



Telephone conference for Media Representatives

Uniper's Business Performance in Q1 2020

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Statement by:

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[Speaker: Andreas Schierenbeck]

Good morning and welcome to today's telephone conference. I'm glad you've joined us. Telephone and video conferences are now probably more familiar to all of us than they were a few weeks ago.

In fact, it was only a little less than two months ago that I had the pleasure of welcoming you to our annual results press conference in Düsseldorf's Media Harbor. For many of us, it was one of the last events we attended in person before the COVID-19 virus dramatically changed our work and private lives. It has created considerable challenges in all areas.

Personally, however, I'm certain that in the long-term the "new normal" will create a number of opportunities for our business, our company, our employees, and society as a whole. Our company is active in 40 countries and employs about 11,500 people. COVID-19 has thus affected Uniper outside Germany as well. This virus knows no borders. Uniper is a company that operates critical infrastructure. Being an energy supplier makes us systemically relevant in the truest sense of the word. That's why we need to protect ourselves and especially our employees. Without the energy industry, doctors, hospitals, and nursing homes could not do the great work they're doing. For weeks now, the teams at our operational sites, our energy traders, and the other colleagues in office-based functions have been doing remarkable work. Today I'd therefore like to take the opportunity to express my sincere gratitude to all Uniper employees. They're once again doing an outstanding job under extremely difficult conditions. Thanks to all of you.

Uniper responded to the Corona situation swiftly and proactively. Early on, we stopped allowing visitors at our power stations and, where possible, limited deliveries to the sites. Teams do shift changes without direct contact with each other. Wherever feasible, employees work from home. This has been facilitated by

state-of-the-art cloud solutions, which even prior to the crisis had already enabled our IT infrastructure and HR processes to support flexible, mobile work arrangements. Our energy trading business continues to operate normally as well. And so far, we've succeeded in keeping the number of infected colleagues very low.

Our operating business is stable. To date, the Corona pandemic hasn't had a significant adverse impact on our generation or trading business. Right now, our biggest risk related to COVID-19 is that it could create construction delays at our projects and sites. One example is Beryozovskaya 3 generating unit in Russia. The quarantine policies put in place in Russia are having a considerable impact on this project, which requires the coordination of a lot of people in a remote region. Starting in April it became clear that this difficult situation would prevent us from having enough qualified workers on site. Today, we therefore need to announce another delay in commissioning, which will now take place at the end of the year.

We're standing by the timetables of our other major projects. In particular, we continue to expect Datteln 4 to enter commercial service at the start of the summer. This project is nearing the finish line.

We already announced several days ago that we expect the first quarter of the current financial year to be very strong and, despite all the difficulties, are standing by our forecast for full-year 2020. In a few moments, Sascha Bibert will provide you with more details on our first-quarter numbers and explain our current assumptions.

Obviously, we still need to carefully and continually assess market developments and their impact on Uniper's businesses.

Amid all the uncertainties, one thing is for sure: a secure energy supply is more important than ever, especially in a crisis. Moreover, the Corona crisis doesn't alter long-term megatrends: the global population is growing and with it the demand for



energy. Meeting this demand while simultaneously accelerating climate protection will require renewables as well as various gases and hydrogen, which are the focus of our new strategy. We're implementing this strategy even more systematically despite—or rather *because of*—Corona. We firmly believe that the ambitions and measures to make the energy world climate-friendlier must not falter. Not those of Uniper, our competitors, or policymakers. It's now more crucial than ever to make ourselves fit for the future so that we can operate even more competitively and successfully when the crisis is over.

Before we look at the progress we've made in implementing our strategy, I'll briefly address two other issues where there have been new developments since our annual results press conference.

The first is the change in our shareholder profile. Fortum, our largest shareholder, announced in October 2019 that it had signed agreements to acquire more than 20.5 percent of Uniper stock from two other shareholders, Elliott and Knight Vinke. The closure of this transaction was subject to a number of conditions, which included regulatory approvals in Russia. These approvals were granted on March 2, 2020. Fortum now holds about 69.6 percent of Uniper stock. According to Fortum, it will soon acquire at least 1 percent and at most 3.8 percent more Uniper stock and voting rights.

Fortum communicated, that it will not seek a control and profit-transfer agreement prior to the end of 2021. According to Fortum, this also includes not attempting a squeeze-out of minority shareholders during this period. Consequently, Uniper remains an separately listed Germany-based company with a variety of shareholders. In addition, Fortum assured Uniper employee representatives that Uniper employees have a right to security and stability and that Fortum will fully respect this in its ongoing discussions with the Uniper Works Council. In the months ahead, we'll work with the Fortum Board to design a strategic plan that creates



prospects and added value for both companies as well as their employees, customers, and shareholders.

The personnel changes on the Uniper Management Board are now almost complete. Keith Martin supported us with his undiminished dedication and extensive expertise until the end of April. We'd like to take this opportunity to again thank him. In a few days our team will welcome his successor, Niek den Hollander.

There were a number of personnel changes on our Supervisory Board as well. In mid-April the Düsseldorf District Court appointed five new members to the Uniper Supervisory Board. Court appointments became necessary when the previous independent members of the Uniper Supervisory Board, including the Chairman, Dr. Bernhard Reutersberg, resigned and ended their service on the Supervisory Board on April 3. The Management Board always had a mutually trustful and constructive relationship with Bernhard Reutersberg and the other members who resigned from the Supervisory Board: Marion Helmes, Rebecca Ranich, Jean-Francois Cirelli, and David Davies. We'd like to take this opportunity to again express our sincere thanks to them.

The Supervisory Board's new composition reflects our company's altered shareholder profile. Alongside Fortum CFO Markus Rauramo, who was already a member, the Supervisory Board now includes three other Fortum representatives. The shareholder representative side is completed by two independent members. In addition, on April 22 the Supervisory Board elected a new Chairman, Prof. Dr. Klaus-Dieter Maubach. The Uniper Management Board welcomes Prof. Dr. Maubach and all other Supervisory Board members. The enormous energy industry expertise of the newly configured Uniper Supervisory Board will be a source of great support as we continue our success story.

I'll turn now to the recent developments at our business and in the implementation of our strategy. We've made noteworthy progress. If you followed our annual results press conference on March 10, you know that we've made the continual decarbonization of our portfolio the centerpiece of our strategy. We intend for our power generation business in Europe to be carbon-neutral by 2035. Our gas business and our proven expertise in power-to-gas and hydrogen give us a lot of potential to swiftly and demonstrably transform our ambitions into specific initiatives and projects.

Increasingly, we're partnering with strong, experienced companies. For example, we're working with Siemens Energy to explore the use of hydrogen in gas-fired power plants. One suitable facility for this would be Irsching, our gas-fired power plant outside Munich.

We're working with BP to install an electrolysis unit at the company's refinery in Lingen. We also plan to install such units at wind farms in order to produce hydrogen. In Germany, €1.2 to €1.4°billion of wind power goes unproduced because it can't be transported from the north to the south. People in Germany are already paying for this "phantom power", so it makes sense to convert and make use of it. In the years ahead, Europe will need a huge amount of hydrogen. Cost factors and a lack production capacity will prevent Europe, at least initially, from producing this hydrogen with renewable energy alone. If Europe wants to achieve the necessary economies of scale for a functioning hydrogen economy, it needs to adopt a non-ideological, technology-neutral approach. This would encompass not only green hydrogen but also blue hydrogen, at least for a transitional period. My viewpoint is pragmatic: let's build the infrastructure necessary for tomorrow's hydrogen economy as rapidly and efficiently as possible and then produce as much green hydrogen as possible as quickly as possible. These efforts should be supported by suitable subsidy schemes that include project-specific funding as well as general funding or quotas for the proportion of hydrogen in the gas grid.



To bring wind power to the centers of energy consumption, the appropriate infrastructure is needed. I'm proud that Uniper is now able to make an important contribution in this area. In partnership with CDM Smith, a Bochum-based engineering services firm, we were chosen in a tender by transmission system operator (TSO) TenneT for the construction of an extra-high voltage line in Lower Saxony. Our role in the project is to provide overall project management for all engineering, procurement, and construction services. The new powerline is scheduled to enter service in 2026. For the just recently formed Uniper Technologies team, the project award is a great success. For the first time, Uniper is directly supporting the grid expansion in Germany.

In summary, we're convinced that we've set Uniper on the right strategic course. The implementation of our coal exit plan and the transformation of our portfolio are making continual progress. Our objective is to produce more energy while emitting less carbon dioxide. We'll continue to launch many more initiatives in this direction. Our proactive approach to the COVID-19 situation has enabled us to post robust interim results and gives us confidence for the rest of the year.

With that I'll hand things over to Sascha Bibert, who will provide you with insights into our first-quarter numbers.

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