



Annual results press conference for media representatives

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Statement by:

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Please check against delivery.



A warm welcome to our annual results press conference from me as well, ladies and gentlemen.

Our financial results for 2023 are best Uniper has ever posted. These annual results are exceptional in terms of both the amount and the underlying earnings drivers.

Adjusted EBIT of €6.4 billion in the 2023 financial year was about €17 billion above the crisis year 2022 and within the guidance range of €6 to €7 billion we published in October 2023. Adjusted EBIT in 2022 was just under -€10.9 billion.

Adjusted net income of €4.4 billion was also within the guidance range of €4 to €5 billion we published in October 2023. This figure was about -€7.4 billion in the 2022 financial year.

These exceptionally good earnings are the result of a strong operating performance in a market environment that was generally advantageous for Uniper.

In 2023 Uniper benefited to a great extent from hedging transactions for fossil-fueled power generation and the midstream gas business.

By contrast, additional costs for gas procurement to replace undelivered gas from Russia had a massive adverse impact on prior-year earnings. Such costs weren't incurred in 2023. Additional costs for gas replacement procurement won't be incurred in 2024 either.



As announced, we successfully secured our delivery obligations to our customers early in 2023. Uniper therefore needed no additional capital injections from the Federal Republic of Germany last year.

Uniper drew on a total of “just” €13.5 billion of the €33 billion originally made available by the German federal government in order for us to avoid delivery disruptions to our customers and to maintain supply security.

The federal government’s support of Uniper by means of capital injections thus ended earlier than anticipated and was significantly lower than initially expected and approved by the European Commission.

In fact, we were able to record a total of roughly €2.3 billion in cumulative lower costs on gas replacement procurement in the 2023 financial year by using futures transactions to successfully hedge our open gas delivery obligations.

The fact that we didn’t incur any more losses in connection with Russian gas deliveries in 2023 was viewed positively by **rating agency S&P** as well. In June of last year S&P reaffirmed Uniper’s long-term credit rating of BBB-, but changed the outlook from negative to stable. S&P sees Uniper on a path of steady financial recovery and upgraded Uniper’s stand-alone credit rating.

As you know, an investment-grade rating is a decisive element for Uniper’s business operations and access to capital markets.



Let's take a look at our two segments, European Generation and Global Commodities. Both segments contributed to our exceptionally good Group earnings.

European Generation's adjusted EBIT of roughly €2.3 billion was significantly above prior-year earnings of €0.7 billion.

This very substantial improvement is especially attributable to earnings on successful hedging transactions for conventional power generation.

The return of the German Heyden 4 hard-coal-fired power plant to commercial operation had a positive effect as well. The power plant will be shut down permanently at the end of this coming September. After being awarded the contract in the first tender to reduce coal-fired power generation, the power plant had already ceased commercial operation at the end of 2020, but returned to the market from grid reserve in August 2022 on the basis of the Substitute Power Stations Act enacted by the German federal government. A return to the market is possible through March 2024 at the latest. After the end of its market return, the plant will remain available to system operator TenneT as a grid-reserve power plant until September 2024.

In addition, our hydro and nuclear business in Sweden benefited from positive prices effects and, in the hydro business's case, also from a year-on-year reduction in price discrepancies between the system price and Sweden's price zones.

Overall, Uniper's power plants generated roughly 13% less electricity than in the prior year. As a result, our Scope 1 carbon



emissions were lower as well, declining by 24%. They amounted to 19.4 million metric tons in 2023. Our carbon emissions totaled 25.5 million metric tons in 2022, excluding power generation in Russia.

Adjusted EBIT at **Global Commodities** of just under €4.1 billion was considerably above the prior-year figure of -€11.2 billion.

As explained a moment ago, successfully hedging our open gas delivery obligations had a positive impact on earnings.

The optimization of our gas portfolio and gas storage facilities was another source of higher earnings. The international portfolio benefited in particular from the LNG business's good performance.

I'll turn now to **adjusted net income**, which largely tracks adjusted EBIT and amounted to around €4.4 billion in the 2023 financial year, which was substantially above the prior-year figure of -€7.4 billion.

IFRS net income of €6.3 billion was considerably above the prior-year net loss of €19 billion. IFRS net income was strongly influenced by the significant drop in commodity prices and the associated valuation of our derivatives. IFRS net income was also positively affected by the complete release of provisions recorded in 2022 for additional anticipated future costs in our gas portfolio due to the absence of gas from Russia.

Uniper recorded a **provision** of about €2.2 billion in its Consolidated Financial Statements for the 2023 financial year for an anticipated payment obligation to the Federal Republic of Germany in conjunction with aid granted in 2022. The payment obligation, whose final amount will depend on our full-year 2024 earnings, will



be due at the start of 2025 and is to be paid using available liquid funds. The full amount of the recorded provision adversely impacts Uniper's annual results.

To provide some background, in December 2022 the European Commission approved state aid to Uniper subject to certain conditions. The EU state aid decision of December 20, 2022, in conjunction with the framework agreement concluded between the Federal Republic of Germany and Uniper on December 19, 2022, obliges Uniper, among other things, to repay to the Federal Republic of Germany any overcompensation resulting from state aid. We will make the payment using available liquid funds. Recording the provision provides additional clarity about Uniper's financial situation.

Economic net debt developed very positively. High **operating cash flow** of just under €6.6 billion resulted in our overall debt going from minus to plus: we posted a positive **net cash position** of roughly €3.1 billion at year-end 2023. Our economic net debt at year-end 2022 was €3.4 billion.

I'd like to take this opportunity to again state clearly that these numbers are exceptional results that benefited from an advantageous market environment. They can't be extrapolated into the future.

Uniper's renewed financial stability also enabled us to repay our KfW loans in full in the fall of 2023.

As a reminder, in October 2022 Uniper had drawn on about €14 billion of its KfW credit line. At the end of June 2023, the significant



improvement in Uniper's financial situation made it possible to reduce the credit line to €11.5 billion from the original €16.5 billion. The current KfW credit line will expire in several stages by September 2026. At the same time, Uniper is preparing to use financial instruments contracted with private banks and on capital markets. This will make us even less dependent on government support and increasingly allow us to "sail in normal waters".

Not just our financial results are outstanding. We've also made good progress in implementing the EU's remedies. The European Commission's remedies require us to divest certain nonstrategic shareholdings by the end of 2026.

For example, the sale of our ship-fuel trading business in the United Arab Emirates closed in late May 2023. Shortly before this, the sale of our 20% indirect stake in the BBL pipeline had closed. At the beginning of last week we announced the sale of our 430 megawatt gas-fired power plant in Gönyü, Hungary. The disposal and liquidation of our North American electricity business by means of asset deals have also been initiated and are at an advanced stage.

Uniper is in a very solid financial position today and has attractive prospects for the future. The focus of the Management Board and our more than 7,000 employees is on implementing our strategy and transforming Uniper into a greener company with a sustainable business model. This is what we want to be measured by.

Our strategy and its consistent implementation are the basis for our equity story, with which we want to position Uniper on the capital market as an attractive company for investors. We're working on this.



We reached an important milestone for it at the Extraordinary General Meeting in December. The shareholders' approval of the capital reduction in principle restores Uniper's ability to pay dividends, subject to further legal restrictions. The payment of a dividend is an important criterion for investors when deciding to buy a company's stock. This applies to both institutional and retail investors.

This means that we've now created leeway for the German government's exit. How and when the exit will take place hasn't been decided. But the sooner we create the conditions for it, the better.

I'll conclude by taking a look at 2024.

Until the end of the 2023 financial year, Uniper was divided into two operating segments:

- European Generation
- Global Commodities.

Starting in the 2024 financial year, the Uniper Group will be divided into three operating segments:

- Green Generation
- Flexible Generation
- Greener Commodities.

Our new operating segments reflect our Group's new strategic course and create transparency on the progress of our transformation.



From this financial year onward, we'll use adjusted EBITDA to manage Uniper financially. Using adjusted EBITDA will enable us to manage our intended growth in a more targeted way, while at the same time focusing on the cash effectiveness of Uniper's earnings. Adjusted EBIT, which we currently use, will therefore no longer be used as a key financial indicator for managing our operating business. Adjusted net income will continue to be a KPI.

We anticipate lower earnings in 2024 than in 2023 due to a decline in commodity prices. We expect our adjusted EBITDA to be significantly below the prior-year level and in a range of €1.5 to €2 billion. We expect our adjusted net income to likewise be significantly below the prior-year level and in a range of €0.7 to €1.1 billion.

2023 was an outstanding, extraordinary year. It certainly can't be repeated in this form. We already announced this last fall. The market environment and our results are normalizing.

Thanks for listening.

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