since the end of 2022, Uniper has received no further equity contributions from the German government. Uniper is assessing how the obligation to repay the excess amounts can be implemented in the context of the European Commission's state aid approval and will consult with the German government on this matter.

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

Changes in Ratings

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 reflected – inter alia – that S&P lacked clarity on Uniper's future strategic direction and the associated long-term business prospects.

On June 19, 2023, S&P affirmed Uniper's long-term issuer credit rating at BBB- and revised the outlook from negative to stable. S&P thus acknowledges that Uniper will not incur any further losses related to Russian gas curtailments due to the conclusion of forward contracts to hedge supply obligations towards municipal utilities and industrial customers. In addition, S&P expects Uniper's financial recovery to accelerate in 2023 and 2024 and that the rebuilding of Uniper's financial strength will be accompanied by a reduction in government support.

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.

Earnings

Sales Performance

Sales[1]

January 1–June 30 € in millions	2023	2022	+/- %
European Generation	12,674	25,646	-50.6
Global Commodities	65,313	139,887	-53.3
Administration/Consolidation	-23,511	-46,802	-49.8
Total	**54,475**	**118,731**	**-54.1**

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

The significant decrease in revenues resulted primarily from the requirement to recognize revenues at current spot prices, which had fallen significantly year over year in the power and gas business. A substantial portion of revenue in the optimization and trading business resulted from physically settled forward contracts that must be accounted for as derivatives under IFRS 9 and for which revenue recognition is required at the market price prevailing at the time of realization. Besides the significant price effect, lower electricity generation volumes had a negative impact on revenue development; furthermore, electricity sales volumes in the optimization and trading business area have declined significantly.

European Generation

The significant decline in sales within the European Generation segment compared with the prior-year period is mainly due to significantly lower prices and lower generation volumes within the fossil-fuel power plant portfolio. The sharp price difference is mainly the result of a substantial reduction in fossil fuel prices, which led to a significant drop in electricity prices. The lower generation volumes result from market-related lower operating times associated with the price development.

Global Commodities

External sales in the gas and power business decreased significantly due to substantially reduced volumes and, at the same time, significantly lower realized prices in a dynamic market environment. While prices in the prior-year period were still significantly impacted by the geopolitical crisis resulting from the Russian war against Ukraine, prices have normalized in the current year.

Administration/Consolidation

The change in revenues attributable to the Administration/Consolidation reconciliation item resulted primarily from a higher consolidation effect arising from lower intersegment transactions between the power plant operating companies of the European Generation segment and the Uniper Group's trading unit in the Global Commodities segment.

Sales by product break down as follows:

Sales[1]

January 1–June 30 € in millions	2023	2022	+/- %
Electricity	12,445	27,147	-54.2
Gas	40,378	86,027	-53.1
Other	1,653	5,557	-70.3
Total	**54,475**	**118,731**	**-54.1**

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

Significant Earnings Trends

The Group's net income determined in accordance with International Financial Reporting Standards (IFRS) amounted to €9,443 million (prior-year period: €12,418 million net loss). Income before financial results and taxes increased to €9,786 million (prior-year period: -€12,982 million).

The principal factors driving this earnings trend are presented below:

The cost of materials decreased significantly by €64,306 million in the first six months of 2023 to €52,202 million (prior-year period: €116,508 million). As previously described in the sales trend, this was due to the requirement for recognition at current spot prices, which had fallen year over year, in the power and gas business. A significant portion of these contracts must be accounted for as derivatives in accordance with IFRS 9.

The Uniper Group's personnel costs increased by €49 million in the first half of 2023 to €488 million (first half of 2022: €439 million). The increase is attributable, among other things, to the formation of provisions and to additional expenses arising from adjustments in connection with, among other things, the restructuring process in the Engineering business and the implementation of the proactive coal phase-out in Europe, as well as increases from collectively agreed wage and salary adjustments. This was partially offset by lower expenses resulting from the year-over-year decrease in the average number of employees in the Uniper Group and a reduction in expenses for company pension plans.

Depreciation, amortization and impairment charges decreased by €598 million to €1,250 million in the first six months of 2023 (prior-year period: €1,847 million). The change is primarily attributable to the write-down to zero of goodwill in the Global Commodities segment by €1,312 million in the prior-year period and in contrast to an increase of €656 million in impairment charges on property, plant and equipment to €882 million (prior-year period: €226 million). As in the prior-year period, impairments on property, plant and equipment recognized in the first six months of the 2023 fiscal year related primarily to power plants held in the European Generation segment. Regular depreciation and amortization rose by €58 million to €368 million (prior-year period: €310 million), mainly due to reversals of impairment losses recognized in the previous year for power plants in the Netherlands and the UK.

Reversals of impairments in the first six months of 2023, which mainly resulted from changes in estimates and assumptions about underlying price expectations, amounted to €11 million (prior-year period: €593 million) and – as in the prior-year period – related primarily to the European Generation segment. Impairment reversals are recognized as other operating income.

Other operating income decreased to €59,494 million in the first six months of 2023 (prior-year period: €125,686 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 €59,189 million, a decrease of €65,335 million year over year (prior-year period: €124,524 million).

Other operating expenses decreased to €50,284 million in the first six months of 2023 (prior-year period: €138,713 million). As it was for other operating income, the decrease was primarily attributable to expenses from invoiced and open transactions and from related currency hedges, which fell by €88,437 million year over year to €49,365 million (prior-year period: €137,802 million). In addition, the line item also includes the reversal of provisions for onerous contracts anticipating the risk of possible future incremental costs for procuring replacement gas.

The main driver of this significant change in other operating income/expenses is the strong decline in commodity prices, as Uniper trades power, gas, coal and carbon allowances on the forward markets. These forward transactions 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 had been used since the second quarter of 2022 to account for the complete stoppage of Russian gas supply and different future price assumptions. As the gas supply obligations are almost effectively hedged, in particular by forward contracts, the price risk of increased procurement costs has been almost effectively hedged, so that no more scenarios are used in the calculation of provisions for the gas portfolio and the provision was reversed in full.

Financial results improved significantly, by €916 million, to -€77 million (prior-year period: -€992 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 six months of 2023, non-operating tax income of -€776 million (prior-year period: -€2,031 million income) resulted particularly from the measurement of deferred tax items. The operating tax expense amounted to €1,041 million (prior-year period: -€134 million income), resulting in an operating tax rate of 29.5% (prior-year period: 21.8%).

Reconciliation of Income/Loss before Financial Results and Taxes

Unadjusted earnings before interest and taxes (EBIT) represents the Uniper Group's income/loss before financial results and taxes in accordance with IFRS, taking into account the net income/loss from equity investments.

In order to increase its meaningfulness as an indicator of the operating performance of Uniper's business, EBIT is adjusted for certain non-operating effects to produce a reliable adjusted EBIT measure, which is used for internal management control purposes.

The non-operating effects on earnings for which EBIT is adjusted include gains and losses from the fair value measurement of derivative financial instruments used in hedges, as well as certain effects resulting from the measurement of physically settled contracts within the scope of IFRS 9, which are measured at the market price at physical settlement instead of the contractually hedged price. Additionally, certain book gains/losses, expenses for (and income from) restructuring and cost-management programs and impairment charges/reversals on non-current assets, on companies accounted for under the equity method and other long-term financial assets and on goodwill in the context of impairment tests, as well as other contributions to non-operating earnings, are eliminated.

The financial performance indicators adjusted EBIT and adjusted net income, as well as the respective reconciliations of income/loss before financial results and taxes to adjusted EBIT and adjusted net income within the Uniper Group, are described in detail in the Combined Management Report for the 2022 fiscal year.

The reported net income before financial results and taxes of €9,786 million (prior-year period: -€12,982 million) is adjusted for non-operating effects totaling -€6,081 million (prior-year period: €12,225 million) and, in addition, reduced by net income from equity investments of €4 million (prior-year period: €1 million decrease) to produce adjusted EBIT of €3,701 million (prior-year period: -€757 million).

The bottom line in the table below shows the detailed reconciliation of income/loss before financial results and taxes in accordance with IFRS to adjusted EBIT, and additionally provides an overview of what items are affected by non-operating adjustments:

Matrix for Reconciliation of Income/Loss before Financial Results and Taxes 2023[1]

		Adjustments of items of income/loss before financial results and taxes to adjusted EBIT								
January 1–June 30 € in millions	**Income statement items**	**Net book gains (-) / losses (+)**	**FV measure-ment of deriv-atives**	**Adj. of reve-nues and cost of materials**	**Restruc-turing[2]**	**Misc. other non-op. earnings**	**Impair-ment charges/ reversals[3]**	**Total adjust-ments**	**Income from equity invest-ments[4]**	**Components of adjusted EBIT**
Sales including electricity and energy taxes	54,565	–	–	12,438	–	–	–	12,438	–	67,003
Electricity and energy taxes	-90	–	–	–	–	–	–	–	–	-90
Sales	**54,475**	**–**	**–**	**12,438**	**–**	**–**	**–**	**12,438**	**–**	**66,913**
Changes in inventories (finished goods and work in progress)	-14	–	–	–	–	–	–	–	–	-14
Own work capitalized	35	–	–	–	–	–	–	–	–	35
Other operating income	59,494	-26	-50,172	–	-	-60	-11	-50,269	–	9,224
Cost of materials	-52,202	–	–	-9,029	–	137	–	-8,892	–	-61,095
Personnel costs	-488	–	–	–	31	1	–	31	–	-457
Depreciation, amortization and impairment charges	-1,250	–	–	–	–	–	882	882	–	-368
Other operating expenses	-50,284	5	39,427	–	-	298	–	39,730	–	-10,554
For informational purposes: Subtotal of adjusted EBIT components before income from equity-method accounting and from equity investments	N/A	–	–	–	–	–	–	–	–	3,684
Income from companies accounted for under the equity method	20	–	–	–	–	–	–	–	–	20
For calculation purposes: Income from equity investments[4]	N/A	–	–	–	–	–	–	–	–4	–4
Reconciliation of income/loss before financial results and taxes to adjusted EBIT (summarized)	**9,786**	**–20**	**-10,746**	**3,408**	**30**	**376**	**871**	**-6,081**	**–4**	**3,701**

[1]Owing to the adjustments made, the earnings items shown here may differ from the figures determined in accordance with IFRS. A reconciliation of income/loss before financial results and taxes prepared in compliance with the Guidelines on Alternative Performance Measures published by the European Securities Markets Authority (ESMA) is provided in the notes to the IFRS interim and consolidated financial statements.

[2]Expenses for (and income from) restructuring and cost management in the Global Commodities segment included depreciation and amortization of €0 million in the first half of 2023 (first half of 2022: €0.5 million).

[3]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular and event-specific impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals may differ from the depreciation, amortization and impairment charges reported in the income statement, since the two items may also include impairment charges on companies accounted for under the equity method and other financial assets; in addition, a small portion may also be included in restructuring/cost-management expenses and in miscellaneous other non-operating earnings.

[4]In the income statement according to IFRS, income from equity investments is part of financial results, which are not shown in this matrix, and is added as a component of adjusted EBIT. The presentation within the items of the income statement that make up income/loss before financial results and taxes is used in this matrix solely to determine adjusted EBIT.

Matrix for Reconciliation of Income/Loss before Financial Results and Taxes 2022[1 2]

		Adjustments of items of income/loss before financial results and taxes to adjusted EBIT								
January 1–June 30 € in millions	**Income statement items**	**Net book gains (-) / losses (+)**	**FV measure-ment of deriv-atives**	**Adj. of reve-nues and cost of materials**	**Restruc-turing[3]**	**Misc. other non-op. earnings**	**Impair-ment charges/ reversals[4]**	**Total adjust-ments**	**Income from equity invest-ments[5]**	**Components of adjusted EBIT**
Sales including electricity and energy taxes	118,850	–	–	-41,300	–	–	–	-41,300	–	77,550
Electricity and energy taxes	-119	–	–	–	–	–	–	0	–	-119
Sales	**118,731**	**–**	**–**	**-41,300**	**–**	**–**	**–**	**-41,300**	**–**	**77,431**
Changes in inventories (finished goods and work in progress)	52	–	–	–	–	–	–	0	–	52
Own work capitalized	34	–	–	–	–	–	–	0	–	34
Other operating income	125,686	-2	-113,171	–	-1	-86	-593	-113,853	–	11,833
Cost of materials	-116,508	–	–	38,273	–	-75	–	38,198	–	-78,310
Personnel costs	-439	–	–	–	-3	3	–	–	–	-439
Depreciation, amortization and impairment charges	-1,847	–	–	–		–	1,474	1,474	–	-373
Other operating expenses	-138,713	1	127,565	–	-6	144	–	127,704	–	-11,009
For informational purposes: Subtotal of adjusted EBIT components before income from equity-method accounting and from equity investments	N/A	–	–	–	–	–	–	0	–	-781
Income from companies accounted for under the equity method	22	–	–	–	–	–	–	0	–	22
For calculation purposes: Income from equity investments[5]	N/A	–	–	–	–	–	–	–	-	-
Reconciliation of income/loss before financial results and taxes to adjusted EBIT (summarized)	**-12,982**	**-1**	**14,395**	**-3,027**	**-9**	**-14**	**882**	**12,225**	**-**	**-757**

[1]Owing to the adjustments made, the earnings items shown here may differ from the figures determined in accordance with IFRS. A reconciliation of income/loss before financial results and taxes prepared in compliance with the Guidelines on Alternative Performance Measures published by the European Securities Markets Authority (ESMA) is provided in the notes to the IFRS interim and consolidated financial statements.
[2]Prior-year figures have been adjusted due to the classification of the Russian Power Generation business area as discontinued operations in 2022.
[3]Expenses for (and income from) restructuring and cost management in the Global Commodities segment included depreciation and amortization of €0.5 million in the first half of 2022 (first half of 2021: €2 million).
[4]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals differs from the depreciation, amortization and impairment charges reported in the income statement, since the two items also include impairment charges on companies accounted for under the equity method and other financial assets; in addition, a small portion is included in restructuring/cost-management expenses and in miscellaneous other non-operating earnings.
[5]In the income statement according to IFRS, income from equity investments is part of financial results, which are not shown in this matrix, and is added as a component of adjusted EBIT. The presentation within the items of the income statement that make up income/loss before financial results and taxes is used in this matrix solely to determine adjusted EBIT.

The net book gain of €20 million in the first half of 2023 is primarily attributable to the disposal of the equity interest in Uniper Energy DMCC (prior-year period: net gain of €1 million on the disposal of property, plant and equipment).

The fair value measurement of derivatives used to hedge the operating business against price fluctuations resulted in a net non-operating gain of €10,746 million in the first six months of 2023, due to changed market values in connection with decreased commodity prices in all the forward markets relevant to Uniper (prior-year period: net non-operating loss of €14,395 million). Whereas the derivatives are subject to “mark-to-market” (i.e., fair value) accounting, the corresponding possible appreciation of the hedged underlying assets is initially limited to their cost, and additional gains may not be recognized until they are realized. This measurement inconsistency is neutralized accordingly within the adjusted EBIT and adjusted net income measures, in order to better reflect Uniper’s operating performance.

This item also includes the change in provisions for onerous contracts originally recognized for non-operating effects that are not within the scope of IFRS 9 and are therefore not measured at fair value. The provision for anticipated losses from increased procurement costs for electricity sales contracts due to changes in forward prices was reduced by roughly €1.2 billion and was reversed in full (prior-year period: addition of €3.6 billion). A provision for onerous contracts covering particularly the added cost of procuring replacement volumes for completely halted Russian gas supplies, was reversed in the amount of roughly €5.7 billion (prior-year period: addition of €2.4 billion).

Revenues and cost of materials for physically settled commodity derivatives (contracts that are accounted for under IFRS 9 (failed own-use contracts)) were adjusted for the difference between the spot prices relevant pursuant to IFRS and the contract prices relevant from the management perspective by a net expense of €3,408 million in the first half of 2023 (prior-year period: net income of €3,027 million).

In the first half of 2023, restructuring and cost-management expenses/income changed by €39 million relative to the prior-year period. The expenses amounted to €30 million in the first half of 2023 (prior-year period: €9 million income) and related primarily to personnel costs incurred in connection with the coal phase-out plan in the United Kingdom.

An expense of €376 million was recorded under miscellaneous other non-operating earnings in the first half of 2023 (prior-year period: income of €14 million). The change comprises net expenses of €240 million (prior-year period: €56 million) for adjustments of provisions recognized for non-operating effects in the Global Commodities segment and expenses of €94 million from temporary reductions of current assets in the Global Commodities segment. It additionally includes expenses of €51 million from offsetting an insurance settlement in the European Generation segment (prior-year period: €59 million income).

A net loss of €871 million (prior-year period: net loss of €882 million) from the aggregation of non-operating impairment charges and reversals was recognized in the reporting period. As in the prior-year period, the impairments related to power plants in the European Generation segment in the first half of 2023. In the prior-year period, this item additionally included the write-down to zero of goodwill in the Global Commodities segment. Reversals of impairment losses recognized in previous years related to the European Generation segment in the first six months of 2023 (prior-year period: European Generation and Global Commodities).

Adjusted EBIT

Adjusted EBIT, a measure of earnings before interest and taxes adjusted for non-operating effects, is the key measure 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 half of 2023 and the first half of 2022, broken down by segment (including the Administration/Consolidation reconciliation item):

Adjusted EBIT[1]

January 1–June 30 **€ in millions**	**2023**	**2022**	**+/- %**
European Generation	1,465	-217	774.5
Global Commodities	2,349	-174	1,448.3
Administration/Consolidation	-114	-365	68.9
Total	**3,701**	**-757**	**588.9**

[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 an exceptionally high level which is due in particular to earnings contributions from successful hedging transactions by hedging higher sales prices in the fossil trading margin area. The return of the Heyden 4 hard-coal-fired power plant to commercial operation and the absence of previously imposed government generation restrictions for the Maasvlakte power plant 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. Furthermore, 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

Adjusted EBIT in the Global Commodities segment improved significantly compared with the prior-year period. Following significantly negative earnings in the prior-year period, the increase is mainly attributable to the absence of losses from replacement procurement costs and to the operating gas business, which continues to be affected by the exceptional price developments of previous years and their consequences. In addition, there was an increase in earnings in the gas business due to portfolio optimization. The increase in earnings from the international portfolio is mainly attributable to successful LNG trading activities. 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 realized 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 complete 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. In the first half of 2023, no further cumulative additional replacement procurement costs were incurred. Instead, Uniper achieved cumulative lower costs, i.e. profits, for the procurement of replacement gas volumes of around €1.2 billion in the first half of 2023 (prior-year period: additional costs of around €0.5 billion).

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

The Uniper Group uses adjusted net income as an additional internal management indicator and as a further key indicator of the profitability of its operations after taxes and after financial results – one that also takes into account important income and expense components that are not included in adjusted EBIT but aggregated as an economic interest and tax result – for determining the variable compensation of the Board of Management and of all management personnel, as well as that of all non-pay-scale and pay-scale employees.

Unadjusted net income is earnings after financial results and income taxes. To focus this indicator on the operating business and increase its meaningfulness, unadjusted net income is adjusted for certain non-operating effects.

Adjusted EBIT is the starting point for further adjustments, and it is adjusted for certain non-operating items:

- Net non-operating interest income
- Other financial results
- Income taxes on non-operating earnings
- Non-controlling interests in non-operating earnings

Reconciliation to Adjusted Net Income[1]

January 1–June 30 € in millions	2023	2022
Income/Loss before financial results and taxes	**9,786**	**-12,982**
Net income/loss from equity investments	-4	–
EBIT	**9,782**	**-12,982**
Non-operating adjustments	-6,081	12,225
Adjusted EBIT	**3,701**	**-757**
Interest income/expense and other financial results	*-73*	*-993*
Non-operating interest expense and negative other financial results (+) / interest income and positive other financial results (-)	*-93*	*1,135*
Operating interest income/expense and other financial results	-165	143
Income taxes	*-266*	*2,164*
Expense (+) / Income (-) resulting from income taxes on non-operating earnings	*-776*	*-2,031*
Income taxes on operating earnings	-1,041	134
Less non-controlling interests in operating earnings	-6	-9
Adjusted net income[1]	**2,487**	**-490**

[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 €93 million was adjusted for in total (prior-year period: €1,135 million expense).

Operating net interest income developed negatively compared with the prior-year period. This development resulted from time value of money effects in the measurement of non-current provisions in the prior-year period, primarily in Hydro, and from higher interest expenses than in the prior-year period due to the increased financing volume. It was partly offset by higher interest income from forward transactions (margining).

In the first six months of 2023, non-operating tax income of -€776 million (prior-year period: -€2,031 million income) resulted particularly from the measurement of deferred tax items. The operating tax expense amounted to €1,041 million (prior-year period: -€134 million income), resulting in an operating tax rate of 29.5% (prior-year period: 21.8%).

Adjusted net income for the first six months of 2023 amounted to €2,487 million, a year-over-year increase of €2,977 million (prior-year period: -€490 million).

Financial Condition

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	Jun. 30, 2023	Dec. 31, 2022
(+) Financial liabilities and liabilities from leases	4,936	11,575
(+) Commercial paper	*110*	–
(+) Liabilities to banks	*3,220*	*8,627*
(+) Lease liabilities	*666*	*690*
(+) Margining liabilities	*579*	*1,890*
(+) Liabilities from shareholder loans towards co-shareholders	*307*	*329*
(+) Other financing	*54*	*40*
(-) Cash and cash equivalents	4,927	4,591
(-) Current securities	43	43
(-) Non-current securities	100	95
(-) Margining receivables	3,632	6,217
Net financial position	**-3,767**	**629**
(+) Provisions for pensions and similar obligations	481	537
(+) Provisions for asset retirement obligations	1,792	1,882
(+) Other asset retirement obligations	*703*	*679*
(+) Asset retirement obligations for Swedish nuclear power plants	*3,182*	*3,424*
(-) Receivables from the Swedish Nuclear Waste Fund recognized on the balance sheet	*2,092*	*2,221*
Economic net debt (+)/Net cash position (-)	**-1,493**	**3,049**
(-) For informational purposes: Receivables from the Swedish Nuclear Waste Fund (KAF) ineligible for capitalization[1]	–	–
For informational purposes: Fundamental economic net debt (+)/ Fundamental net cash position (-)	**-1,493**	**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 June 30, 2023, the net financial position amounted to -€3,767 million and thus improved by €4,396 million from year-end 2022 (€629 million). This change resulted mainly from the positive operating cash flow (€4,259 million) and inflows for divestments (€197 million) reduced by the outflows for investments (-€240 million).

Within the net financial position, the KfW credit facility was used in the amount of €2,000 million as of June 30, 2023, which was €4,000 million below the usage at the end of 2022. The usage of the existing revolving credit facility with banks amounted to €1,100 million as of June 30, 2023, which was €700 million below the usage at the end of 2022. Furthermore, promissory notes of €550 million have been repaid. Margining receivables decreased by €2,585 million to €3,632 million (December 31, 2022: €6,217 million) and also margining liabilities decreased by €1,311 million to €579 million (December 31, 2022: €1,890 million).

Economic net debt fell by €4,542 million to a net cash position of €1,493 million as of June 30, 2023, following the improvement 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 €1,792 million as of June 30, 2023. This decrease was mainly caused by FX effects and usages of provisions for asset retirement obligations in the Swedish nuclear sector. As an offsetting effect, the market value of the KAF refund claim decreased and the other asset retirement obligations increased mainly due to interest rate and foreign exchange effects.

Provisions for pensions and similar obligations decreased by €56 million to €481 million (December 31, 2022: €537 million). This development was caused by an increase in interest rates in Germany and in the UK in the first half of 2023 relative to year-end 2022. As the fair value of plan assets rose slightly compared with year-end 2022, the two developments taken together resulted in overall lower provisions for pensions and similar obligations for the first half of 2023.

Effective January 1, 2023, Uniper introduced a new occupational retirement pension system: a "pure" defined contribution plan. When it was implemented, existing employees covered by existing benefit plans were given the option in the second quarter of 2023 to have future contributions paid into this pure defined contribution plan effective July 1, 2023. However, the additional measurement associated with this event had no material influence on the provisions for pensions and similar obligations.

Investments

Investments[1]

January 1–June 30 € in millions	2023	2022
Investments		
European Generation	*169*	*135*
Global Commodities	*63*	*27*
Administration/Consolidation	*8*	*15*
Total	**240**	**177**
Growth	*74*	*39*
Maintenance and replacement	*166*	*139*

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

The increase in the Uniper Group's investment spending resulted mainly from significantly higher growth, repair and maintenance investments. The investments break down by segment as follows:

The year-over-year increase of €34 million in investments in the European Generation segment in the first half of 2023 was primarily due to the receipt of an insurance settlement for the Datteln 4 hard-coal-fired power plant, which had a reducing effect in the first half of 2022.

In the Global Commodities segment, investments were up €36 million from the prior-year level, primarily due to maintenance investments in the storage business and higher growth investments, particularly for the LNG terminal in Wilhelmshaven.

In the Administration/Consolidation segment, investments were down €7 million from the prior-year level and related to investments in IT projects, among others.

Cash Flow

Cash Flow from Continuing Operations[1]

January 1–June 30 € in millions	2023	2022
Cash provided by operating activities of continuing operations (operating cash flow)	**4,259**	**-2,427**
Cash provided by investing activities of continuing operations	**2,671**	**297**
Cash provided by financing activities of continuing operations	**-6,679**	**2,006**

[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 €6,686 million in the first six months of 2023 to a cash inflow of €4,259 million (prior-year period: cash outflow of €2,427 million). Aside from successful operational developments, operating cash flow was enhanced by positive changes in working capital, especially inventories, that resulted primarily from price decreases in the commodity markets. 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]

January 1–June 30 € in millions	2023	2022	+/-
Operating cash flow of continuing operations	**4,259**	**-2,427**	**6,686**
Interest payments and receipts	170	57	114
Income tax payments (+) / refunds (-)	210	136	74
Operating cash flow of continuing operations before interest and taxes	**4,640**	**-2,234**	**6,874**

[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 increased by €2,374 million, from a cash inflow of €297 million in the prior-year period to a cash inflow of €2,671 million in the first six 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 €2,308 million year over year in the first six months of 2023. Where there had been a cash inflow of €290 million in the prior-year period, there was a cash inflow of €2,598 million in the first half of 2023. Compared with the prior-year period (€177 million), cash payments for investments in intangible assets, in property, plant and equipment, and in equity investments increased by €63 million, to €240 million. Cash proceeds from disposals increased by €92 million, from a cash inflow of €105 million in the prior-year period to a cash inflow of €197 million in the first half of 2023.

Cash Flow from Financing Activities of Continuing Operations

In the first six months of 2023, cash provided by financing activities of continuing operations amounted to -€6,679 million (prior-year period: cash inflow of €2,006 million). The decrease in margin deposits received for futures and forward transactions led to a cash outflow of €1,321 million (prior-year period: cash inflow of €2,030 million) and decreased margining liabilities accordingly. During the first half 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 €4 billion were repaid later in the first half of 2023, leaving an amount of €2 billion in loans outstanding under the KfW credit facility as of June 30, 2023. In addition, promissory notes totaling €550 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. The issuance of new commercial paper in the first six months of 2023 produced an offsetting cash inflow of €110 million (prior-year period: cash outflow of €1,425 million). Repayments of lease liabilities in the amount of €48 million (prior-year period: €52 million) led to a reduction of liquid funds.

Assets

Consolidated Assets, Liabilities and Equity

€ in millions	Jun. 30, 2023	Dec. 31, 2022
Non-current assets	24,260	57,657
Current assets	45,024	63,820
Total assets	**69,284**	**121,477**
Equity	13,668	4,422
Non-current liabilities	18,108	59,611
Current liabilities	37,508	57,443
Total equity and liabilities	**69,284**	**121,477**

The decrease in non-current assets was caused in large part by the valuation-related decrease of €31,615 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 €9,002 million. The change in the carrying amount of property, plant and equipment and rights of use of €1,279 million, from €9,228 million to €7,949 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 six months of the 2023 fiscal year related primarily to the European Generation segment.

As with non-current assets, the main cause of the decrease in current assets was the valuation-related decrease in receivables from derivative financial instruments, which fell by €10,010 million, from €36,198 million to €26,187 million. Receivables from posted collateral for commodity forward transactions also declined by €2,585 million, from €6,217 million to €3,632 million. There also was a decrease of €4,459 million in trade receivables, which fell from €9,560 million to €5,101 million.

Equity as of June 30, 2023, rose by €9,246 million from its level on December 31, 2022, to €13,668 million, due primarily to the consolidated net income of €9,443 million (of which a contribution of €21 million is attributable to non-controlling interests). Net income was strongly influenced by reduced commodity prices and by the reversal of provisions for possible further losses arising from procurement of replacement volumes in the future.

Non-current liabilities as of June 30, 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 €37,266 million, from €45,737 million to €8,471 million, as a result of lower forward prices in the commodity markets. Similarly, non-current miscellaneous provisions decreased by €2,604 million, from €7,732 million to €5,128 million. This decline is mainly due to the complete reversal of a non-current provision for expected losses in the gas portfolio recognized in the previous year following the complete discontinuation of gas deliveries from Russia with continuing obligations to customers, and to the complete reversal of a provision for expected losses from electricity sales contracts for which the own-use exemption under IFRS 9 is applied. The latter provision was reversed due to lower market prices. Non-current financial liabilities and liabilities from leases decreased by €1,790 million, mainly due to a reclassification of the revolving credit facility (RCF) to current liabilities. In addition, existing promissory notes in the amount of €550 million were repaid.

The decrease in current liabilities is due to the reduction in miscellaneous provisions, the repayment of current financial liabilities, the decrease in liabilities from derivative financial instruments and the reduction in trade payables. The €5,469 million decline in miscellaneous provisions, from €7,049 million to €1,579 million, is mainly due to the reversal of a current provision for expected losses in the gas portfolio recognized in the previous year following the complete discontinuation of gas deliveries from Russia with continuing obligations to customers and to the reversal of a provision for expected losses from electricity sales contracts for which the own-use exemption under IFRS 9 is applied. The latter provision was reversed due to lower market prices. Current financial liabilities and liabilities from leases decreased by €4,850 million from €8,878 million to €4,028 million, due mainly to lower utilization of the KfW credit facility compared with December 31, 2022. Under this credit facility, loans with a total volume of €2 billion were outstanding as of June 30, 2023, which Uniper plans to repay in full within the next 12 months. At the same time, however, Uniper has the option to use the funds according to its financial requirements and not to repay them until after more than 12 months. In view of the reduced risks – in particular no further losses from replacement gas procurement are foreseeable – the financing facility with KfW was reduced early from €16.5 billion to €11.5 billion as of June 30, 2023. The reclassification of the RCF in the amount of €1.1 billion to current financial liabilities increased these liabilities. This was necessary because Uniper now also plans to repay the RCF in full within the next 12 months, but at the same time also has the option to use these funds according to its financial requirements and not to repay them until after more than 12 months. Trade accounts payable decreased by €4,586 million, from €9,359 million to €4,772 million. Liabilities from derivative financial instruments also continued to decline, falling by €4,839 million from €30,608 million to €25,769 million.

Human Resources

Employees[1]

	Jun. 30, 2023	Dec. 31, 2022	+/- %
European Generation	4,173	4,456	-6.4
Global Commodities	1,409	1,419	-0.7
Administration/Consolidation	1,142	1,133	0.8
Total	**6,724**	**7,008**	**-4.1**

[1]Figures do not include members of the Board of Management, managing directors, apprentices, work-study students and interns.

On June 30, 2023, the Uniper Group had 6,724 employees, 137 apprentices and 137 work-study students and interns worldwide. The workforce thus decreased by 4.1% compared with December 31, 2022.

The number of employees in the European Generation segment as of June 30, 2023, is noticeably below the figure for December 31, 2022, due to the fundamental restructuring of the engineering business.

The headcount in the Global Commodities segment is at the level as at the end of 2022.

The employee headcount in Administration/Consolidation is also at the previous year's level.

At 33.9% as of June 30, 2023, the proportion of employees working outside Germany, numbering 2,280, remained stable compared with the end of fiscal 2022.

Risk and Chances Report

The risk management system of the Uniper Group, as well as the measures taken to manage risks and chances across the Uniper Group, are described in detail in the Combined Management Report for the 2022 fiscal year.

Risk and Chances Profile of the Uniper Group

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 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 2022 Combined Management Report.

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

Although the complete stop of gas deliveries from Gazprom to Uniper continued in the first half of the year and the development of the war in Ukraine, including possible effects on the geopolitical situation, remains unpredictable, the Uniper Group's risk and chances profile as of June 30, 2023, continued to improve significantly compared to the situation as of December 31, 2022. The main factors influencing this were an increasing normalization of prices and volatilities on the commodity markets and the almost complete hedging of the risk from gas supply curtailments through forward contracts.

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 Risks
In the first half of the 2023 fiscal year, Gazprom maintained the complete supply interruption for all Uniper contracts. Uniper has now completely hedged the associated gas supply obligations to customers for the years 2023 and 2024, including through forward contracts during the second quarter of 2023. As a result, the previously existing major individual risk from the incremental cost of procuring replacement volumes was effectively mitigated. Consequently, the assessment class for the worst case in the Political and Regulatory Risks/Chances category was lowered from major to significant as of June 30, 2023. As the cost of procuring replacement volumes can now also no longer be lower than planned, the assessment class for the best case has been reduced from major to moderate.

Rating Downgrade Risk
The Uniper Group is exposed to a liquidity risk in the event of a downgrade of its long-term credit rating. A potential downgrade would give counterparties the right to demand additional collateral from Uniper, which would have to be provided in the form of cash or bank guarantees. Considering that Uniper does not expect any further losses from the replacement of gas volumes related to Russian curtailments, S&P affirmed Uniper's long-term rating at BBB- on June 19, 2023, and revised the outlook from negative to stable. With the stabilization of the outlook, the likelihood of a rating downgrade and associated collateral posting has decreased. In addition, the worst-case impact of the risk has decreased due to the reduction of commodity price levels, but still qualifies as a major individual risk.

Risks and Chances from Possible Excess Compensation Received via Stabilization Measure
The European Commission's approval of the granting of state aid requires Uniper to repay any potential excess compensation received as a result of the stabilization measure. The amount of any excess compensation received may fluctuate due to future operating profits or losses, which generally have an impact on liquidity, but also due to non-cash effects (e.g., impairments or reversal of impairments). For the Group's liquidity this results in a major individual risk at the reporting date in the worst case and a major individual chance in the best case.

Commodity Price Risks and Chances
Due to the normalization of prices and volatilities on the commodity markets, risk and chance potentials for Uniper's commodity portfolio have decreased, which led to a decrease in the assessment class of the Commodity Price Chances category from major to moderate compared to the end of the prior year.

Credit Risk
The credit risks to which the Uniper Group is exposed from the non-fulfillment or partial fulfillment of existing receivables by counterparties and from replacement risks in connection with yet to be delivered transactions decreased significantly at the end of the first half of 2023 due to lower commodity prices. Compared with the end of the previous year, this resulted in a decrease in the assessment class of the Credit Risk category 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 shut-down in June 2022. Since February Uniper started to receive some of the planned LNG deliveries again, with increasing volumes during the course of the first quarter. In the second quarter of 2023, deliveries were slightly above the planned volume. However, Uniper sees a residual risk of future delivery shortfalls, which may have to be replaced at a higher price. This residual risk, however, does no longer qualify as 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.

Risks and Chances from Asset Operations
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.

Also due to the normalization of prices on the commodity markets, the risk of non-insurability of property damage and business interruptions at the Uniper Group's power generation facilities no longer qualifies as a major individual risk.

Furthermore, at the end of the first half of the fiscal year, there are increased chances due to possible insurance recoveries for property damage and business interruptions of technical plants that occurred in the past, as a result of which the assessment class of the Chances from Asset Operations category improved from none to moderate.

Datteln 4: Permitting Risk
At the end of the first quarter of 2023, an impairment test was conducted for the Datteln 4 power plant, which remains valid until June 30, 2023. 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 curtailments and other risks on the net assets, liquidity and earnings of the Uniper Group, thereby safeguarding Uniper's financial stability and investment-grade rating.

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, a further roughly €20 billion of Authorized Capital 2022 would have been available to cover possible future incremental costs for the years 2023 and 2024.

In addition, at the beginning of 2023, KfW and Uniper successfully restructured the existing credit facility to secure Uniper's liquidity, while maintaining the guarantee provided by the German state (signed on February 10, 2023). The new facility volume of €16.5 billion in total is spread across three different maturity dates between the second quarter of 2024 and the third quarter of 2026.

Regarding the Russian gas supply curtailments, however, Uniper now no longer expects any incremental cost of procuring replacement volumes of gas for the years 2023 and 2024 overall. Uniper almost effectively hedged its natural gas supply obligations to municipal utilities and industrial customers for this period during the second quarter of 2023 through instruments including forward contracts.

These financing measures and hedging activities significantly improved the Uniper Group's risk-bearing capacity relative to the previous year, and the hedging has eliminated the need for further capital increases by the German state. At the same time, the KfW credit facility was reduced early to €11.5 billion as of June 30, 2023. On June 19, 2023, S&P affirmed Uniper's long-term issuer credit rating at BBB- and revised the outlook from negative to stable.

The temporarily negative equity in the course of 2022 has also recovered, is positive and is capable of bearing the earnings risks.

Alongside these overriding conditions, Uniper conducted a comprehensive analysis of the effects that the material changes in the risk and chances profile described previously have on the Group as of June 30, 2023. On this basis, the Uniper Group's overall risk and chances situation has further improved significantly compared with year-end 2022. 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 associated with events or conditions that, individually or collectively, could cast significant doubt on Uniper's ability to continue as a going concern.

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. PAO Unipro was classified as discontinued operations and then deconsolidated effective December 31, 2022, and therefore all comparative figures from the first half of 2022 exclude Unipro.

Uniper's decarbonization strategy aims to steer 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. Decarbonization targets will be reviewed as part of strategy development toward a more ambitious interim target of at least 55% reduction in CO_2e emissions (Scope 1 and 2) in Uniper's European power generation portfolio by 2030 compared with 2019.

Uniper's direct CO_2 emissions, from the combustion of fossil fuels for power and heat generation, totaled 9.3 million metric tons in the first half of 2023 (previous year period: 11.8 million metric tons). The decrease is mainly due a reduction in output from some of Uniper's coal-fired power plants in the UK and Germany in the first half of 2023. This is a result of less favorable market conditions for coal-fired power generation than in the first half of 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 six months of 2023 was 2.98 (prior-year period: 2.32). The increase is a result of a higher number of recordable incidents in the coal-fired power generation fleet and the German hydroelectric power generation fleet. The majority of recordable incidents occurred in Germany. To further reduce the combined TRIF to meet the 2025 target, Uniper continues to focus on the influence of leadership on Uniper's safety performance.

Dedicated safety leadership training and the development of fleet-specific improvement plans began in 2022 and were continued in the first half of 2023. A new concept and strategy on how to systematically share and implement good practice across Uniper is currently being developed.

Uniper's HSSE & Sustainability Improvement Plan (IP) provides a structure for driving HSSE- and sustainability-related improvements across Uniper through performance indicators and targets. The focus of the 2023 IP is on supporting the physical and mental health of Uniper's employees. Under the IP, Uniper leadership has been incentivized 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 half of 2023, HSSE&S Care Moments were regularly discussed in various meeting forums by a number of Uniper business functions, and selected health topics under the Uniper Health Month were promoted. As a result of these activities, the degree of implementation of the Improvement Plan as of June 2023 was assessed to be above the target level.

Providing an uninterrupted, reliable 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. In the first six months of 2023, the average availability factor of Uniper's gas- and coal-fired power plants was 71.0% (2022: 74.2%). The decrease is attributable to planned outage activities taking place in April, May and June 2023.

Outlook Report

Macroeconomic Situation

The global economy is showing tentative signs of improvement after global GDP growth slowed substantially throughout 2022 against the backdrop of the energy crisis caused by Russia's war in Ukraine. Several of the factors that have been weighing negatively are now unwinding. Inflation rates are falling again with lower energy costs and easing supply bottlenecks following the reopening of China's economy, which supports household income. Employment also remains strong, contributing to a projected recovery. Nevertheless, the recovery will be weak by past standards. The OECD currently projects global GDP growth to be 2.7% in 2023 and to 2.9% in 2024 – both well below the average growth rate in the decade preceding the COVID-19 pandemic. The German economy entered a recession in the winter of 2022/2023 from which has yet to escape. The OECD expects it to stagnate this year; the IMF even predicts a slightly negative full year 2023 growth rate in its latest outlook. Expectations for the UK and the Netherlands are slightly more positive, whereas in Sweden, where the real estate sector is in a severe crisis, a recession looks inevitable.

Although headline inflation is mostly declining thanks to lower energy prices, core inflation (i.e., inflation excluding food and energy) remains high, causing central banks to maintain restrictive monetary policies despite weak growth. The interest rate tightening has already revealed some vulnerabilities in financial markets. Rising debt-service burdens and the greater potential for loan defaults also raise credit risks going forward. Apart from that, the uncertain course of the Russian war against Ukraine presents the main risk to the outlook.

Earnings Outlook

Gazprom has been reducing Russian gas deliveries since June 14, 2022. After a period of interruptions of varying amounts, Gazprom completely suspended gas deliveries to Uniper as of the end of August 2022, putting the company in breach of its long-term gas supply contracts and making it an unreliable supplier for Uniper and the German gas market. There are also uncertainties regarding the future development of the geopolitical situation as well as the duration and scope of the Russian gas supply restrictions for 2023. Uniper has effectively hedged its gas supply obligations for this period through instruments including forward contracts. In view of the Russian gas supply curtailments, Uniper now does not expect any incremental cost from the replacement procurement of gas volumes for 2023 and 2024.

Against this backdrop and in the light of the strong operating business, Uniper now expects adjusted EBIT for the Uniper Group in 2023 to be significantly higher than in the 2022 fiscal year (-€10,859 million) in the positive mid-single-digit billion range.

For the individual operating segments, this means:

For the European Generation segment, Uniper expects adjusted EBIT in 2023 to be significantly higher than in the 2022 fiscal year (€741 million), due primarily to significantly higher earnings in fossil generation, in part because of successful hedging transactions. In addition, price effects in Swedish nuclear power and the hydroelectric business had a positive impact, with the result of the latter additionally benefiting from lower price divergences 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.

For the Global Commodities segment, Uniper expects adjusted EBIT in 2023 to be significantly higher than in the 2022 fiscal year (-€11,214 million) as a result of expected income from replacement purchases due to the discontinuation of Russian gas deliveries.

Uniper expects adjusted net income to be in the positive mid-single-digit range, and thus significantly higher than in the 2022 fiscal year (-€7,386 million), mainly as a result of expected lower expenditures for replacements due to the discontinuation of Russian gas deliveries and higher earnings from generation.

Outlook for Direct CO_2 Emissions (Scope 1)

The direct CO_2 emissions (Scope 1) are expected to be significantly below the prior-year level for the European Generation segment in 2023. Despite continuing requirements for security of supply and system stability in Europe, power generation from fossil energy sources is expected to be lower than last year (25.4 million metric tons CO_2) due to recent market developments, especially affecting the production from coal-fired plants in Germany and the Netherlands.

This forecast includes various 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 allowances that are relevant to the use, the actual technical availability of the thermal plants, and the actual customer demand.

Review Report

To Uniper SE, Düsseldorf

We have reviewed the condensed consolidated interim financial statements – comprising the income statement, statement of recognized income and expenses, balance sheet, cash flow statement, statement of changes in group equity and selected explanatory notes – and the interim group management report of Uniper SE, Düsseldorf, for the period from January 1 to June 30, 2023, which are part of the half-year financial report pursuant to § (Article) 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, July 31, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Aissata Touré
Wirtschaftsprüferin
(German Public Auditor)

Frank Schemann
Wirtschaftsprüfer
(German Public Auditor)

Condensed Consolidated Interim Financial Statements

Uniper Consolidated Statement of Income[1]

€ in millions	Note	April 1–June 30 2023	April 1–June 30 2022	January 1–June 30 2023	January 1–June 30 2022
Sales including electricity and energy taxes		20,318	50,313	54,565	118,850
Electricity and energy taxes		-53	-57	-90	-119
Sales	**(15)**	**20,266**	**50,257**	**54,475**	**118,731**
Changes in inventories (finished goods and work in progress)		-92	-40	-14	52
Own work capitalized		20	18	35	34
Other operating income	(15)	11,278	40,349	59,494	125,686
Cost of materials	(15)	-18,529	-49,794	-52,202	-116,508
Personnel costs		-261	-211	-488	-439
Depreciation, amortization and impairment charges	(6), (15)	-173	-1,503	-1,250	-1,847
Other operating expenses	(15)	-10,166	-49,731	-50,284	-138,713
Income from companies accounted for under the equity method	(7)	12	12	20	22
Income/Loss from continuing operations before financial results and taxes		**2,355**	**-10,643**	**9,786**	**-12,982**
Financial results	(4)	-15	25	-77	-992
Net income/loss from equity investments		*-4*		*-4*	–
Interest and similar income		*78*	*150*	*141*	*273*
Interest and similar expenses		*-114*	*-54*	*-302*	*-105*
Other financial results		*25*	*-72*	*88*	*-1,160*
Income taxes		359	1,385	-266	2,164
Net income/loss from continuing operations		**2,699**	**-9,232**	**9,443**	**-11,810**
Income/loss from discontinued operations		0	-31	–	-608
Net income/loss		**2,699**	**-9,263**	**9,443**	**-12,418**
Attributable to shareholders of Uniper SE		*2,692*	*-9,243*	*9,422*	*-12,345*
Attributable to non-controlling interests		*7*	*-20*	*21*	*-73*
€					
Earnings per share (attributable to shareholders of Uniper SE) – basic and diluted	**(5)**				
From continuing operations		0.32	-25.16	1.13	-32.13
From discontinued operations		0.00	-0.10	0.00	-1.60
From net income/loss		**0.32**	**-25.26**	**1.13**	**-33.73**

[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

	April 1–June 30		January 1–June 30	
€ in millions	**2023**	**2022**	**2023**	**2022**
Net income/loss	**2,699**	**-9,263**	**9,443**	**-12,418**
Remeasurements of equity investments	-46	114	-285	232
Remeasurements of defined benefit plans	-5	349	62	618
Remeasurements of defined benefit plans of companies accounted for under the equity method	–	–	5	2
Income taxes	1	-105	-20	-189
Items that will not be reclassified subsequently to the income statement	**-51**	**358**	**-238**	**663**
Cash flow hedges	–	572	–	-410
Unrealized changes	–	*96*	–	*-701*
Reclassification adjustments recognized in income	–	*476*	–	*291*
Currency translation adjustments	23	971	44	779
Unrealized changes	*27*	*971*	*48*	*779*
Reclassification adjustments recognized in income	*-3*	–	*-3*	–
Companies accounted for under the equity method	-2	-2	-1	-3
Unrealized changes	*-2*	*-2*	*-1*	*-3*
Reclassification adjustments recognized in income	–	–	–	–
Income taxes	–	-175	–	126
Items that might be reclassified subsequently to the income statement	**22**	**1,367**	**43**	**493**
Total income and expenses recognized directly in equity	**-29**	**1,725**	**-195**	**1,156**
Continuing operations	*-29*	*789*	*-195*	*400*
Discontinued operations	–	*936*	–	*756*
Total recognized income and expenses (total comprehensive income)	**2,670**	**-7,539**	**9,248**	**-11,262**
Attributable to shareholders of Uniper SE	*2,658*	*-7,673*	*9,221*	*-11,312*
Continuing operations	*2,658*	*-8,418*	*9,221*	*-11,359*
Discontinued operations	–	*745*	–	*47*
Attributable to non-controlling interests	*12*	*134*	*27*	*50*

Uniper Consolidated Balance Sheet

€ in millions	Note	Jun. 30, 2023	Dec. 31, 2022
Assets			
Intangible assets		671	687
Property, plant and equipment and right-of-use assets		7,949	9,228
Companies accounted for under the equity method	(7)	314	291
Other financial assets	(7)	818	1,137
Equity investments		*718*	*1,042*
Non-current securities		*100*	*95*
Financial receivables and other financial assets	(10)	2,634	2,694
Receivables from derivative financial instruments	(10)	9,002	40,617
Other operating assets and contract assets	(10)	237	227
Deferred tax assets		2,635	2,776
Non-current assets	**(15)**	**24,260**	**57,657**
Inventories		3,296	4,718
Financial receivables and other financial assets	(10)	3,884	6,422
Trade receivables	(10)	5,101	9,560
Receivables from derivative financial instruments	(10)	26,187	36,198
Other operating assets and contract assets	(10)	1,056	1,595
Income tax assets		151	55
Liquid funds		4,970	4,634
Assets held for sale	(3)	377	639
Current assets	**(15)**	**45,024**	**63,820**
Total assets		**69,284**	**121,477**

Uniper Consolidated Balance Sheet

€ in millions	Note	Jun. 30, 2023	Dec. 31, 2022
Equity and liabilities			
Capital stock	(8)	14,160	14,160
Additional paid-in capital	(8)	10,825	10,825
Retained earnings	(8)	-10,656	-19,840
Accumulated other comprehensive income		-880	-917
Equity attributable to shareholders of Uniper SE		**13,449**	**4,228**
Equity attributable to non-controlling interests		219	194
Equity	**(15)**	**13,668**	**4,422**
Financial liabilities and liabilities from leases	(10), (15)	907	2,697
Liabilities from derivative financial instruments	(10)	8,471	45,737
Other operating liabilities and contract liabilities	(10)	591	353
Provisions for pensions and similar obligations	(9)	481	537
Miscellaneous provisions		5,128	7,732
Deferred tax liabilities		2,530	2,555
Non-current liabilities	**(15)**	**18,108**	**59,611**
Financial liabilities and liabilities from leases	(10), (15)	4,028	8,878
Trade payables	(10)	4,772	9,359
Liabilities from derivative financial instruments	(10)	25,769	30,608
Other operating liabilities and contract liabilities	(10)	863	848
Income taxes		195	112
Miscellaneous provisions		1,579	7,049
Liabilities associated with assets held for sale	(3)	301	590
Current liabilities	**(15)**	**37,508**	**57,443**
Total equity and liabilities		**69,284**	**121,477**

Uniper Consolidated Statement of Cash Flows[1]

January 1–June 30 € in millions	2023	2022
Net income/loss	**9,443**	**-12,418**
Income/loss from discontinued operations	–	608
Depreciation, amortization and impairment of intangible assets, of property, plant and equipment, and of right-of-use assets	1,250	1,847
Changes in provisions	-7,875	4,610
Changes in deferred taxes	77	-2,172
Other non-cash income and expenses	70	554
Gain/Loss on disposal of intangible assets, property, plant and equipment, equity investments and securities (> 3 months)	-20	-80
Intangible assets and property, plant and equipment	*3*	*-81*
Equity investments	*–24*	*–*
Changes in operating assets and liabilities and in income taxes	1,315	4,625
Inventories	*1,566*	*-1,753*
Trade receivables	*4,469*	*3,619*
Other operating receivables and income tax assets	*41,889*	*-83,197*
Trade payables	*-965*	*1,320*
Other operating liabilities and income taxes	*-45,643*	*84,636*
Cash provided by operating activities of continuing operations (operating cash flow)	**4,259**	**-2,427**
Cash provided by discontinued operations	–	200
Cash provided by operating activities	**4,259**	**-2,227**
Proceeds from disposal of	197	99
Intangible assets and property, plant and equipment	*9*	*86*
Equity investments	*188*	*13*
Purchases of investments in	-240	-177
Intangible assets and property, plant and equipment	*-232*	*-170*
Equity investments	*-8*	*-8*
Proceeds from disposal of securities (> 3 months) and of financial receivables and fixed-term deposits	2,844	818
Purchases of securities (> 3 months) and of financial receivables and fixed-term deposits	-130	-442
Cash provided by investing activities of continuing operations	**2,671**	**297**
Cash provided by investing activities of discontinued operations	–	-21
Cash provided by investing activities	**2,671**	**276**
Cash proceeds arising from changes in capital structure	4	–
Cash payments arising from changes in capital structure	-7	–
Cash dividends paid to shareholders of Uniper SE	–	-26
Proceeds from new financial liabilities	6,112	3,701
Repayments of financial liabilities and reduction of outstanding lease liabilities	-12,789	-1,663
Cash provided by financing activities of continuing operations	**-6,679**	**2,006**
Cash provided by financing activities of discontinued operations	–	-40
Cash provided by financing activities	**-6,679**	**1,967**

Uniper Consolidated Statement of Cash Flows[1]

January 1–June 30 € in millions	2023	2022
Net increase/decrease in cash and cash equivalents	**251**	**16**
Effect of foreign exchange rates and other effects on cash and cash equivalents	18	89
Cash and cash equivalents at the beginning of the reporting period[2]	4,591	2,919
Cash and cash equivalents from disposal group	67	–
Cash and cash equivalents of deconsolidated companies	–	–
Cash and cash equivalents at the end of the reporting period[2]	**4,927**	**3,025**
Supplementary information on cash flows from operating activities		
Income tax payments	-210	-136
Interest paid	-278	-75
Interest received	108	18
Dividends received	1	4

[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.

Statement of Changes in Equity

€ in millions	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income that might be reclassified subsequently to the income statement: Currency translation adjustments	Cash flow hedges	Equity attributable to shareholders of Uniper SE	Non-controlling interests	Total
Balance as of January 1, 2022	**622**	**10,825**	**-1,388**	**-3,636**	**-120**	**6,303**	**485**	**6,788**
Capital increase								
Capital decrease							-6	-6
Dividends			-26			-26		-26
Total comprehensive income			-11,682	653	-283	-11,312	50	-11,262
Net income/loss			-12,345			-12,345	-73	-12,418
Other comprehensive income			663	653	-283	1,033	123	1,156
Remeasurements of defined benefit plans			431			431		431
Remeasurements of investments			232			232		232
Changes in accumulated other comprehensive income				653	-283	370	123	493
Balance as of June 30, 2022	**622**	**10,825**	**-13,095**	**-2,983**	**–403**	**-5,034**	**529**	**-4,505**
Balance as of January 1, 2023	**14,160**	**10,825**	**-19,840**	**-916**	**-1**	**4,228**	**194**	**4,422**
Capital increase							4	4
Capital decrease							-7	-7
Dividends								
Total comprehensive income			9,184	36	1	9,221	27	9,248
Net income/loss			9,422			9,422	21	9,443
Other comprehensive income			-238	36	1	-201	6	-195
Remeasurements of defined benefit plans			47			47		47
Remeasurements of investments			-285			-285	–	-285
Changes in accumulated other comprehensive income				36	1	37	6	43
Balance as of June 30, 2023	**14,160**	**10,825**	**-10,656**	**-880**	**0**	**13,449**	**219**	**13,668**

Notes to the Condensed Consolidated Interim Financial Statements

(1) General Information and Summary of Significant Accounting Policies

Significant Accounting Policies

The Interim Financial Statements for the six months ended June 30, 2023, have been prepared in accordance with those International Financial Reporting Standards (IFRS) and related interpretations of the IFRS Interpretations Committee (IFRS IC) effective and adopted for use in the European Union (EU).

These Interim Financial Statements prepared in accordance with IAS 34 are condensed relative to the reporting scope applied to the Consolidated Financial Statements for the full year. Apart from the new financial reporting standards and interpretations presented below that have been adopted by the EU into European law, the accounting policies and consolidation principles used were the same as those applied in the preparation of the Consolidated Financial Statements for the 2022 fiscal year. Further information, including information about the risk management system, is provided in Uniper's Consolidated Financial Statements for the year ended December 31, 2022, which serve as the basis for these Interim Financial Statements.

The Interim Financial Statements and the Consolidated Financial Statements of the Uniper Group are generally prepared based on amortized cost, with the exception of those other equity investments measured at fair value "through other comprehensive income" (changes in fair value recognized in equity), and of financial assets and liabilities (including derivative financial instruments) measured at fair value "through profit or loss" (changes in fair value recognized in income).

Currencies were translated at the following rates:

Currencies

		€1, rate at the reporting date	
	ISO Code	2023	2022
British pound	GBP	0.86	0.86
Russian ruble	RUB	N/A	56.40
Swedish krona	SEK	11.81	10.73
U.S. dollar	USD	1.09	1.04

Currencies

		€1, annual average rate	
January 1–June 30	ISO Code	2023	2022
British pound	GBP	0.88	0.84
Russian ruble	RUB	N/A	85.04
Swedish krona	SEK	11.33	10.48
U.S. dollar	USD	1.08	1.09

Provisions Applicable for the First Time in 2023

New Financial Reporting Standards and Interpretations

Standard/Interpretation		IASB/IFRS IC effective date	Endorsed by EU	Impact on Uniper
IFRS 17	Insurance Contracts	Jan. 1, 2023	Yes	None
Amendments to IFRS 17	Insurance Contracts	Jan. 1, 2023	Yes	None
Amendments to IFRS 17	First adoption of IFRS 17 and IFRS 9	Jan. 1, 2023	Yes	None
Amendments to IAS 1	Disclosure of Accounting Policies	Jan. 1, 2023	Yes	None
Amendments to IAS 8	Definition of Accounting Estimates	Jan. 1, 2023	Yes	None
Amendment to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	Jan. 1, 2023	Yes	None

Assumptions and Estimation Uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that may influence the application of accounting policies within the Uniper Group and affect the measurement and presentation of reported figures. Estimates are based on past experience and on additional knowledge obtained on transactions to be reported. Actual amounts may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period, or in the period of the revision and subsequent periods if both current and future periods are affected.

At Uniper, estimates are particularly necessary for the recognition and measurement of deferred tax assets, to account for pension provisions and miscellaneous provisions, for impairment testing, for the determination of the fair value of certain financial instruments, and to account for price-adjustment clauses contained in long-term contracts. As in previous years, income tax expense is determined based on the projected weighted average annual income tax rate for the full fiscal year.

The assumptions and estimates are fundamentally affected by developments in the geopolitical situation relating to Russia's war against Ukraine and, in particular, the curtailments of gas supplies by Gazprom since mid-June 2022, which initially varied in extent and finally culminated in the complete discontinuation of gas deliveries at the end of August 2022.

Some of the event-triggered impairment tests at the Group's cash-generating units for the first half of 2023 were based on the changed estimates and assumptions made centrally about underlying price expectations for the years 2023 through 2025. In addition, from the second quarter of 2023 forward, cash flow scenarios for gas supply curtailments by Gazprom and the associated uncertainties in terms of the cost of procuring replacement volumes were not applied after Uniper had almost effectively hedged its gas supply obligations through instruments including forward contracts. All other estimates made centrally were taken unchanged from the 2022 fiscal year. Further material estimates and uncertainties related to the measurement of individual derivative financial instruments.

Given the complete discontinuation of deliveries of gas, the gas supply contracts entered into with Gazprom have been measured at a fair value of zero since August 2022, with no change in the valuation as of year-end 2022.

Following its deconsolidation as of December 31, 2022, the shareholding in PAO Unipro is presented among other equity investments and measured at fair value through other comprehensive income in accordance with IFRS 9, with a carrying amount of €1, owing to the high degree of uncertainty regarding a sales price that can actually be achieved and enforced.

The items of the balance sheet and of the income statement that are affected by material estimates and uncertainties are presented in Note 6, Impairments, and Note 10, Additional Disclosures on Financial Instruments. A detailed description of the other provisions that are also affected is provided in Note 15, Summary of Significant Changes from the Previous Year.

There may be future effects on the Consolidated Financial Statements arising from more volatile commodity markets and, correspondingly, more volatile revenues and cost of materials at Uniper, as well as from interest rate adjustments in different countries, increased volatility in foreign exchange rates, a deterioration in creditworthiness, and customer defaults or arrears. These factors can affect the carrying amounts of assets and liabilities, the amount and timing of earnings recognition, as well as cash flows. Uniper is also required to post collateral for futures and forward transactions (especially margining receivables) for portfolio hedges that arise in the ordinary course of Uniper's business. The amount of these temporary collateral pledges is governed by, among other things, the amount of the derivative position affected by collateral pledges, commodity price levels and price volatility in the commodity markets.

It is reasonably possible that changes in estimates and assumptions will be necessary in the next fiscal year.

Going Concern

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 curtailments and other risks on the net assets, liquidity and earnings of the Uniper Group, thereby safeguarding Uniper's financial stability and investment-grade rating.

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, a further €20 billion of Authorized Capital 2022 would have been available to cover possible future incremental costs for the years 2023 and 2024.

In addition, at the beginning of 2023, KfW and Uniper successfully restructured the existing credit facility to secure Uniper's liquidity, while maintaining the guarantee provided by the German state (signed on February 10, 2023). The new facility volume of €16.5 billion in total is spread across three different maturity dates between the second quarter of 2024 and the third quarter of 2026.

Regarding the Russian gas supply curtailments, however, Uniper now no longer expects any incremental cost of procuring replacement volumes of gas for the years 2023 and 2024 overall. Uniper almost effectively hedged its natural gas supply obligations to municipal utilities and industrial customers for this period during the second quarter of 2023 through instruments including forward contracts.

These financing measures and hedging activities significantly improved the Uniper Group's risk-bearing capacity relative to the previous year, and the hedging has eliminated the need for further capital increases by the German state. At the same time, the KfW credit facility was reduced early to €11.5 billion as of June 30, 2023. On June 19, 2023, S&P affirmed Uniper's long-term issuer credit rating at BBB- and revised the outlook from negative to stable.

The temporarily negative equity in the course of 2022 has also recovered, is positive and is capable of bearing earnings risks.

Alongside these overriding conditions, Uniper conducted a comprehensive analysis of the effects that the material changes in the risk and chances profile described previously have on the Group as of June 30, 2023. On this basis, the Uniper Group's overall risk and chances situation has further improved significantly compared with year-end 2022. 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 associated with events or conditions that, individually or collectively, could cast significant doubt on Uniper's ability to continue as a going concern.

(2) Scope of Consolidation and Equity Investments

Scope of Consolidation

	Domestic	Foreign	Total
Consolidated companies as of January 1, 2023	**29**	**30**	**59**
Additions	1	1	2
Disposals/mergers	–	2	2
Consolidated companies as of June 30, 2023	**30**	**29**	**59**

As of June 30, 2023, a total of two domestic and five foreign associated companies were accounted for under the equity method (December 31, 2022: two domestic companies and five foreign companies).

(3) Disposals and Assets Held for Sale

Disposals and Assets Held for Sale in the First Half of 2023

On May 15, 2023, Uniper completed the sale of its 20% equity interest in BBL Company V.O.F. (BBL), the Dutch owner of a 235-kilometer gas interconnection linking the UK and the Netherlands. The joint venture partners Gasunie and Fluxys executed their preemption right earlier this year. Divestment of this non-strategic shareholding is part of the remedies Uniper must fulfill pursuant to the EU's state aid approval.

Held as a disposal group in the Global Commodities segment, the major asset and liability items as of the disposal date of these activities, which along with the BBL stake also include the intermediate holding company Uniper Ruhrgas BBL B.V., were non-current assets (€39 million) and current assets (€35 million), as well as liabilities (€1 million).

The transaction did not produce a gain or loss on disposal when it closed.

On May 31, 2023, Uniper completed the sale of 100% of the shares in its United Arab Emirates-based crude oil processing and marine fuel trading business (Uniper Energy DMCC) to a consortium of Montfort Group and the Private Office of His Highness Sheikh Ahmed Dalmook Al Maktoum, following the fulfillment of conditions precedent and the receipt of regulatory approvals. Divestment of this non-strategic shareholding is part of the remedies Uniper must fulfill pursuant to the EU's state aid approval.

The major asset and liability items of these activities held as a disposal group as of the disposal date were non-current assets (€81 million) and current assets (€239 million), as well as liabilities (€190 million).

The transaction produced a preliminary gain on disposal of €23 million when it closed.

Because the EU's state aid approval also requires divestment of the North American power business, the disposal process has already been initiated in the form of asset deals, and parts of it have reached an advanced transaction stage.

The major derivative asset and liability items of the disposal group are non-current assets (€250 million) and current assets (€128 million), as well as liabilities (€301 million), and are measured at fair value.

Until the transaction closes, contracts are still being realized in part, and the assets and liabilities will continue to be measured at fair value.

Disposals and Assets Held for Sale in the First Half of 2022

There were no significant disposals in the first half of 2022. As of the reporting date, two individually immaterial equity investments in the Global Commodities and European Generation segments were classified as held for sale.

(4) Financial Results

Financial Results[1]

	April 1–June 30		January 1–June 30	
€ in millions	**2023**	**2022**	**2023**	**2022**
Income from companies in which equity investments are held	-4	–	-4	–
Impairment charges/reversals on other financial assets	–	–	–	–
Net income/loss from equity investments	**–4**		**–4**	
Interest and similar income	78	150	141	273
Amortized cost	*48*	*5*	*96*	*10*
Other interest and similar income	*29*	*146*	*45*	*263*
Interest and similar expenses	-114	-54	-302	-105
Amortized cost	*-106*	*-32*	*-229*	*-61*
Other interest and similar expenses	*-8*	*-22*	*-72*	*-44*
Net interest income	**-36**	**97**	**-160**	**167**
Impairment charges/reversals	–	-	–	-1,003
Net income from securities	18	-14	22	-24
Result from the Swedish Nuclear Waste Fund	7	-58	66	-133
Other financial results	**25**	**-72**	**88**	**-1,160**
Financial results	**-15**	**25**	**-77**	**-992**

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

In the first half of 2023, financial results increased significantly by €916 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. At -€4 million, income from equity investments changed only slightly year over year (prior-year period: €0 million). Net interest income declined by €328 million year over year to -€160 million.

Interest and similar income fell by €131 million to €141 million (prior-year period: €273 million). This development resulted mainly from time value of money effects in the measurement of non-current provisions in the prior-year period, primarily in Hydro. It was partly offset by higher interest income from forward transactions (margining) in the reporting year.

Interest and similar expenses rose by €197 million to €302 million in the first half of 2023 (prior-year period: €105 million), owing particularly to the increased financing volume, which was brought about especially by the drawing of bridge loans at the state-owned KfW Bank and by the cost of providing the financing. In contrast, capitalized borrowing costs increased to €9 million (prior-year period: €1 million).

Other financial results increased by €1,248 million as of June 30, 2023, brought about especially by the write-down to zero of the loans to Nord Stream 2 AG in the first half of 2022 (€1,003 million), as well as by the significantly increased valuation result relative to the previous year from the Swedish Nuclear Waste Fund, which rose by €199 million to €66 million (prior-year period: -€133 million). Furthermore, net income from securities increased by €46 million in the first half of 2023 to €22 million (prior-year period: -€24 million).

(5) Earnings per Share

Earnings per Share[1]

	April 1–June 30		January 1–June 30	
€ in millions	**2023**	**2022**	**2023**	**2022**
Income/Loss from continuing operations	2,699	-9,232	9,443	-11,810
Less: non-controlling interests	7	-26	21	-51
Income/Loss from continuing operations (attributable to shareholders of Uniper SE)	**2,692**	**-9,206**	**9,422**	**-11,759**
Income/Loss from discontinued operations	–	-31	–	-608
Less: non-controlling interests	–	6	–	-22
Income/Loss from discontinued operations (attributable to shareholders of Uniper SE)	**–**	**-37**	**–**	**-586**
Net income/loss attributable to shareholders of Uniper SE	**2,692**	**-9,243**	**9,422**	**-12,345**
€				
Earnings per share (attributable to shareholders of Uniper SE)				
From continuing operations	0.32	-25.16	1.13	-32.13
From discontinued operations	0.00	-0.10	0.00	-1.60
From net income/loss	**0.32**	**-25.26**	**1.13**	**-33.73**
Weighted-average number of shares outstanding (in millions)	8,330	366	8,330	366

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

The computation of diluted earnings per share is identical to that of basic earnings per share because Uniper SE has issued no potentially dilutive ordinary shares.

(6) Impairment Testing

Goodwill Impairment Testing

Impairment Testing Results in the First Half of 2023

Goodwill within the Group had already been written down to zero at the two units that contained goodwill in the 2022 fiscal year as described below.

Impairment Testing Results in the First Half of 2022

Goodwill impairment testing in the Global Commodities segment necessitated no recognition of impairment losses in the first quarter of 2022. Given the developments in the geopolitical situation, especially the unannounced restrictions on procuring gas from Russia and the associated breach of contract by the Russian gas supplier, it became necessary to test the goodwill in the Global Commodities segment for impairment again as of June 30, 2022. Because of the volatile market environment and the uncertainties regarding developments in the geopolitical situation, varying scenarios were taken into account when performing this impairment test, especially in terms of the scope of future gas deliveries from Russia, the timing and the pass-through amount of the resulting added cost of procuring replacement volumes, and the diminished long-term growth prospects for the segment. The outcome of the impairment test led to a write-down to zero of all the goodwill carried in the segment (€1,312 million) as of June 30, 2022. This impairment test was performed based on a cost of capital of 4.8% (after taxes) and on a reduced average growth rate of 0.5% (as of December 31, 2021: 4.8% cost of capital and 1% growth rate), which appropriately reflected the demonstrated unreliability of one of the main suppliers for the Global Commodities segment's gas portfolio. In addition, the goodwill of Russian Power Generation was written down to zero in the first quarter of 2022. Given the former segment's presentation as discontinued operations as of the December 31, 2022, reporting date, no retrospectively recognized related amounts are contained in the income statement.

Impairment Testing of Non-Current Assets

Impairment Testing Results in the First Half of 2023

Because impairments had been recognized on a large number of generation assets in previous years, especially in the European Generation segment, the assets involved will be particularly sensitive in subsequent years to changes in the key assumptions used to determine their recoverable amounts. In combination with the aforementioned inherent uncertainties, future developments in market situations and in the geopolitical situation can likewise be a significant factor in future impairment testing.

Impairment charges on property, plant and equipment totaled €882 million in the first half of 2023. They related solely to the European Generation segment. Reversals of impairments on property, plant and equipment amounted to €11 million in the first half of 2023 and also related to the European Generation segment.

Impairment Testing Results in the First Quarter of 2023

Impairment charges on property, plant and equipment totaled €862 million in the first quarter of 2023. They related to the European Generation segment.

A charge of €568 million was recognized on an asset in the Netherlands in the first quarter of 2023. The impairment test on this asset was triggered by the decline in short-to-medium-term spreads. Additional impairments related to a coal-fired power plant outside Germany, at €155 million (adjusting for exchange rates, €157 million in the second quarter of 2023), and within Germany to the Datteln 4 hard-coal power plant, at €139 million. Here, too, impairment testing was triggered by the respective declines in prices and spreads.

Impairment Testing Results in the Second Quarter of 2023

Impairment charges on property, plant and equipment totaled €18 million in the second quarter of 2023. The charges related solely to a power plant in Germany held in the European Generation segment. Impairment testing was triggered by the postponement of the plant's commissioning.

Reversals of impairment charges previously recognized on one power plant amounted to €11 million in the second quarter of 2023. They related entirely to the European Generation segment. Impairment testing was triggered by the network operator's decision to return to operation a plant that had already been decommissioned.

Impairment Testing Results in the First Half of 2022

Impairment charges on property, plant and equipment totaled €226 million in the first half of 2022. They related to the European Generation segment, at €162 million, and to the Global Commodities segment, at €64 million. Impairment reversals on property, plant and equipment amounted to €593 million in the first half of 2022. These related primarily to the European Generation segment, at €580 million, and additionally to the Global Commodities segment, at €13 million.

Impairment Testing Results in the First Quarter of 2022

Impairment charges on property, plant and equipment totaled €184 million in the first quarter of 2022. They related to the European Generation segment, at €162 million, and to the Global Commodities segment, at €21 million.

Impairments in the European Generation segment in 2022 were attributable to the Datteln 4 hard-coal power plant in the amount of €79 million. The impairment test on this asset in the first quarter of 2022 was triggered by an agreement reached with the insurer concerning the boiler damage. The settlement required separate recognition in income of a corresponding receivable. Since it can be measured separately, this receivable is not included in the impairment test of the CGU but accounted for as a separate receivable, which meant that the recoverable amount of the CGU had to be reduced by the amount of the insurance payment.

In the United Kingdom, the results of the capacity market auctions necessitated impairment testing. Impairments were recognized on two assets: At one generation asset, the result of the capacity market auction failed to offset the reduction in gross margin that had already been realized in the first quarter of 2022 and resulted in a charge of €56 million. At another generation asset, the damage sustained by one of the units in a storm exceeded the positive result from the auction, necessitating the recognition of an impairment charge of €27 million. In the Global Commodities segment, the net present value of a storage facility was diminished mainly in connection with the gas storage optimization conducted in the first quarter, necessitating an impairment charge of €21 million.

None of the remaining impairments in the first quarter of 2022 were material either separately or in aggregate; the same is true for reversals of impairment charges previously recognized on power plants.

Impairment Testing Results in the Second Quarter of 2022

Given the geopolitical and legislative measures, a comprehensive impairment test was performed on the Global Commodities segment's storage infrastructure in the second quarter of 2022. The test led primarily to a further impairment charge on the storage facility that had already been written down in the first quarter, and additionally to smaller positive effects at two further facilities, none of which are material either separately or in aggregate.

The most substantial individual impairment reversal in the second quarter of the 2022 fiscal year in terms of amount related to the European Generation segment's Maasvlakte 3 hard-coal power plant in the Netherlands and totaled €556 million. Owing to the geopolitical situation, the Dutch government activated the early-warning phase of its energy crisis plan and announced the withdrawal of the statutory 35% production cap for coal-fired power plants. Although the cap withdrawal is not yet implemented in law, it still triggered an impairment test. Applying a scenario-based analysis for actual implementation, the impairment reversal determined resulted primarily from prevailing market prices as of the reporting date.

Impairment tests on non-current assets are also normally based on varying scenarios that take into account the volatile market environment and the uncertainties regarding developments in the geopolitical situation. Developments observable in the future may require corresponding changes to the assumptions and scenarios to be considered when testing in the future.

(7) Companies Accounted for under the Equity Method and Other Financial Assets

Companies Accounted for under the Equity Method and Other Financial Assets

€ in millions	June 30, 2023 Uniper Group	Associates[1]	Joint ventures[1]	December 31, 2022 Uniper Group	Associates[1]	Joint ventures[1]
Companies accounted for under the equity method	314	203	110	291	189	102
Equity investments	718	17	5	1,042	18	5
Non-current securities	100	–	–	95	–	–
Total	**1,132**	**221**	**115**	**1,428**	**207**	**107**

[1]The associates and joint ventures presented as equity investments are associated companies and joint ventures accounted for at cost on materiality grounds.

(8) Equity and Dividend

Given the negative net income available for distribution recorded in the HGB annual financial statements of Uniper SE for the 2022 fiscal year, a separate appropriation proposal was not submitted to the 2023 Annual General Meeting. There will be no dividend distribution for the 2022 fiscal year. It has also been agreed as part of the stabilization package between the German federal government and Uniper that Uniper will make no dividend distribution without the government's written approval.

Due to the IFRS net income of €9,443 million in the first half of 2023 (prior-year period: net loss of €12,418 million), the Uniper Group's equity increased to positive consolidated equity of €13,668 million (December 31, 2022: €4,422 million).

(9) Provisions for Pensions and Similar Obligations

Provisions for pensions and similar obligations decreased by €56 million from December 31, 2022, to €481 million as of June 30, 2023. The decrease was caused especially by net actuarial gains, which resulted primarily from the increase in the underlying interest rates, and by employer contributions to plan assets. These effects were partly offset by additions attributable to the net periodic pension cost.

Effective January 1, 2023, Uniper introduced a new occupational retirement pension system: a "pure" defined contribution plan. When it was implemented, existing employees covered by existing benefit plans were given the option in the second quarter of 2023 to have future contributions paid into this pure defined contribution plan effective July 1, 2023. However, the additional measurement associated with this event had no material influence on the provisions for pensions and similar obligations or on Uniper's financial condition and earnings.

The following discount rates were applied for the computation of provisions for pensions and similar obligations in Germany and in the United Kingdom:

Discount Rates

Percentages	Jun. 30, 2023	Dec. 31, 2022
Germany	3.80	3.70
United Kingdom	5.10	5.00

The recognized net defined benefit liability or asset from the Uniper Group's defined benefit plans results from the difference between the present value of the defined benefit obligations and the fair value of plan assets, taking into account the effect of the asset ceiling:

Net Defined Benefit Liability / Asset

€ in millions	Jun. 30, 2023	Dec. 31, 2022
Present value of all defined benefit obligations	2,520	2,506
Fair value of plan assets	-2,063	-1,992
Effect of the asset ceiling	23	22
Total	**480**	**536**
Thereof net defined benefit liability	*481*	*537*
Thereof net defined benefit asset	*-1*	*-1*
Presented as provisions for pensions and similar obligations	*481*	*537*
Presented as other operating assets and contract assets	*-1*	*-1*

The net periodic pension cost for defined benefit plans included in the provisions for pensions and similar obligations and in other operating assets and contract assets breaks down as shown in the following table:

Net Periodic Pension Cost[1]

	April 1–June 30		January 1–June 30	
€ in millions	2023	2022	2023	2022
Employer service cost	8	16	16	31
Past service cost	14	3	15	6
Gains (-) and losses (+) on settlements	–	–	–	–
Net interest expense (+) / income (-) on the net defined benefit liability / asset	5	3	9	6
Total	**27**	**22**	**41**	**43**

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

(10) Additional Disclosures on Financial Instruments

Measurement of Financial Instruments

The value of financial instruments that are generally measured at market value is determined on the basis of fair value measurement. The fair value of derivative financial instruments is sensitive to movements in the underlying market variables. The Uniper Group assesses and monitors the fair value of derivatives at regular intervals. The fair value determined for each derivative financial instrument is the price at which one party can sell to a third party the rights and/or obligations embodied in that derivative. The fair values of derivative financial instruments are calculated using standard market valuation methods, with reference to market data available on the measurement date.

The fair values of individual assets are determined using published exchange or market prices at the time of acquisition in the case of marketable securities. If exchange or market prices are unavailable for consideration, fair values are determined using the most reliable information available that is based on market prices for comparable assets or on suitable valuation techniques. In such cases, Uniper determines fair value using the discounted cash flow method by discounting estimated future cash flows by a weighted-average cost of capital. Estimated cash flows are consistent with the internal mid-term planning data for the next three years, followed by two additional years of cash flow projections, which are extrapolated until the end of an asset's useful life using a growth rate based on industry and internal projections. The discount rate reflects the specific risks inherent in the activities.

Due to the curtailments of supply, it was not possible to determine fair value for certain gas supply contracts that do not meet the own-use criteria based on contractually agreed volumes. The contracts were instead measured at a fair value of zero.

Derivative financial instruments are covered by industry-standard netting agreements. Master netting agreements based on those developed by the International Swaps and Derivatives Association (ISDA), and supplemented by appropriate schedules, are in place with banks. Trading operations conducted within the energy industry are generally governed by master agreements developed by the European Federation of Energy Traders (EFET). The aforementioned netting agreements are taken into account when determining the fair values of financial instruments.

As part of fair value measurement in accordance with IFRS 13, the counterparty risk is also taken into account for derivative financial instruments. The Uniper Group determines this risk based on a portfolio valuation in a bilateral approach covering both its own credit risk (debt value adjustment) and the credit risk of the corresponding counterparty (credit value adjustment). This approach also implicitly considers the geopolitical situation relating to Russia's war against Ukraine and the associated impact on the real economy, especially higher probabilities of default. This is particularly the case for counterparties in the oil and gas industries. The credit value adjustment for derivative assets was €27 million as of June 30, 2023 (December 31, 2022: €92 million), and the debt value adjustment for derivative liabilities was €30 million (December 31, 2022: €88 million).

Additional Disclosures on Financial Instruments

The following table shows the carrying amounts of the financial assets and financial liabilities that are measured at fair value, classified by measurement source:

Carrying Amounts of Financial Instruments as of June 30, 2023

€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets measured at fair value			
Equity investments	637	75	59
Derivatives without hedge accounting	35,189	19,502	15,518
Derivatives with hedge accounting	–	–	–
Other operating assets	4	–	4
Securities and fixed-term deposits	144	144	–
Liabilities measured at fair value			
Derivatives without hedge accounting	34,240	19,358	14,757
Derivatives with hedge accounting	–	–	–

Carrying Amounts of Financial Instruments as of December 31, 2022

€ in millions	Total carrying amounts within the scope of IFRS 7	Determined using market prices	Derived from active market prices
Assets measured at fair value			
Equity investments	976	75	59
Derivatives without hedge accounting	76,815	34,832	41,267
Derivatives with hedge accounting	–	–	–
Other operating assets	–	–	–
Securities and fixed-term deposits	138	138	–
Liabilities measured at fair value			
Derivatives without hedge accounting	76,345	33,244	42,810
Derivatives with hedge accounting	–	–	–

The carrying amounts of trade receivables are considered reasonable estimates of their fair values because of their short maturity. The carrying amounts of commercial paper and borrowings under short-term credit facilities, as well as the carrying amount of trade payables, are used as the fair values for these items owing to their short maturities.

Included within financial assets are securities held in institutional investment funds with a total fair value of €43 million (December 31, 2022: €43 million).

At the end of each reporting period, Uniper assesses whether there might be grounds for reclassification between hierarchy levels. The proportion of fair values measured at Level 1 of the fair value hierarchy to those measured at Level 2 has not changed materially compared with December 31, 2022. There were no material reclassifications between these two fair value hierarchy levels in the first half of 2023.

The fair values determined using valuation techniques for financial instruments carried at fair value (fair value hierarchy Level 3) are reconciled as shown in the following table:

Fair Value Hierarchy Level 3 Reconciliation (Values Determined Using Valuation Techniques)

€ in millions	December 31, 2022	Purchases (including additions)	Sales (including disposals)	Settle-ments	Gains/ Losses in income statement	Transfers into Level 3	Transfers out of Level 3	Gains/ Losses in OCI	June 30, 2023
Equity investments	841	–	–	–	–	–	–	-338	503
Derivative financial instruments (assets)	716	3	-114	–	-436	–	–	–	169
Derivative financial instruments (liabilities)	-291	–	136	–	30	–	–	–	-125
Total	**1,266**	**3**	**22**	**0**	**-406**	**0**	**0**	**-338**	**547**

The changes in initial-measurement effects of derivatives in Level 3 of the fair value hierarchy are shown in the following table:

Reconciliation of the Initial-Measurement Effect in Level 3 of the Fair Value Hierarchy

€ in millions	December 31, 2022	Purchases and sales (including additions and disposals)	Change in fair value during the reporting period	June 30, 2023
Gross fair value	722	-1	-417	304
Gain on initial measurement	-303	4	17	-282
Loss on initial measurement	6	22	-6	22
Net fair value	**425**	**25**	**-406**	**44**

Certain long-term energy contracts are measured using valuation models based on internal fundamental data if market prices are not available. A hypothetical 10% increase or decrease in these internal valuation parameters as of the balance sheet date would lead to a theoretical decrease in market values of €52 million or an increase of €53 million, respectively.

Credit Risk

Uniper applies appropriate measures to manage credit risks. They include setting limits for individual counterparties, counterparty groups and at portfolio level, as well as securing collateral, structuring contracts and/or transferring credit risk to third parties (such as insurers). Guarantees issued by the respective parent companies or evidence of profit-and-loss-transfer agreements in combination with letters of awareness are accepted as collateral for credit risks. The Company also requires bank guarantees and deposits of cash and securities as collateral to reduce credit risk. As of June 30, 2023, risk-management collateral was accepted in the amount of €7,109 million (December 31, 2022: €6,394 million). To reduce credit risk, physical as well as financial transactions are generally executed on the basis of standard agreements under which the netting of all outstanding transactions can, in principle, be agreed with individual counterparties. To further reduce credit risk, bilateral margining agreements are entered into with selected business partners. Bilateral margining involves paying cash into a margin account to cover the credit risk (settlement and replacement risk) arising from margin-based contracts.

As of June 30, 2023, exchange-traded forward and option contracts, as well as exchange-traded emissions-related derivatives, bear no credit risk. For the remaining financial instruments, the maximum risk of default is equal to their carrying amounts.

Loss allowances for expected credit losses are recognized on financial assets carried at amortized cost, lease receivables and contract assets, as well as on loan commitments and financial guarantees. In the first half of 2023, there were no significant changes in the ratings of Uniper's debtors in the Uniper portfolio, and the model was not adjusted.

The volume of receivables has shrunk significantly since the beginning of 2023, which lowered loss allowances and thus resulted in income of €12 million (prior-year period: expense of €7 million). Uniper wrote down to zero the value of its loans to Nord Stream 2 AG in the amount of €1,003 million including accrued interest in the first half of 2022. The impairment loss was reported within other financial results and is classified as non-operating in line with other capital investments. No material defaults occurred during the reporting period.

Uniper has not applied cash flow hedge accounting since the end of the 2022 fiscal year.

Commodity Cash Flow Hedge Accounting

Timing of nominal amount of the hedging instrument	2022
Nominal amount (€ in millions)	424
Average gas price of hedging instrument (€/MWh)	14.17
Volume (TWh)	30
Hedging instruments	
Carrying amounts (€ in millions)	-1,415
Assets	*335*
Liabilities	*-1,750*
Line item in financial statements	Receivables / liabilities from derivative financial instruments
Change in fair value of hedging instrument, used as the basis for determining hedge ineffectiveness (€ in millions)	-172
Hedged items	
Change in value of hedged item, used as the basis for determining hedge ineffectiveness (€ in millions)	172
Continuing hedge	*172*
Ended hedge accounting	–

(11) Contingent Liabilities, Contingent Assets and Other Financial Obligations

Contingent Liabilities

With respect to the activities of the Swedish nuclear power plants, the companies of the Swedish generation units have issued guarantees to governmental authorities in accordance with Swedish law. The guarantees were issued to cover possible additional costs related to the disposal of high-level radioactive waste and to the decommissioning of nuclear power plants. These costs could arise if actual costs exceed accumulated funds. In addition, the companies of the Swedish generation unit are responsible for all costs related to the disposal of low-level radioactive waste.

The guarantees referred to above are issued by Sydkraft Nuclear Power AB, a fully consolidated subsidiary of Uniper SE.

Owners of nuclear facilities in Sweden are additionally liable under the Law Concerning Nuclear Liability for damages resulting from accidents occurring in those nuclear facilities and for accidents involving any radioactive substances connected to the operation of those facilities.

On January 1, 2022, a law took effect that requires the operator of a nuclear power plant in operation to have liability insurance or other financial cover in an amount equivalent to €1.2 billion per incident. The necessary insurance for the affected nuclear power plants has been purchased by Uniper. The Swedish government requires, however, that the affected companies also post further collateral in addition to the purchased insurance coverage. Uniper posts this additional collateral through the issuance of guarantees.

The best estimate of the amount that would have to be paid to settle the Uniper Group's present obligations under contingent liabilities as of June 30, 2023, is €187 million (December 31, 2022: €131 million). The Uniper Group does not currently have any significant reimbursement rights relating to these contingent liabilities.

Other Financial Obligations

Other financial obligations result mainly from contracts entered into with third parties or from legal requirements. They are based on contracts or statutory provisions in which performance and consideration are currently evenly balanced. Where they are not, a provision is recognized, and the amount of that provision is subtracted from the obligation where it is disclosed.

Material changes relative to the December 31, 2022, balance sheet date occurred especially in long-term contractual obligations related to the purchase of fossil fuels such as natural gas, lignite and hard coal. Financial obligations under these purchase contracts amounted to roughly €82.5 billion on June 30, 2023 (due within one year: €17.0 billion) and to roughly €103.6 billion on December 31, 2022 (due within one year: €26.4 billion). The decrease in contractual obligations for purchases of fossil fuels is primarily due to the settlement of obligations in the first half of 2023 and to lower market prices.

Gas is usually procured by means of long-term purchase contracts with large international producers of natural gas. Such contracts are generally of a take-or-pay nature. The prices paid for natural gas are tied to the prices of competing energy sources or market reference prices, as dictated by market conditions. The conditions of these long-term contracts are reviewed at certain specific intervals (usually every three years) as part of contract negotiations and may thus change accordingly. In the absence of agreement on a pricing review, a neutral board of arbitration usually makes a final and binding decision. Financial obligations arising from these contracts are calculated based on the same principles that govern internal budgeting. Furthermore, the take-or-pay conditions in the individual contracts are also considered in the calculations.

(12) Transactions with Related Parties

Related Entities

Uniper exchanges goods and services with numerous entities as part of its continuing operations. In the current 2023 fiscal year, these include both related entities of the Uniper Group and entities in which the Federal Republic of Germany and entities related to the German state hold direct or indirect stakes. In the prior-year period, the entities considered in the preceding were related entities of the Fortum Group prior to the change of the majority shareholder.

Until December 21, 2022, Uniper was an affiliated company of Fortum Oyj, and up to that date, Uniper had included both Fortum Oyj itself and its subsidiaries and joint ventures as related parties in its financial reporting. The same was true for the Republic of Finland – in its capacity as majority shareholder of Fortum Oyj – and the entities controlled by it.

Since December 21, 2022, UBG Uniper Beteiligungsholding GmbH has exercised control over Uniper SE. The sole shareholder of UBG Uniper Beteiligungsholding GmbH is the Federal Republic of Germany. Since the acquisition date, Uniper has considered the subsidiaries of the Federal Republic of Germany (the German state) and the German state's related entities to be related parties of the Uniper Group and includes them as such in its financial reporting.

Transactions with associated companies of the Uniper Group and their subsidiaries, as well as with joint ventures of the Uniper Group, are presented separately. Transactions with subsidiaries of the Uniper Group that are not fully consolidated are presented as transactions with other related parties. As in the previous year, the share of the transactions referred to in the following section made up by transactions with other related parties is not material.

The transactions with related parties are presented in the following tables. The presentation therein does not include transactions with the German state and its related entities, since Uniper applies the option to limit separate disclosure to significant transactions. For the prior-year period, the table below shows the time-period-related disclosures for the first half of 2022 relating to transactions with Fortum Oyj and its subsidiaries and joint ventures as related parties. The figures shown for the balance sheet as of December 31, 2022, do not include transactions with related entities of the Fortum Group.

Related-Party Transactions – Income Statement[1]

January 1–June 30 € in millions	2023	2022
Income	**16**	**150**
Entities with control over Uniper (Fortum Group)[2]	*–*	*126*
Associates	*5*	*6*
Joint ventures	*2*	*6*
Other related parties	*9*	*12*
Expenses	**123**	**275**
Entities with control over Uniper (Fortum Group)[2]	*–*	*61*
Associates	*84*	*183*
Joint ventures	*21*	*13*
Other related parties	*18*	*18*

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

[2]Until December 21, 2022, control by the Fortum Group.

Related-Party Transactions – Balance Sheet

€ in millions	Jun. 30, 2023	Dec. 31, 2022
Receivables	**392**	**406**
Entities with control over Uniper	*–*	*–*
Associates	*331*	*354*
Joint ventures	*13*	*13*
Other related parties	*48*	*39*
Liabilities	**229**	**170**
Entities with control over Uniper	*–*	*–*
Associates	*72*	*70*
Joint ventures	*70*	*15*
Other related parties	*87*	*85*

Transactions for Goods and Services, Financing Activities and Other Financial Obligations

Transactions with the German State and Its Companies

Transactions conducted with companies owned by the German state and with entities related to the German state predominantly relate to the purchase and sale of electricity and gas and to the contractually regulated allocation of emission rights and financing measures.

As of June 30, 2023, Uniper has reported receivables from Deutsche Bahn AG and its subsidiaries in the amount of €20 million (December 31, 2022: €191 million), and no material liabilities (December 31, 2022: €130 million), arising from electricity sales contracts concluded at market terms. The receivables generated were not past-due as of the reporting date. Uniper's revenues from sales to Deutsche Bahn in the first half of 2023 amounted to €72 million and were offset by expenses of €2 million. All activities were transacted at standard market terms.

Uniper's business relationship with Securing Energy for Europe GmbH (SEFE), which is also an entity of the German state, resulted in receivables amounting to €207 million as of June 30, 2023 (December 31, 2022: €99 million) and liabilities of €104 million (December 31, 2022: €64 million). Uniper's revenues from electricity and gas supplied to SEFE amounted to €1,707 million in the first half of 2023. They were offset by expenses payable by Uniper to SEFE for electricity and gas procurement in the amount of €1,278 million.

In February 2023, KfW, an entity wholly owned by the German state, extended a revolving credit facility for Uniper SE in the amount of €16.5 billion as part of the stabilization measures. The facility was reduced to €11.5 billion as of June 30, 2023. The terms of the facility are primarily aligned with the conditions for state-aid approval. The funds drawn under the credit facility are recognized as liabilities in the amount of €2 billion as of June 30, 2023. The resulting interest expense at Uniper, including the financial provision cost, amounted to €101 million.

Transactions with Entities of the Uniper Group

Business relationships with related entities of the Uniper Group reflected the Group-wide procurement and sales activities of Uniper Global Commodities SE in the electricity and gas business. These relationships result in extensive mutual obligations and trading relationships.

Income generated from transactions with related entities of the Uniper Group included especially revenues from deliveries of gas in the amount of €1 million (prior-year period: €5 million). The corresponding expenses from transactions with related entities of the Uniper Group consisted especially of material costs associated with electricity and gas procurement in the amount of €104 million (prior-year period: €105 million). Both revenues and cost of materials result from spot and forward transactions concluded at market terms that were conducted by Uniper Global Commodities SE as part of the provision of market access for the Uniper Group's companies.

Other financial obligations to related entities amounted to €1,685 million as of June 30, 2023 (December 31, 2022: €1,799 million).

Transactions with the Fortum Group, Including Fortum Group Companies and Fortum Oyj

In the prior-year period, the income generated from transactions with Fortum Oyj and Fortum Group companies had included especially revenues from electricity and gas deliveries amounting to €98 million. The corresponding expenses from transactions with Fortum Oyj and Fortum Group companies in the first half of 2022 had consisted especially of material costs for electricity and gas procurement amounting to €35 million. With the change of the majority shareholder effective December 21, 2022, business relationships with Fortum are no longer classified as transactions with related parties.

Related Persons

Related persons within the Uniper Group include the members of the Board of Management and of the Supervisory Board (key management personnel); they further include the Federal Minister of Finance and the state secretaries at the German Federal Ministry of Finance. As of the reporting date, there were no significant receivables and liabilities, and no effects on earnings, arising from transactions with related persons.

As of June 30, 2023, the disclosures contained in the 2022 Annual Report concerning related persons have changed materially as follows:

Prof. Dr. Klaus-Dieter Maubach (Chief Executive Officer (CEO)), David Bryson (Chief Operating Officer (COO)) and Tiina Tuomela (Chief Financial Officer (CFO)) respectively departed from the Board of Management of Uniper SE effective at the end of February 2023.

On January 20, 2023, and February 10, 2023, the Supervisory Board of Uniper SE appointed Dr. Jutta A. Dönges and Holger Kreetz to the Board of Management of Uniper SE as CFO and COO, respectively, effective March 1, 2023. Dr. Jutta A. Dönges, who had been a member of Uniper SE's Supervisory Board since December 2022, resigned from the Supervisory Board of Uniper SE effective at the end of February 2023. Holger Kreetz had been head of the Asset Management division at Uniper until then.

At an extraordinary meeting on March 24, 2023, the Supervisory Board of Uniper SE resolved to appoint Michael Lewis as CEO of Uniper SE. The formal appointment of Michael Lewis as CEO was made by the Supervisory Board of Uniper SE on May 3, 2023, and became effective on June 1, 2023.

In addition, the Supervisory Board of Uniper SE already appointed Dr. Carsten Poppinga to the Board of Management of Uniper SE on May 15, 2023, effective August 1, 2023. Dr. Carsten Poppinga will succeed Niek den Hollander, who will, as previously announced, depart from the Board of Management on July 31, 2023, as Chief Commercial Officer (CCO).

Dr. Gerhard Holtmeier, who had been managing director of UBG Uniper Beteiligungsholding GmbH since December 2022, joined the Supervisory Board of Uniper SE as a new member effective March 21, 2023. Dr. Gerhard Holtmeier was nominated by the Federal Ministry of Finance and UBG to succeed Dr. Jutta A. Dönges on the Supervisory Board. The Düsseldorf District Court had appointed Dr. Holtmeier and additional shareholder representatives as members of the Supervisory Board. Shareholders then formally elected the initially court-appointed shareholder representatives to the Supervisory Board at the Annual General Meeting on May 24, 2023.

The Board of Management and the Supervisory Board of Uniper SE submitted the compensation report for the 2022 fiscal year to the Annual General Meeting of Uniper SE on May 24, 2023. It was approved by Uniper SE's shareholders with a majority of 99.99%. The compensation report prepared by the Board of Management and the Supervisory Board of Uniper SE in accordance with Section 162 of the German Stock Corporation Act presents the basic features of the compensation plans for members of the Board of Management and of the Supervisory Board, and it provides information about the individuals who were current or former members of the Board of Management and of the Supervisory Board in the 2022 fiscal year and about the compensation granted and owed to them. The compensation report and the enclosed report on the audit of the compensation report are published on Uniper SE's website at https://www.uniper.energy/investors/corporate-governance/compensation.

The compensation of the members of the Board of Management and of the Supervisory Board in the 2023 fiscal year will be discussed in detail in the 2023 Compensation Report pursuant to Section 162 of the German Stock Corporation Act, as well as in the 2023 Annual Report.

(13) Reconciliation of Income/Loss before Financial Results and Taxes to Adjusted EBIT and to Adjusted Net Income

The following information for the first half of 2023 is provided on the basis of the Uniper Group's internal reporting system in order to enable an assessment to be made of the nature and financial consequences of the business activities conducted by the Uniper Group and of the economic environment in which the Group operates.

Adjusted EBIT

Adjusted EBIT, a measure of earnings before interest and taxes adjusted for non-operating effects, is used at Uniper for purposes of internal management control and as the most important indicator of a business's operating performance. This information is also used for the management of operating segments.

Unadjusted earnings before interest and taxes (EBIT) represents the Group's income/loss before financial results and taxes in accordance with IFRS, taking into account the net income/loss from equity investments.

Reconciliation of Income/Loss before Financial Results and Taxes[1]

January 1–June 30 € in millions	2023	2022
Income/Loss before financial results and taxes	**9,786**	**-12,982**
Net income/loss from equity investments	-4	0
EBIT	**9,782**	**-12,982**
Non-operating adjustments	-6,081	12,225
Net book gains (-) / losses (+)	*-20*	*-1*
Impact of derivative financial instruments	*-10,746*	*14,395*
Adjustments of revenue and cost of materials from physically settled commodity derivatives to the contract price	*3,408*	*-3,027*
Restructuring / Cost-management expenses (+) / income (-)[2]	*30*	*-9*
Miscellaneous other non-operating earnings	*376*	*-14*
Non-operating impairment charges (+) / reversals (-)[3]	*871*	*882*
Adjusted EBIT	**3,701**	**-757**
For informational purposes: *Economic depreciation and amortization/reversals*	*368*	*372*
For informational purposes: Adjusted EBITDA	*4,069*	*-385*

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

[2] Expenses for (and income from) restructuring and cost management in the Global Commodities segment included depreciation and amortization of €0 million in the first half of 2023 (first half of 2022: €0.5 million).

[3] Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular and event-specific impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals may differ from the depreciation, amortization and impairment charges reported in the income statement, since the two items may also include impairment charges on companies accounted for under the equity method and other financial assets; in addition, a small portion may also be included in restructuring/cost-management expenses and in miscellaneous other non-operating earnings.

Owing to the adjustments made, the earnings items shown here may differ from the figures determined in accordance with IFRS. A detailed explanation of the reconciliation of income/loss before financial results and taxes to adjusted EBIT is provided in the Interim Management Report on page 15.

Adjusted Net Income

The Uniper Group uses adjusted net income as an additional internal management indicator and as a further key indicator of the profitability of its operations after taxes and after financial results – one that also takes into account important income and expense components that are not included in adjusted EBIT but aggregated as an economic interest and tax result – for determining the variable compensation of the Board of Management and of all management personnel, as well as that of all non-pay-scale and pay-scale employees.

Unadjusted net income is earnings after financial results and income taxes. To focus this indicator on the operating business and increase its meaningfulness, unadjusted net income is adjusted for certain non-operating effects.

Reconciliation to Adjusted Net Income[1]

January 1–June 30 € in millions	2023	2022
Income/Loss before financial results and taxes	**9,786**	**-12,982**
Net income/loss from equity investments	-4	–
EBIT	**9,782**	**-12,982**
Non-operating adjustments	-6,081	12,225
Adjusted EBIT	**3,701**	**-757**
Interest income/expense and other financial results	*-73*	*-993*
Non-operating interest expense and negative other financial results (+) / interest income and positive other financial results (-)	*-93*	*1,135*
Operating interest income/expense and other financial results	-165	143
Income taxes	*-266*	*2,164*
Expense (+) / Income (-) resulting from income taxes on non-operating earnings	*-776*	*-2,031*
Income taxes on operating earnings	-1,041	134
Less non-controlling interests in operating earnings	-6	-9
Adjusted net income[1]	**2,487**	**-490**

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

Detailed explanations of the reconciliation of income/loss before financial results and taxes to adjusted net income are provided in the Interim Management Report on page 20.

(14) IFRS 8 Operating Segments

The Uniper Group is composed of two operating business segments: European Generation and Global Commodities.

Additionally combined separately under Administration/Consolidation are the non-operating functions that are performed centrally across segments, as well as the consolidations required to be carried out at Group level.

European Generation

The European Generation segment comprises the various power and heat generation facilities that the Uniper Group operates in Europe. In addition to fossil-fuel power plants (coal-, gas- and oil-fired power plants, as well as combined-cycle gas turbine power plants) and hydroelectric power plants, these generation assets also include nuclear power plants in Sweden. Most of the energy produced is sold to the Global Commodities segment, which is responsible for the marketing and sale of energy to major customers via the traded markets and its own sales organization. A further portion of the energy generated is marketed by means of long-term electricity and heat supply contracts. In addition to the power plant business, this segment also includes the marketing of energy services, which encompass engineering and asset management, as well as operational and maintenance services.

Global Commodities

The Global Commodities segment bundles the energy trading activities and forms the commercial interface between the Uniper Group and the global traded markets for energy and the major customers. Within this segment, the fuels required for power generation (mainly coal and gas) are procured, emission allowances are traded, the electricity produced is marketed, and the portfolio is optimized by managing the use of the power plants. On the basis of long-term contracts with suppliers within and outside Germany, Uniper sells natural gas to resellers (e.g., municipal utilities), major industrial customers and power plant operators. This segment additionally includes infrastructure investments and gas storage operations.

Financial Information by Segment

January 1–June 30	European Generation		Global Commodities		Administration/ Consolidation		Uniper Group (continuing operations)		Russian Power Generation (discontinued operations)[2]	
€ in millions	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales	1,183	1,804	53,291	116,924	1	2	54,475	118,731	–	605
Intersegment sales	11,490	23,841	12,022	22,963	-23,512	-46,804	–	–	–	–
Sales	**12,674**	**25,646**	**65,313**	**139,887**	**-23,511**	**-46,802**	**54,475**	**118,731**	**–**	**605**
Adjusted EBIT (segment earnings)	**1,465**	**-217**	**2,349**	**-174**	**-114**	**-365**	**3,701**	**-757**	**–**	**193**
Equity-method earnings[1]	–	–	20	22	–	–	20	22	–	–
Operating cash flow before interest and taxes	**2,224**	**-67**	**2,464**	**-2,044**	**-48**	**-124**	**4,640**	**-2,234**	**–**	**218**
Investments	**169**	**135**	**63**	**27**	**8**	**15**	**240**	**177**	**–**	**27**

[1]The income/loss from companies accounted for under the equity method presented here is generally adjusted for non-operating effects and therefore differs from the income/loss from companies accounted for under the equity method as presented in the income statement in accordance with IFRS.
[2]The Russian Power Generation business division qualified as an operating segment prior to the deconsolidation of PAO Unipro on December 31, 2022. More information concerning the deconsolidation can be found in Note 4 of the 2022 Annual Report. To improve readability, Russian Power Generation will continue to be referred to as a segment in the other parts of the 2022 Annual Report.

The investments presented in the financial information by business segment tables are the purchases of investments reported in the Consolidated Statement of Cash Flows.

Transactions within the Uniper Group are generally executed at market prices.

The following table shows the reconciliation of operating cash flow before interest and taxes to operating cash flow:

Operating Cash Flow before Interest and Taxes[1]

January 1–June 30 € in millions	2023	2022	+/-
Operating cash flow of continuing operations	**4,259**	**-2,427**	**6,686**
Interest payments and receipts	170	57	114
Income tax payments (+) / refunds (-)	210	136	74
Operating cash flow of continuing operations before interest and taxes	**4,640**	**-2,234**	**6,874**

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

The following segment information by product reflects the classification of revenues in line with IFRS 15, and allocates to the segments the revenues generated from each product:

Sales by Segment and Product

January 1–June 30 € in millions	European Generation		Global Commodities		Russian Power Generation[1]		Administration/ Consolidation		Uniper Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Electricity	8,283	18,041	20,723	44,891	–	–	-16,561	-35,785	12,445	27,147
Gas	3,887	7,047	41,230	87,615	–	–	-4,739	-8,636	40,378	86,027
Other	504	558	3,360	7,381	–	–	-2,211	-2,381	1,653	5,557
Total	**12,674**	**25,646**	**65,313**	**139,887**	**–**	**–**	**-23,511**	**-46,802**	**54,475**	**118,731**

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

Revenues are generated predominantly from sales of electricity and gas via traded markets to industrial customers and resellers, and include hedges settled through physical delivery. Also shown in this line item are revenues earned from the transportation of gas and from deliveries of steam, heat and water, as well as from the rendering of services.

Revenues from trading operations transacted via traded markets (including hedges settled through physical delivery) are recognized when control is transferred to the purchaser. These transactions contain a performance obligation.

For physically settled transactions that are not within the scope of IFRS 9 (own-use transactions), contract prices, which reflect the economic character of these transactions and the contractually agreed consideration amounts, are used to determine revenues unless IFRS 15 provides for a different method, e.g., to account for constraint of variable consideration. For physically settled transactions that must be accounted for as derivatives pursuant to IFRS 9 criteria (failed own-use transactions), revenue is recognized at the market price applicable at the time of recognition. Accordingly, such contracts are presented as physical spot contracts with a financial hedge.

(15) Summary of Significant Changes from the Previous Year

Changes in Selected Income Statement Items

At €54,475 million, sales revenues in the first half of 2023 were significantly below the prior-year level (2022: €118,731 million) due to lower spot prices in the electricity and gas business. A significant proportion of revenue in the optimization and trading business results from physically settled forward contracts which must be accounted for as derivatives under IFRS 9 and for which revenue must be recognized at the market price applicable at the time of realization. In addition to the significant price effect, electricity sales volumes in the optimization and trading areas decreased significantly, and this could not be compensated by the positive volume effect in electricity generation. In addition, there are general macroeconomic, political and sectoral developments.

The cost of materials decreased significantly by €64,306 million in the first six months of 2023 to €52,202 million (prior-year period: €116,508 million). As previously described in the sales trend, this was due to the requirement for recognition at current spot prices, which had fallen year over year, in the power and gas business. A significant portion of these contracts must be accounted for as derivatives in accordance with IFRS 9.

Depreciation, amortization and impairment charges decreased by €598 million to €1,250 million in the first six months of 2023 (prior-year period: €1,847 million). The change is primarily attributable to the write-down to zero of goodwill in the Global Commodities segment by €1,312 million in the prior-year period and in contrast to an increase of €656 million in impairment charges on property, plant and equipment to €882 million (prior-year period: €226 million). As in the prior-year period, impairments on property, plant and equipment recognized in the first six months of the 2023 fiscal year related primarily to power plants held in the European Generation segment. Regular depreciation and amortization rose by €58 million to €368 million (prior-year period: €310 million), mainly due to reversals of impairment losses recognized in the previous year for power plants in the Netherlands and the UK.

Reversals of impairments in the first six months of 2023, which mainly resulted from changes in estimates and assumptions about underlying price expectations, amounted to €11 million (prior-year period: €593 million) and – as in the prior-year period – related primarily to the European Generation segment. Impairment reversals are recognized as other operating income.

Other operating income decreased to €59,494 million in the first six months of 2023 (prior-year period: €125,686 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 €59,189 million, a decrease of €65,335 million year over year (prior-year period: €124,524 million).

Other operating expenses decreased to €50,284 million in the first six months of 2023 (prior-year period: €138,713 million). As it was for other operating income, the decrease was primarily attributable to expenses from invoiced and open transactions and from related currency hedges, which fell by €88,437 million year over year to €49,365 million (prior-year period: €137,802 million). In addition, the line item also includes the reversal of provisions for onerous contracts anticipating the risk of possible future added costs for procuring replacement gas.

The main driver of this significant change in other operating income/expenses is the strong decline in commodity prices, as Uniper trades in electricity, gas, coal, and carbon allowances, among other things, on the forward markets. These forward transactions 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 had been used since the second quarter of 2022 to account for the complete stoppage of Russian gas supply and different future price assumptions. As the gas supply obligations are almost effectively hedged, in particular by forward contracts, the price risk of increased procurement costs has been almost effectively hedged, so that no more scenarios are used in the calculation of provisions for the gas portfolio.

Financial results improved significantly, by €916 million, to -€77 million (prior-year period: -€992 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 six months of 2023, non-operating tax income of -€776 million (prior-year period: -€2,031 million income) resulted particularly from the measurement of deferred tax items. The operating tax expense amounted to €1,041 million (prior-year period: -€134 million income), resulting in an operating tax rate of 29.5% (prior-year period: 21.8%).

Changes in Selected Balance Sheet Items

The decrease in non-current assets was caused in large part by the valuation-related decrease of €31,615 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 €9,002 million. The change in the carrying amount of property, plant and equipment and rights of use of €1,279 million, from €9,228 million to €7,949 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 six months of the 2023 fiscal year related primarily to the European Generation segment.

As with non-current assets, the main cause of the decrease in current assets was the valuation-related decrease in receivables from derivative financial instruments, which fell by €10,010 million, from €36,198 million to €26,187 million. Receivables from posted collateral for commodity forward transactions also declined by €2,585 million, from €6,217 million to €3,632 million. There also was a decrease of €4,459 million in trade receivables, which fell from €9,560 million to €5,101 million.

Equity as of June 30, 2023, rose by €9,246 million from its level on December 31, 2022, to €13,668 million, due primarily to the consolidated net income of €9,443 million (of which a contribution of €21 million is attributable to non-controlling interests). Net income was strongly influenced by reduced commodity prices and by the reversal of provisions for possible further losses arising from procurement of replacement volumes in the future.

Non-current liabilities as of June 30, 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 €37,266 million, from €45,737 million to €8,471 million, as a result of lower forward prices in the commodity markets. Similarly, non-current miscellaneous provisions decreased by €2,604 million, from €7,732 million to €5,128 million. This decline is mainly due to the complete reversal of a non-current provision for expected losses in the gas portfolio recognized in the previous year following the complete discontinuation of gas deliveries from Russia with continuing obligations to customers and to the complete reversal of a provision for expected losses from electricity sales contracts for which the own-use exemption under IFRS 9 is applied. The latter provision was reversed due to lower market prices. Non-current financial liabilities and liabilities from leases decreased by €1,790 million, mainly due to a reclassification of the revolving credit facility (RCF) to current liabilities. In addition, existing promissory notes in the amount of €550 million were repaid.

The decrease in current liabilities is due to the reduction in miscellaneous provisions, the repayment of current financial liabilities, the decrease in liabilities from derivative financial instruments and the reduction in trade payables. The €5,469 million decline in miscellaneous provisions, from €7,049 million to €1,579 million, is mainly due to the reversal of a current provision for expected losses in the gas portfolio recognized in the previous year following the complete discontinuation of gas deliveries from Russia with continuing obligations to customers and to the reversal of a provision for expected losses from electricity sales contracts for which the own-use exemption under IFRS 9 is applied. The latter provision was reversed due to lower market prices. Current financial liabilities and liabilities from leases decreased by €4,850 million, from €8,878 million to €4,028 million, due mainly to lower utilization of the KfW credit facility compared with December 31, 2022. Under this credit facility, loans with a total volume of €2 billion were outstanding as of June 30, 2023, which Uniper plans to repay in full within the next 12 months. At the same time, however, Uniper has the option to use the funds according to its financial requirements and not to repay them until after more than 12 months. In view of the reduced risks – in particular no further losses from replacement gas procurement are foreseeable – the financing facility with KfW was reduced early from €16.5 billion to €11.5 billion as of June 30, 2023. The reclassification of the RCF in the amount of €1.1 billion to current financial liabilities increased these liabilities. This was necessary because Uniper now also plans to repay the RCF in full within the next 12 months, but at the same time also has the option to use these funds according to its financial requirements and not to repay them until after more than 12 months. Trade payables decreased by €4,586 million, from €9,359 million to €4,772 million. Liabilities from derivative financial instruments also continued to decline, falling by €4,839 million from €30,608 million to €25,769 million.

(16) Other Significant Issues after the Balance Sheet Date

The Board of Management of Uniper SE has been engaged in a thorough review of Uniper's corporate strategy throughout the second quarter of 2023. The resulting strategic adjustment was adopted by the Board of Management in late July 2023 and subsequently submitted to the Supervisory Board for its consideration. The Supervisory Board will render its decision on the strategy after preparation of the 2023 Interim Financial Statements, at the Supervisory Board meeting on July 31, 2023.

In July 2023 – prior to the preparation of the Interim Financial Statements – Uniper decided, based on the improved liquidity situation, not to extend the utilization of the €1.1 billion syndicated RCF credit facility, and thus to repay the drawn credit facility in full as of July 31, 2023.

Düsseldorf, July 30, 2023

The Board of Management

Michael Lewis

Niek den Hollander

Dr. Jutta A. Dönges

Holger Kreetz

Declaration of the Board of Management

To the best of our knowledge, we declare that, in accordance with applicable principles for interim financial reporting, the Condensed Consolidated Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and that the Interim Group Management Report provides a fair review of the development and performance of the business and the position of the Uniper Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Düsseldorf, July 30, 2023

The Board of Management

Michael Lewis

Niek den Hollander

Dr. Jutta A. Dönges

Holger Kreetz

Financial Calendar

October 31, 2023
Quarterly Statement: January–September 2023

February 28, 2024
Annual Report 2023

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