



Telephone conference for Media Representatives

Uniper's Business Performance in 9M 2020

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Statement by:

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[Speaker: Andreas Schierenbeck]

Ladies and Gentlemen,

On behalf of my board colleague Sascha Bibert, I'd like to welcome you all to today's telephone conference. We'll be reporting today on the first nine months of Uniper's 2020 financial year.

The corona pandemic has imposed considerable restrictions on people's daily lives. So we're proud that Uniper's performance so far this financial year has been very good. Thanks in part to the swift and comprehensive steps we took to manage the pandemic, it has so far affected only a small number of our employees. We're very glad and relieved.

This is primarily due to the outstanding discipline of Uniper's approximately 11,500 employees. They've consistently implemented our protective measures. Safeguarding all our employees' health is our top priority.

Everyone senses how important this principle is, particularly this year. Our employees have been working from home whenever possible. When operations require it, some employees have been working shifts at our sites in compliance with clear guidelines. These employees are strictly separated into teams and work groups.

We know that this demands a lot from everyone involved. Yet we can also sense that the entire team is becoming closer and motivating each other. This is only possible because our company's IT has been largely migrated to cloud-based solutions. About 95 percent of our office staff are currently working from home. With this consistent approach we are the leader in Germany.

Our entire workforce's combined efforts have paved the way for a positive business performance and have enabled us to ensure that no Uniper employee has been put on a reduced work schedule.



Sascha will provide details in a moment. For now I'll just say that our business model has proven to be crisis-resistant and stable. And the implementation of our "Empower Energy Evolution" strategy is right on course. We're working to decarbonize our business portfolio. And making progress in partnering with our customers to enhance their energy efficiency, to reduce their greenhouse-gas emissions, and ultimately to accelerate the development of new technologies that enhance supply security.

Energy markets are undergoing massive changes. Uniper adapted early and is committed to decarbonization. A large proportion of our generating capacity is low or zero carbon, and we have one of Europe's largest gas portfolios.

By the end of 2025 at the latest, we'll close about 2,900 MW of coal-fired generating capacity in Germany. We're already working on master plans for how we can use the respective sites in the future. The point isn't just to exit coal but rather to make these sites fit for the future and to find a role for as many employees as possible. Wilhelmshaven is an interesting example of this. Coal-fired power generation will end there by year-end 2022 at the latest. We're currently analyzing a number of ideas and already working on a range of projects, like the LNG terminal. Although we're still in the exploratory stage, we know where we want to go.

After seven years in network reserve, Irsching 4 and 5, two of our combined-cycle gas turbines (CCGTs), returned to normal operations on October 1, 2020. We're the sole owner of Irsching 4 and co-owner of Irsching 5 together with Entega, Mainova, and N-Energie. Both units rank among Europe's most fuel-efficient CCGTs.

Decarbonization was and remains the challenge of our era. Symptomatic of this is the European "New Green Deal" as well as calls for a dramatically higher carbon reduction target for 2030.

I think the European Commission's plans are right not just to scrutinize the energy industry but also to examine all consumption sectors to see how each can do more to protect the earth's climate.



All consumption sectors need to engage in effective climate protection. The EU's climate targets naturally favor renewables as well as gas, which is an environmentally friendlier energy source than coal. And rightly so. Gas is the fastest way to reduce carbon emissions now while we develop the technologies of the future. This trend will benefit Uniper, which is among Europe's largest natural gas importers and traders.

Because Europe's natural gas production will decline significantly in the years ahead, Uniper is pursuing a two-pronged strategy: we intend to expand our procurement of pipeline gas and at the same time strengthen our LNG capabilities. Last Friday we concluded our assessment of market participants' interest in the LNG terminal we're planning for Wilhelmshaven. Although many companies participated and expressed general interest, too few made firm bookings. Now the project company is examining the next steps and evaluating several new options for how Wilhelmshaven can be used as a port of entry for environmentally friendly gas. This new conceptual phase involves both adjusting existing elements and adding new elements compared with the facility's previous design.

Europe is in the process of phasing out coal and nuclear power. Uniper therefore remains firmly convinced that Europe will need to utilize gas for many years to come if it wants to ensure that its energy supply is secure, efficient, and climate-friendly.

Germany's six remaining nuclear power stations and their roughly 9,000 MW of capacity will be retired by the end of 2022. Another almost 11,000 MW of hard coal and lignite capacity will be withdrawn by the end of 2025. Unless massive progress is made in storing renewably power, Germany will need natural gas as a flexible partner for renewables. That's why I am optimistic that we'll be able to overcome the policy differences regarding individual projects that we've experienced in recent months.

Our "Empower Energy Evolution" strategy has us on the right course. Our objective remains for our operations in Europe to be carbon-neutral by 2035. This means that we are more demanding than many of our competitors and set ourselves much higher goals than those currently under political discussion.



Fortum, our majority owner, also fully supports our “Empower Energy Evolution” strategy. All of the discussions I’ve had so far with Fortum’s CEO make clear that decarbonization is an important issue to us both and that expanding our zero-carbon business is among our priorities.

In recent weeks and months, we’ve held good discussions with Fortum on aligning both companies’ strategies. The first results will be presented at Fortum’s Capital Market Day on December 3. We’ll also use this forum to present Uniper’s strategy and the progress we’ve made in implementing it.

Ladies and Gentlemen!

We can’t allow crises and major challenges like climate protection to paralyze us. On the contrary, they should inspire us to work toward our objectives even more diligently and resolutely.

That’s precisely what Uniper is doing. Which is why we systematically made use of the first three quarters of the 2020 financial year as well.

- Uniper is a pioneer in the development of hydrogen technology.
- Our strategy has our company right on course.
- Fortum fully supports this strategy.
- Our employees are doing their part extraordinarily well.

With that I’ll hand things over to Sascha, who will give you a detailed look at our nine-month numbers.

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