Deep Dive – European Generation

Christopher Delbrück – CFO
Eckhardt Rümmler – COO

09 October 2017

Agenda – European Generation

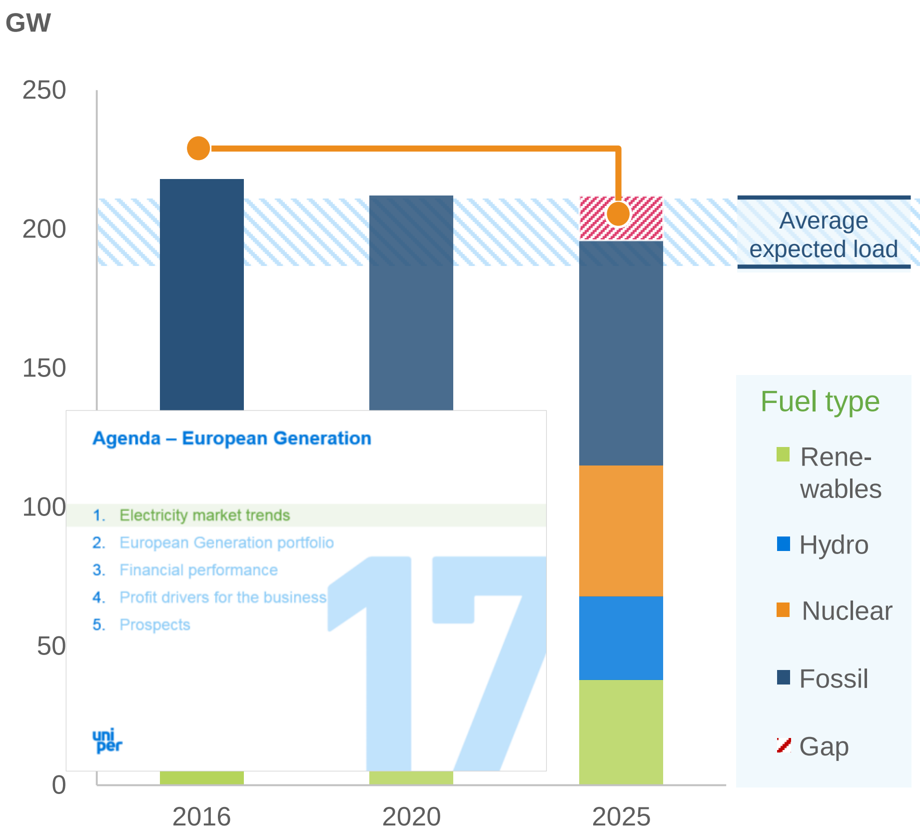
1. Electricity market trends
2. European Generation portfolio
3. Financial performance
4. Profit drivers for the business
5. Prospects

Agenda – European Generation

1. Electricity market trends
2. European Generation portfolio
3. Financial performance
4. Profit drivers for the business
5. Prospects

North-western European power markets tightening

Reliable capacities in North-western Europe[1]



Key highlights

Capacity squeeze

- Germany: nuclear exit until 2022 (11 GW), lower lignite capacity (3 GW)
- Belgium: planned nuclear exit until 2025 (up to 6 GW)
- France: potentially heavy squeeze in nuclear power contribution (up to 19 GW)
- Several coal exit plans within Europe

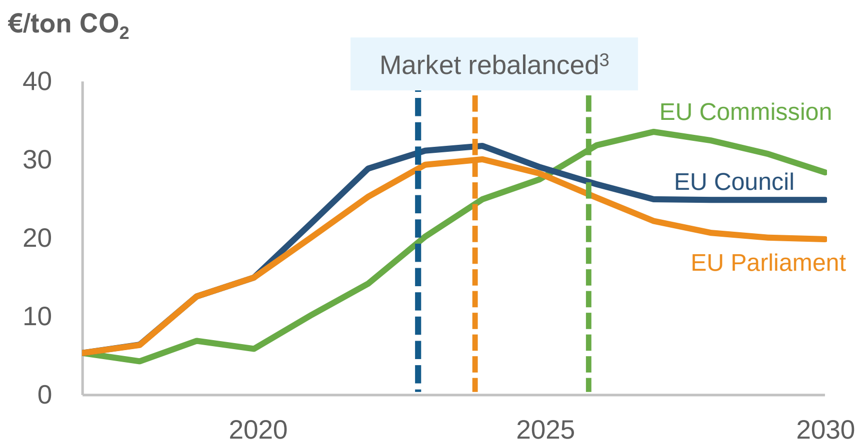
Market implications

- Towards 2025 no room left for unplanned outages and above avg. winter demand spikes
- Renewables will not fill the gap in reliable capacities
- Sizeable number of new gas power stations and grid extension needed beyond 2022
- Plant utilization expected to increase

1. North-western Europe (NWE): Germany, France, NL, Belgium;
Adjusted for availability: Nuclear/thermal 85%, hydro 60%, wind 10-15%, solar 0%.
Sources: Uniper, IHS Markit – European Planning Scenario (July 2017)

EU ETS – tighter rules and high probability for higher prices

Estimated price impact of positions in ‘Trilogue’[1]



Key highlights

Tighter ETS rules for 2021 - 2030

- New rules for 4th trading period set to reduce oversupply in the early 2020s
- Outcome of ‘Trilogue’ procedure heading towards a faster cut in oversupply

Market implications

- First market reaction visible in the current EU carbon price
- Carbon price important lever on north-western and Nordic power price

Close to agree on a tighter ETS rules (24% transfer rate into MSR within 2019-2023)

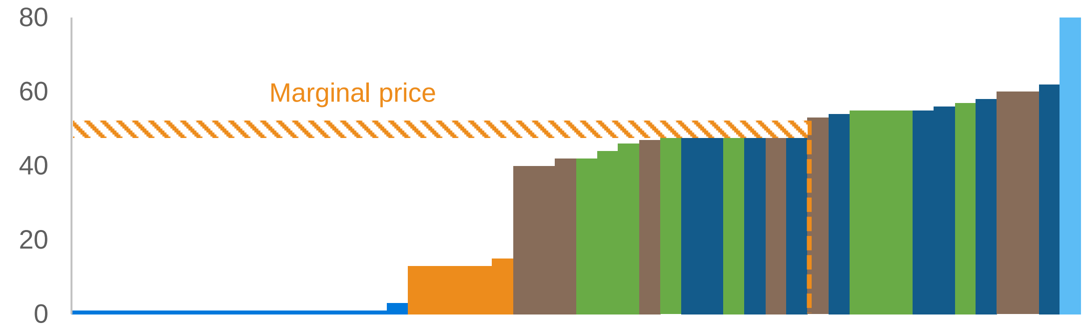
	Transfer rate into Market Stability Reserve (MSR)	Supply reduction (after 2020)	Cancellation of allowances
1 EU Commission	12%	2.2% p.a.	None
2 EU Parliament	24% in 2019-2022, 12% thereafter	2.2% p.a.	One-off 800m tons
3 EU Council	24% in 2019-2023, 12% thereafter	2.2% p.a.	Permanent mechanism [2]

1. Source: ICIS Tschach Long-term Price Forecast as of August 28, 2017.
2. Yearly cancellation from 2024 onwards in relation to respective annual emissions, >~2bn tons cancellation in 2024 forecasted + additional volumes in later years.
3. Market assumed to be in balance when supply is within range where Market Stability Reserve becomes inactive, i.e. between 400m and 833 m tonnes.

Revised ETS regime could be a main driver for generation earnings

German merit order at current CO_2 price

German merit order at €30 CO_2 price[1]



Fuel type: Hydro & Renewables | Nuclear | Lignite | Hard coal | Gas | Other

Key highlights

Current status

- Current ETS regime does not give the intended price signals
- Coal in Central Europe acting as price setter

Hypothetical outcome with higher carbon price

- Gas plants climbing up the merit order
- Coal still often acting as price setter
- Strong upside lever on wholesale price

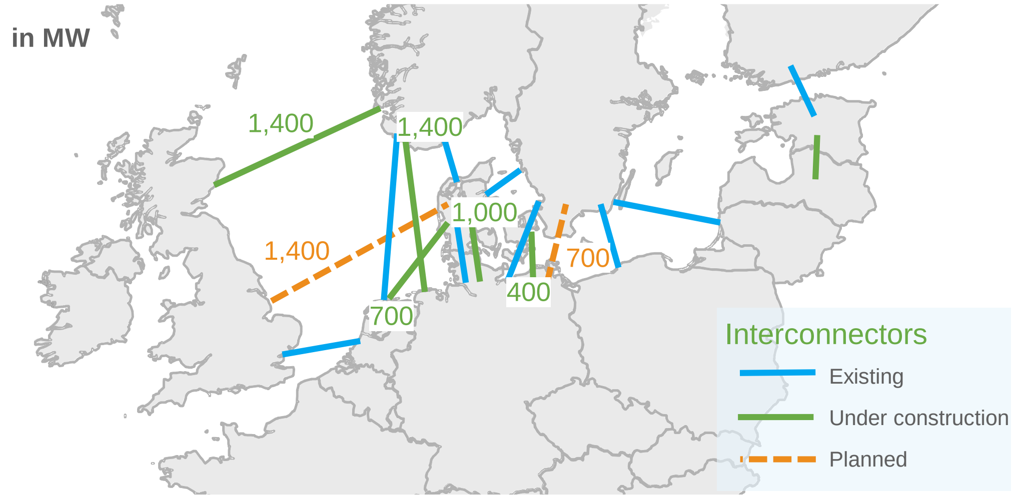
Impact on Uniper

- Uniper's outright portfolio with clear upside
- Fossil portfolio with limited impact – positives and negatives widely level out

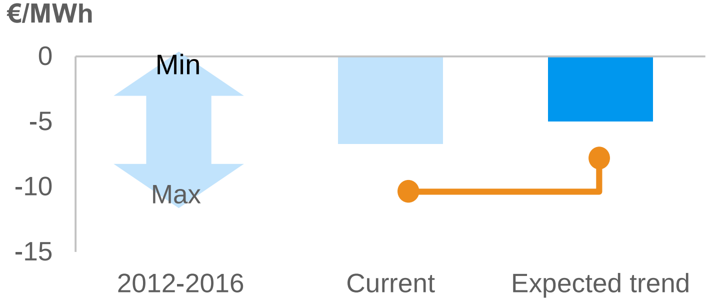
1. Indicative calculation based on current portfolio,not reflecting changes in utilisation rates.

Spread between Nordic and north-western Europe to narrow

Interconnector capacities



Price gap between Nordic and north-western Europe[1]



Key highlights

Interconnector capacity doubling

- Current interconnector capacity into Nordic c.6 GW
- Planned new-builds of c.6 GW until 2025
- First Germany – Norway link by 2020
- First UK – Norway link by 2022

Market implications

- Decline of discrepancy between Germany and Nordic
- Expecting higher price in Nordic market

Impact on Uniper

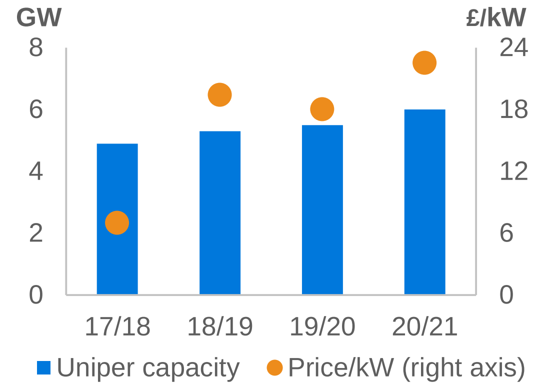
- On balance positive effects expected
- Nordic outright fleet should clearly benefit

1. Comparison based on forward prices Y+1.

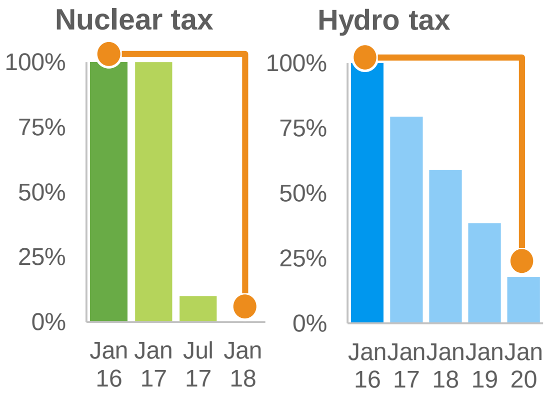
Growing willingness to reward availability of dispatchable capacity

Capacity market and strategic reserve schemes

UK capacity market auctions



Swedish taxes reduced



Key highlights

Strategic reserve schemes

- German winter reserve remuneration remains inadequate
- Sweden's TSO secures Uniper plant for strategic reserve

New capacity market schemes

- UK secures generation capacities from October 2017 onwards
- France embarked on capacity market for 2017

Energy taxes reduced

- Swedish government secures existing generation base by reducing tax burdens

Market trends – key messages

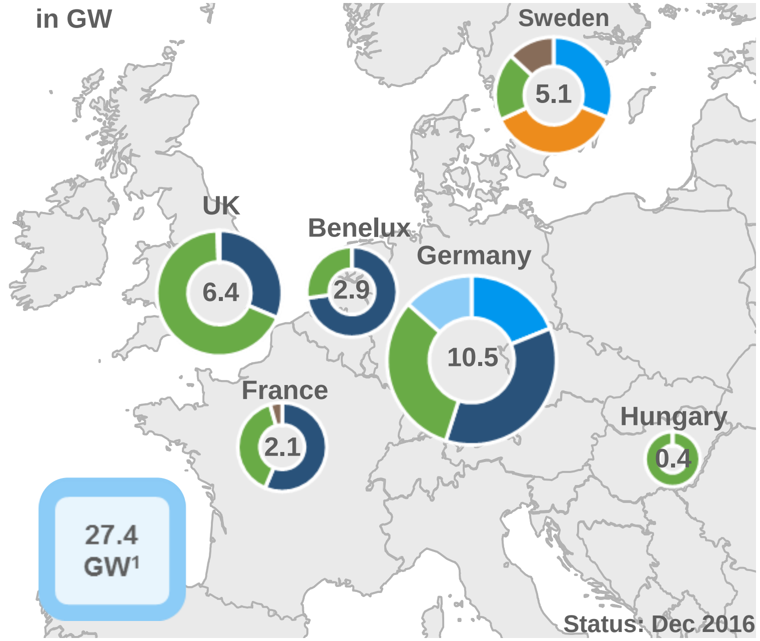
Markets	• Tighter markets ahead
EU politics	• Promoting a more interconnected market • Working on a revival of ETS market regime
National politics	• Putting security of supply on political radar • Reduction of carbon intensity (via coal) • More market based support of renewable energy
Sector economics	• Upward pressure on prices

Agenda – European Generation

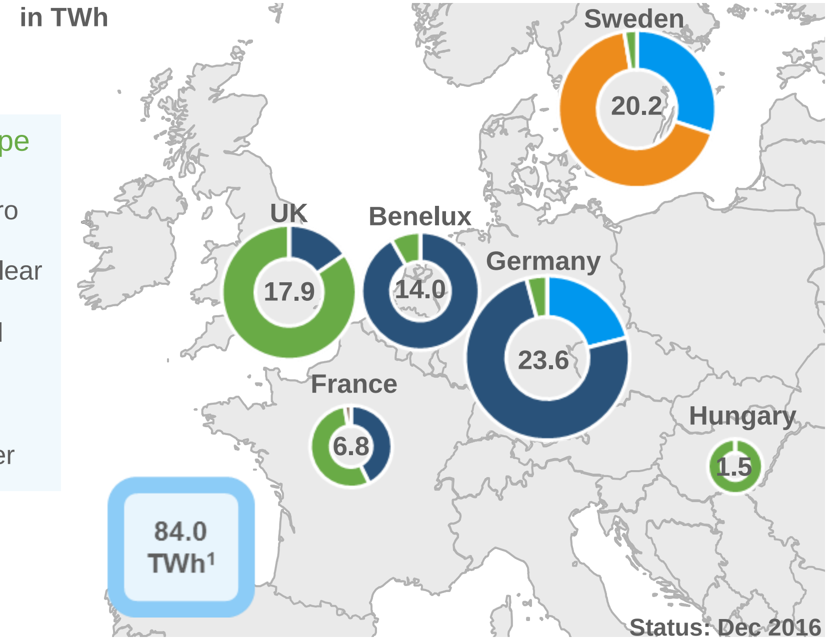
1. Electricity market trends
2. European Generation portfolio
3. Financial performance
4. Profit drivers for the business
5. Prospects

A well-balanced and regionally diversified generation portfolio

Net capacity by country and fuel type



Electricity production by fuel type



Fuel type
- Hydro
- Nuclear
- Coal
- Gas
- Other

Key message

- North-western Europe is our home turf
- Representing the markets with the clearest upside price lever within Europe

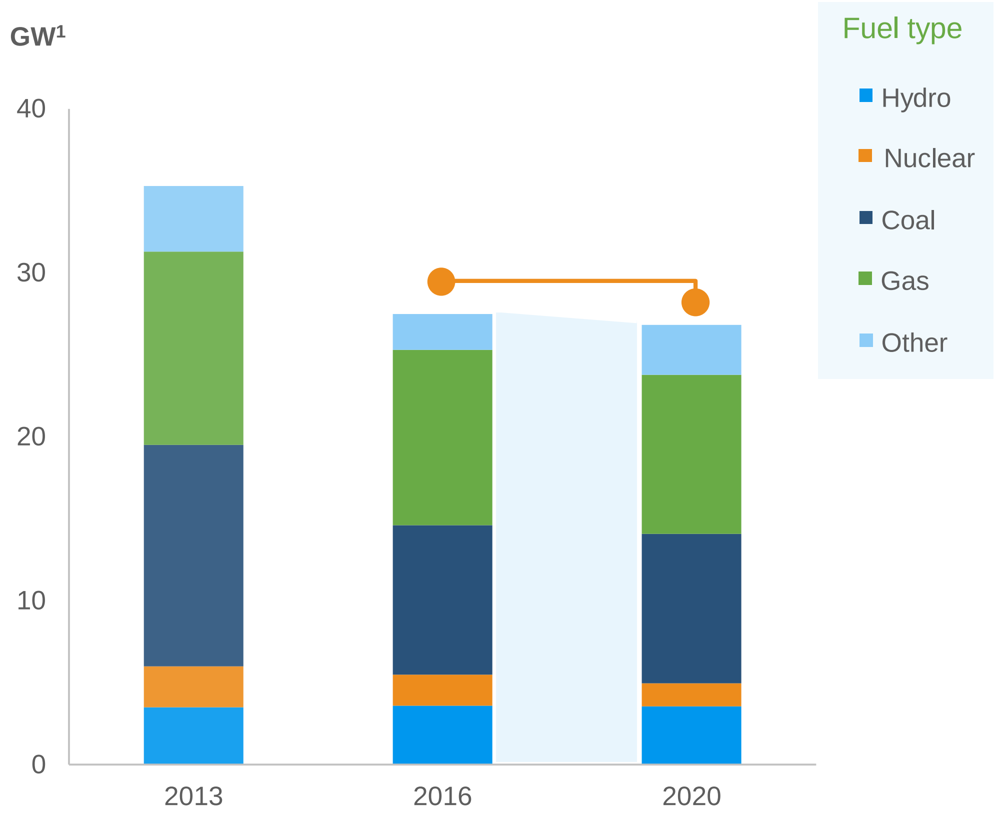
Key message

- Strong volumes in most of our core markets
- German utilization leaves clear upside once market metrics are changing

1. Accounting view.

Portfolio clean-up almost complete

European Generation – Existing capacity and future trends



Key highlights

Closure plans widely executed

- Closure plans of coal plants fully executed until mid of 2017
- Closure of some old oil plants in Germany envisaged

Portolio stability until 2020

- Datteln 4 coal plant close to be up and running
- Planned mothballing or phase-off of gas plants blocked by regulator

Portfolio in good shape

- All plants cash flow positive
- Exception is related to our coal plants in France

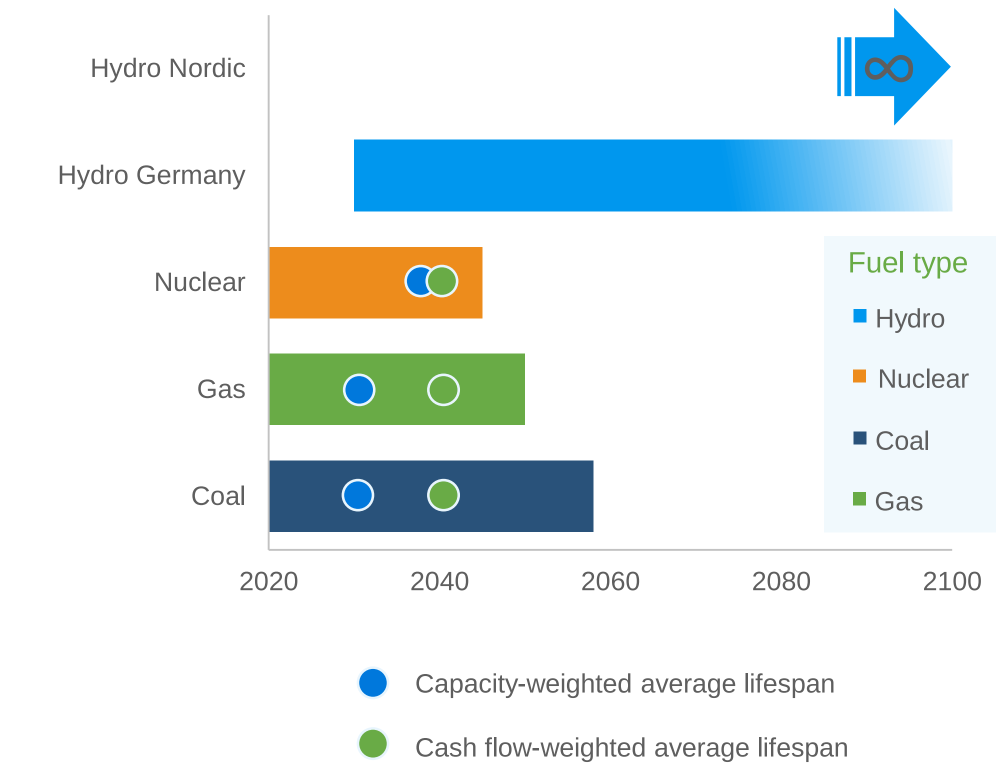
Playing the optionality

- Gas capacities prepared to benefit from security-of-supply needs

1. Accounting view.

Long remaining lifespans across main fuel types

Technical lifespan, expiry of concessions and economic lifespans by fuel type from 2020 to 2100+



Key highlights

Hydro fleet

- Lifespan for Swedish hydro plants ad infinitum – no expiry of concessions
- German hydro – current concessions largely expire between 2030 and 2050 – extension feasible

Nuclear fleet

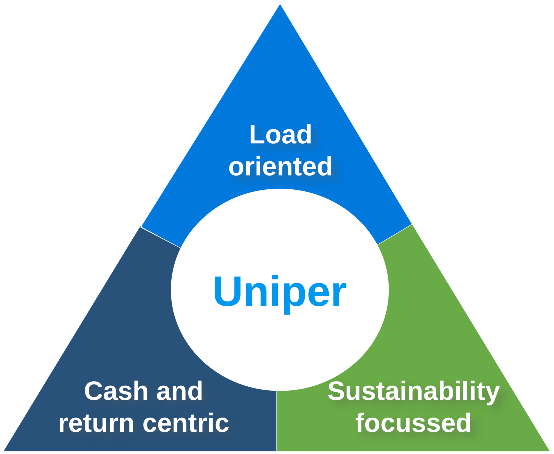
- Oskarshamn 1 (OKG) off-grid since June 2017
- OKG 3 with concession up to 2045
- Minority owned Forsmark 1,2,3 and Ring-hals plants 3,4 plants with concessions up to early 2040ties

Fossil fleet (Coal/Gas)

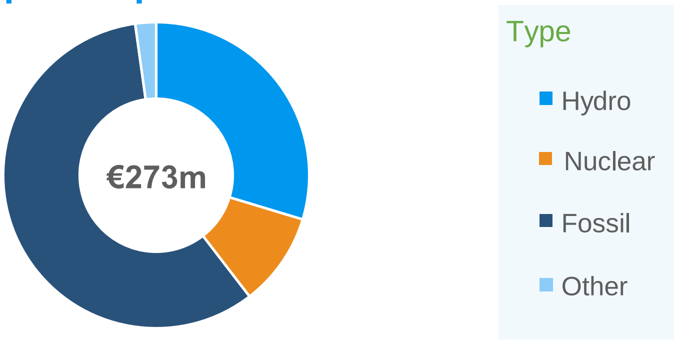
- Gas fleet with CF-weighted lifespan until end 2030ties
- Coal fleet with CF-weighted avg remaining technical life well into the early 2040s

Operational excellence – Strict optimization of maintenance capex

Valued-driven maintenance capex



Maintenance capex – Split 2016



Key highlights

Sucessful change in approach

- Lower sustainable investments levels for maintenance and replacement
- Major positive impact by switching from standard periods to load oriented maintenance investment

Focus on security and reliability

- Core to focus on inverse relationship between investments and risks
- Security for staff, for reliability and focus on environment comes first

European Generation portfolio strength – key messages

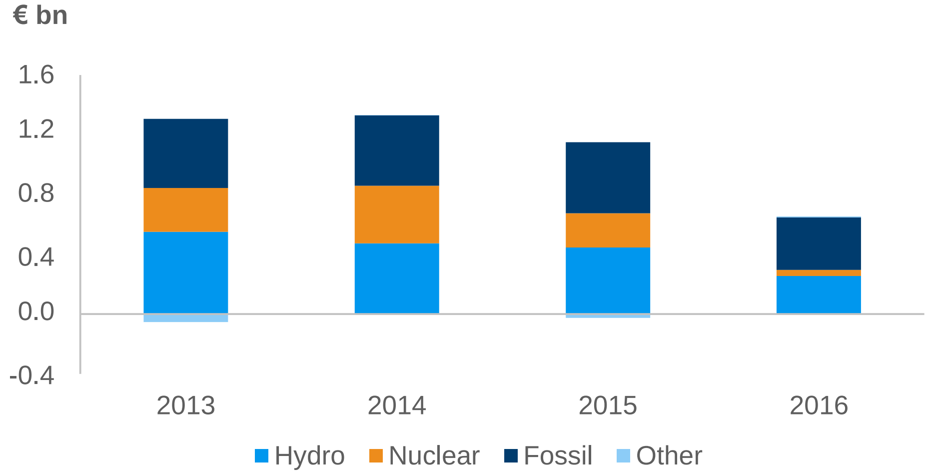
Home turf	• Operating in European markets with strongest upside price drivers
Portfolio mix	• Balanced mix of stable non-wholesale earnings and optionality from reviving market prices
Portfolio lifespan	• Portfolio with an essential share of power plants with long residual lifespan
Sustainability	• Sizeable CO_2 free generation sources
Operational excellence	• Optimized capex plans and improved reliability of plants

Agenda – European Generation

1. Electricity market trends
2. European Generation portfolio
3. Financial performance
4. Profit drivers for the business
5. Prospects

Earnings hit trough in 2016

European Generation – Sub-segment EBITDA 2013 - 2016



European Generation: Segment EBIT(DA) 2013 - 2016

€m	2013	2014	2015	2016
EBITDA	1,254	1,331	1,125	654
EBIT	504	539	506	126

Key highlights

Outright prices

- Outright power prices heavily down between 2013 and 2016 for
  - Germany: c.59 €/MWh to c.37 €/MWh
  - Nordic: c.44 €/MWh to c.33 €/MWh

Dark and spark spreads (CDS, CSS)

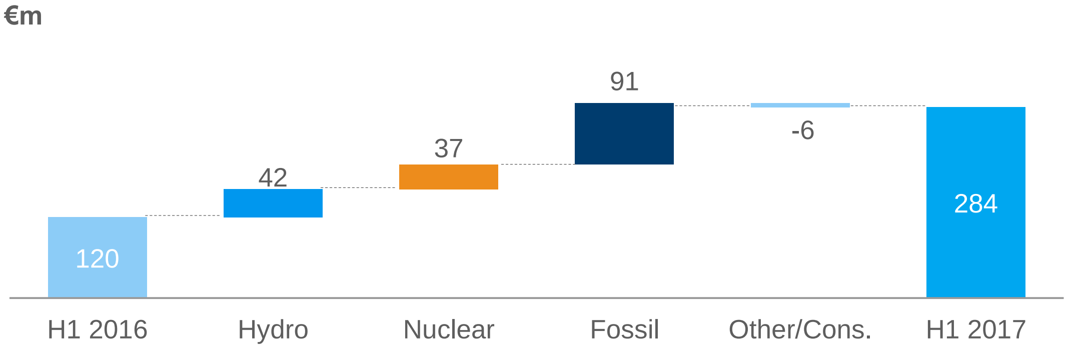
- Spread overall turned to the negative between 2013 and 2016
  - Germany: CDS halved, CSS reviving
  - NL: CDS clearly down, CSS improving
  - F: CDS stable, CSS clearly reviving
  - UK: CDS tumbled, solid CSS improving

Strategic decisions for optimization

- Several cost cutting initiatives embarked upon
- Phasing-out cash flow negative plants
- Shutdown concentrating on coal plants and two nuclear plants in the Nordic market

H1 2017 – Increase across all activities

Adj. EBIT development by sub-segment in H1 2017



Adj. EBIT(DA) in H1 2017

€m	EBITDA H1 2017	EBIT H1 2017
Hydro	169	141
Nuclear	77	45
Fossil	288	125
Other/Consolidation	-27	-27
Total	**507**	**284**

Main effects

Hydro fleet

- (+) Lapse of 2016 restructuring one-off

Nuclear fleet

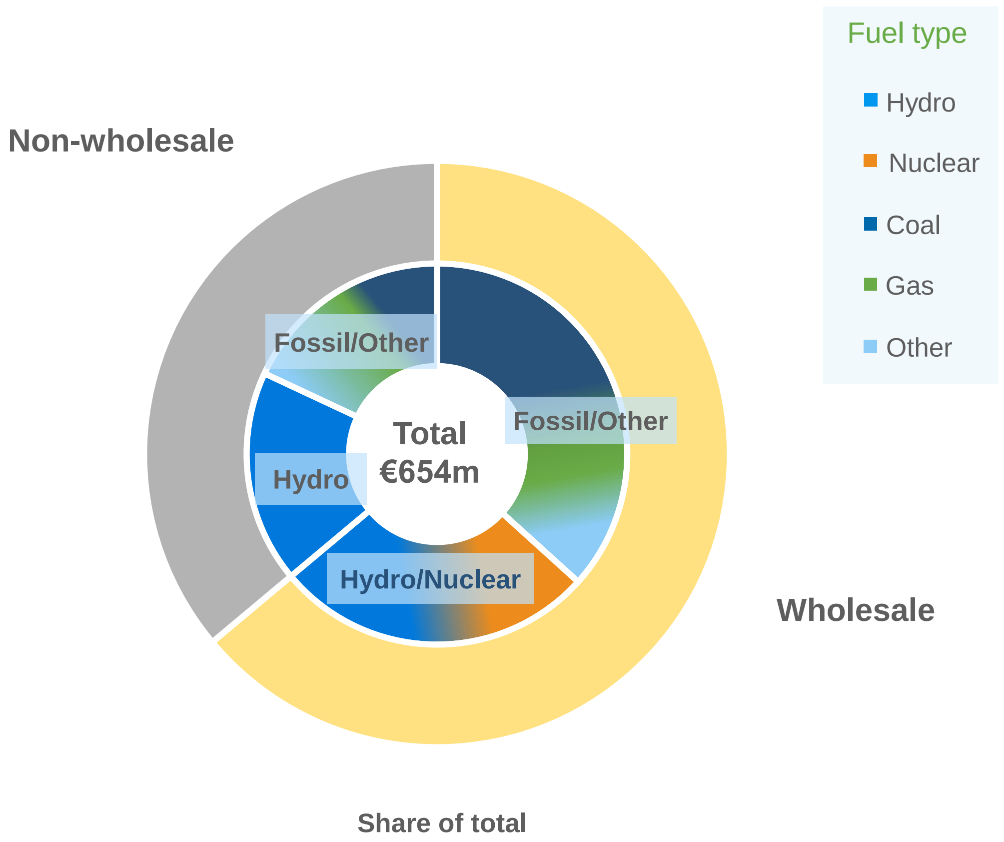
- (+) Positive volume effects:
  - Ringhals 2 back in operation
  - Shift of Oskarshamn 3 maintenance into Q3
  - Oskarshamn 1 running flat out on finishing straight
- (-) Lower achieved prices

Fossil

- (+) Lower depreciation
- (+) Cost savings
- (-) Further pressure on spreads

Attractive mix of stable and market driven elements

European Generation – EBITDA split 2016



Key highlights

Balanced earnings mix

- Stable ~60% / ~40% wholesale / non-wholesale earnings mix over the last three years
- Quality of earnings will improve with rising non-wholesale earnings streams

Non-wholesale earnings

- Solid and stable earnings contribution by hydro business
- Earnings of fossil/other business impacted by one-offs

Wholesale earnings

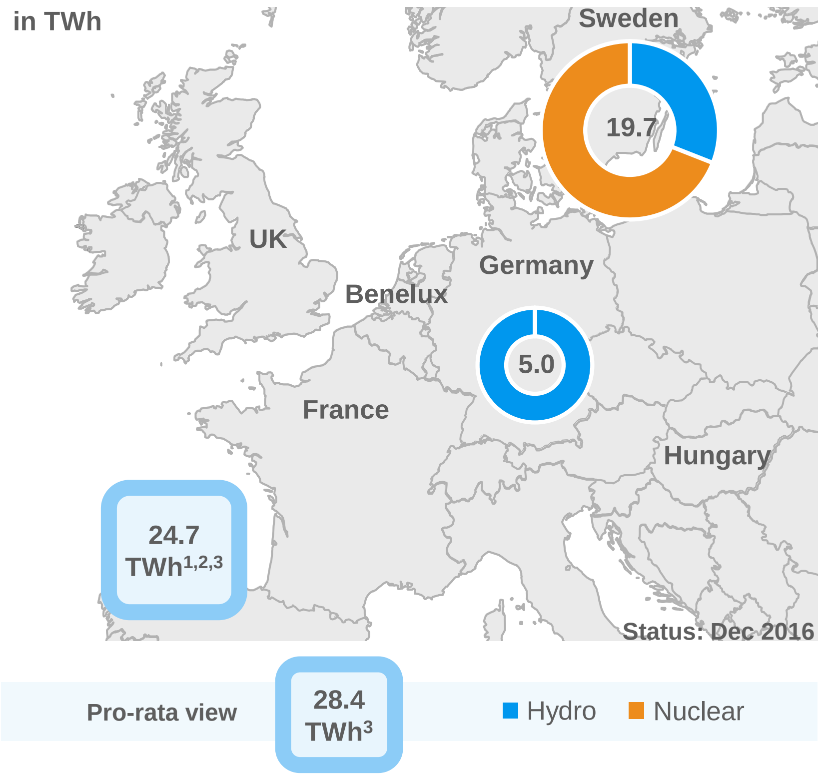
- Earnings of outright fleet impacted by lower hedged prices
- Growing earnings contribution from our international fossil business

Agenda – European Generation

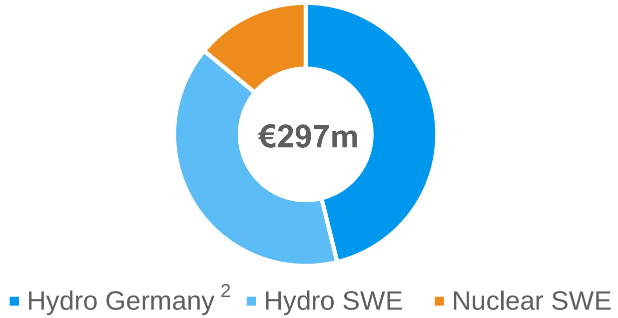
1. Electricity market trends
2. European Generation portfolio
3. Financial performance
4. Profit drivers for the business
5. Prospects

Profitable outright portfolio

Portfolio – Outright fleet



Outright fleet – EBITDA split 2016



Key highlights of 2016

Hydro

- Impacted by lower power prices
- Negative volume effect due to dry period in Sweden
- Provisioning for restructuring program burdens

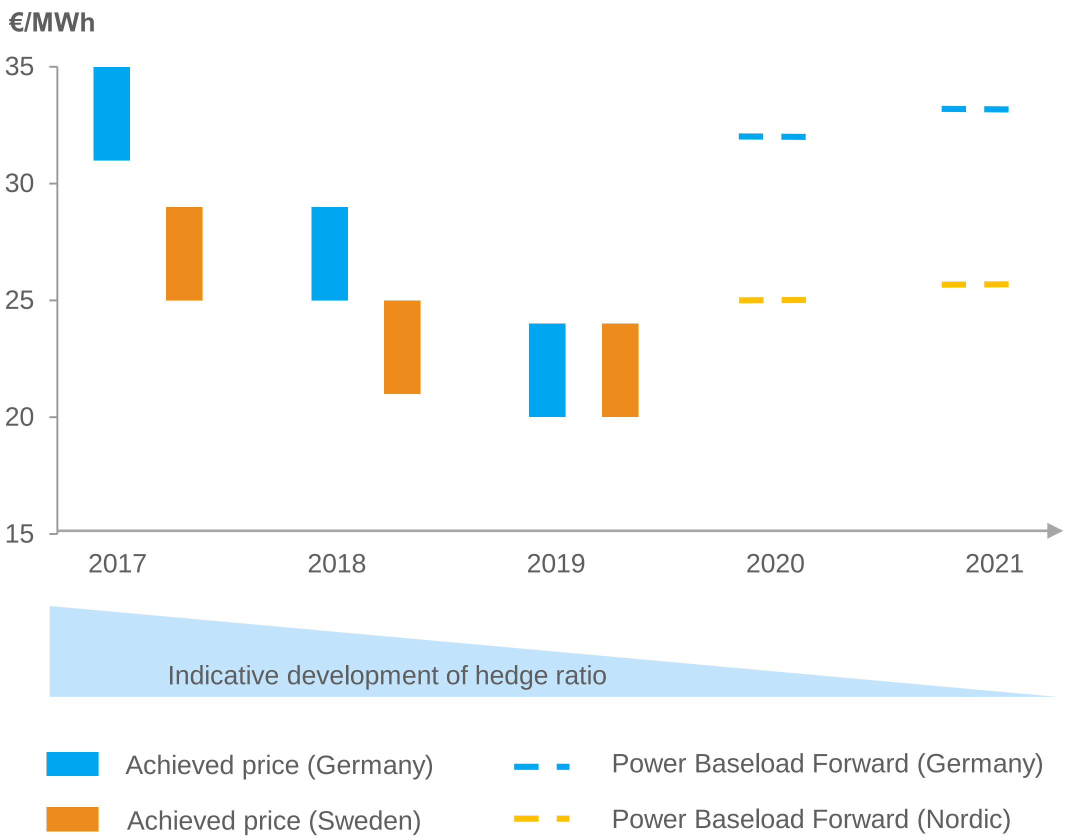
Nuclear

- Impacted by lower power prices
- Additional provisioning following regular reassessment of our long-term obligations

1. Accounting view.
2. Hydro Germany includes non-wholesale related business (2.3 TWh; EBITDA: €0.1bn).
3. Excluding hydro LTCs in connection with assets in Austria and Switzerland.

Outright portfolio with price upside into 2020

Outright position – Baseload power price[1]



Key highlights

Price drivers

- Coal prices remain a key driver
- Carbon prices should revive as an essential price factor driver with adjusted EU regulations
- Impacts from structural price effects with tightening of electricity supplies looming

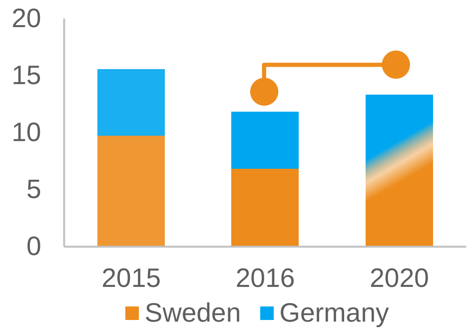
Uniper's hedging policy with some flexibility

- Uniper in principle sticks to a conservative hedging approach
- Improved financial base giving more flexibility

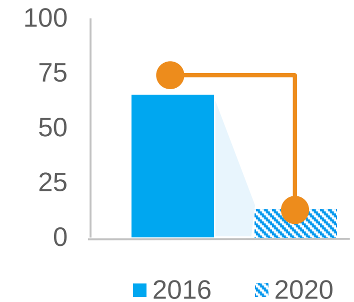
1. Power baseload forward prices as of 05 Oct 2017.

Hydro earnings at turning point

Volumes[1,2]



Swedish hydro tax lowered



Earnings lever 2020 vs 2016

+

- Better volumes due to efficiency gains and with normalized hydrology
- Lower hydro property tax in Sweden
- Cost cuts
- Stable non-wholesale earnings

−

- Drop in average hedged prices

Earnings trend 2020 vs 2016

Key highlights

Upside for output

- Efficiency measures widely advanced
- More volume in an average hydro year

Cost relief

- c.80% lower property tax in Sweden
- Important cost cutting initiated
- Capex optimization executed

Premium assets

- Actively managing risk to achieve premium vs. wholesale price
- LTC contracts with long duration
- Small hydro in Germany benefitting from EEG

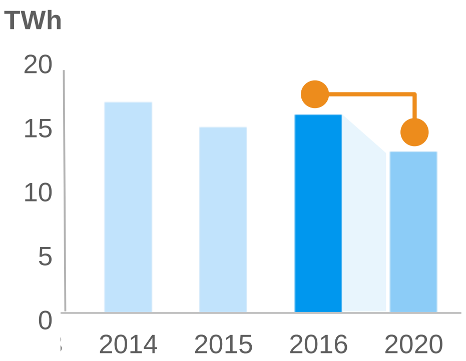
Long-term earnings lever

- Large part of the fleet with strong sensitivity on market prices
- Some downside protection from LTC business

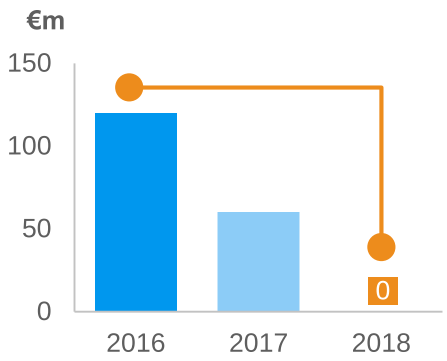
1. Excluding hydro LTCs in connection with assets in Austria and Switzerland.
2. Assuming an average hydro year.

Prospects of nuclear fleet improving

Volume[1]



Lower nuclear tax relieves costs



Earnings lever 2020 vs 2016

+

- Omission of nuclear tax
- Lapse of large one-off effect (new KAF-related provision in 2016)
- Cost cuts

–

- Drop in avg hedged prices
- Lower volume following phase-out

Earnings trend 2020 vs 2016

Key highlights

Volumes down, availability up

- Improved availabilities in remaining units
- Volume down with closing of OKG 1 in mid 2017; Ringhals 2 out in mid 2019 and Ringhals 1 in mid 2020
- Safety update of OKG 3 planned for 2020, enables operations to 2045

Nuclear tax abolished

- 90% reduction in July 2017
- Tax completely abolished in Jan. 2018

Long-term earnings lever

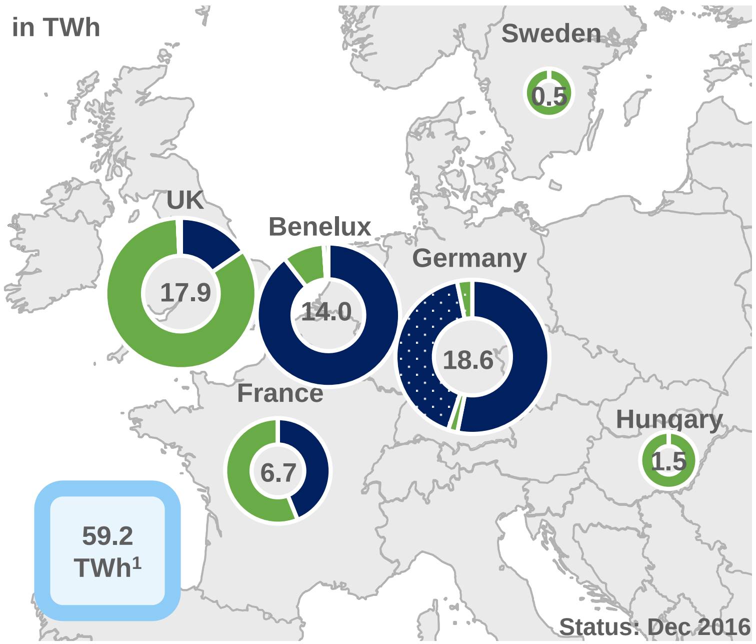
- Market price increase directly translates in equivalent EBITDA effect for nuclear

uniper

1. Pro-rata view.

Spread fleet with heterogeneous set of price drivers

Portfolio – Spread fleet



Linked to wholesale business — 50.3 TWh¹ — Coal, Gas, Other

Linked to LTC and regulated business — 8.9 TWh¹ — Coal, Gas, Other

Key highlights

UK – mixed trend

- Market generally more balanced between coal and gas
- Capacity market reduced the markets risk premium
- Recently dark spreads significantly under pressure
- Coal plant Ratcliffe most modern UK coal plant

Germany – limited spread exposure

- In current carbon prices hard coal mostly price setter
- Uniper coal fleet competitive
- Gas plants still largely out of the money

France – improved spreads

- Uncertain availability of nuclear and hydro supportive
- Our fleet linked to mid load and peak load prices

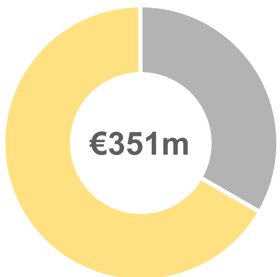
Benelux – very solid dark spreads

- Like in Germany hard coal is price setting
- Key asset is Maasvlakte 3 plant which is running base load

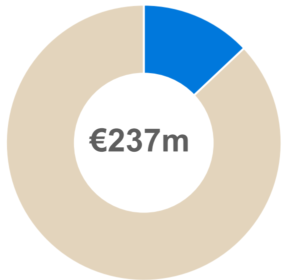
1. Accounting view.

Spread fleet stabilizing in weak spread environment

Fossil fleet – EBITDA split 2016



Fossil – Wholesale EBITDA 2016



Earnings lever 2020 vs 2016[1]

+

- France with good spreads
- Germany with better spark spreads
- Cost cuts

−

- NL with phase-out of old Maasvlakte 1+2 coal plants
- UK with low spreads due to launch of capacity market scheme

Earnings trend 2020 vs 2016[1]

→

Key highlights

Spread fleet

- 85% of volumes related to wholesale business
- Non-wholesale share dominated by LTC business
- Weak dark and spark spreads

Country mix

- German business dominated by LTC business with good margins
- International earnings contribution mainly coming from NL and France

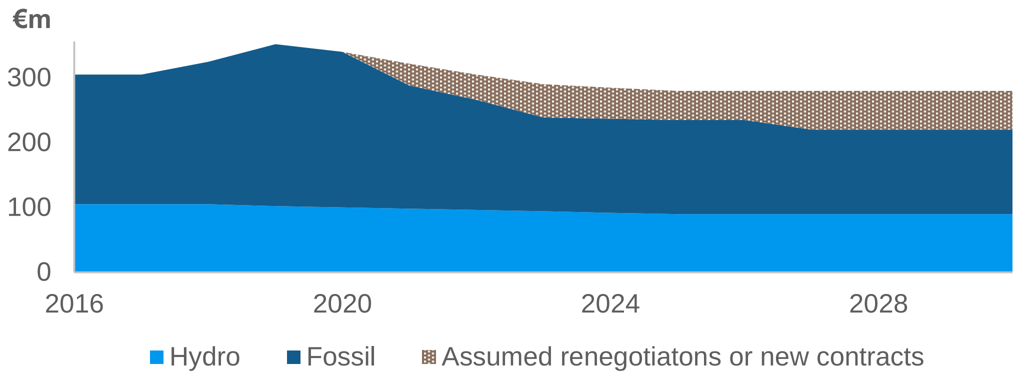
Long-term earnings lever

- Tighter markets should lead to better spreads
- Coal exit in Europe should raise utilization of gas plants

1. Related to fossil fleet in the wholesale business; adjusted for effects of decommissioned Maasvlakte 1+2 plants (June 2017).

Long-term contracts as stable earnings generator

LTCs – EBITDA contribution long-term



Earnings lever 2020 vs 2016

+

- Datteln 4 coal plant on track for delivery from H1 2018 on
- Hydro as stable contributor

−

- Some LTCs expire

Earnings trend 2020 vs 2016

Key highlights

Business benefits from delivering tailor-made energy

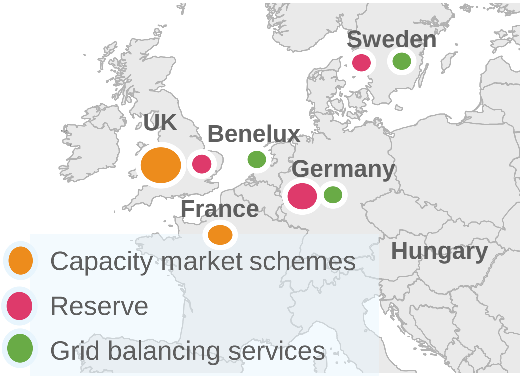
- Delivering energy within integrated energy hubs
- More than 90% of LTC EBITDA generated within Germany
- German coal plants as main suppliers to industrial customers
- German hydro involved in LTC business (e.g. to German Railways) and EEG-related business

Long-term earnings lever

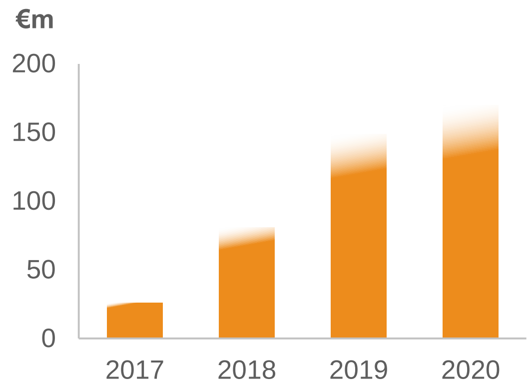
- Earnings based on many different sources
- Datteln 4 plant as main contibutor
- Hydro as stable contributor until 2030 and beyond

Regulated business of increasing importance

Importance of services



Capacity markets – EBITDA



Earnings lever 2020 vs 2016

+

- UK capacity market regime as strongest lever
- Optimization measures

–

- No clarity on an adequate grid remuneration in Germany

Earnings trend 2020 vs 2016

↗

Key highlights

Capacity market mechanism as major earnings driver

- Contribution of UK capacity markets as most essential earnings driver

Reserve markets weak but with upside potential

- Uniper's southern German plants the main contributor to grid reserve
- Germany grid reserve remuneration still inadequate

Limited contribution from grid balancing

- Solid market share in a competitive market environment

Long-term earnings lever

- Higher rewards for existing fossil fleet with tighter markets
- New service offers

Attractive additional earnings streams

French wind & solar assets

- 94 MW capacity of renewables
- Contracted on long-term in France based on 11 contracts
- Last contracts expire in 2031

Maasvlakte 3 – Energy hub

- Steam, cooling water and other products are delivered to the customer provided by MPP3 and auxiliary assets
- Uniper receives waste from its customer to be combusted in MPP3
- Capacity fee and variable cost compensation
- Contract until 2031

Wood pellets co-firing

- Wood pellets and meat bone meal to replace c.15% of coal feed-in
- Benefits from subsidy regime guaranteed for eight years
- Full commissioning expected in Q4 2018

Delivering middle double-digit million Euro earnings

Outright and spread portfolio – key messages

Outright fleet

- Strong beneficiary of market price recovery
- Hydro with flexible fleet in good markets and locations
- Nuclear rebuilding its business case with political support

Spread fleet

- Support from spread revival
- International spread fleet mainly linked to wholesale market, German fleet less exposed due to LTC related business

LTC business

- Will remain an essential earnings contributor of our German portfolio
- A noticeable part of earnings streams are secured over the next ten years and longer

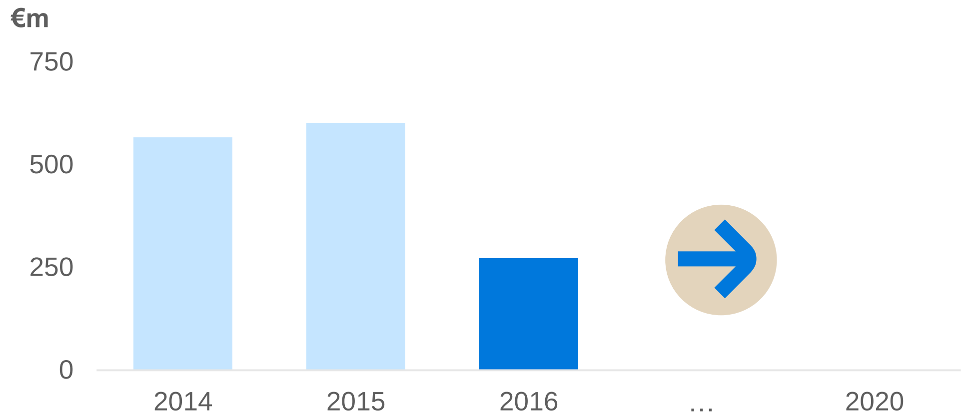
Regulated business

- Strong earnings driver with launch of capacity market regimes
- German portfolio includes optionality to commercialise assets better

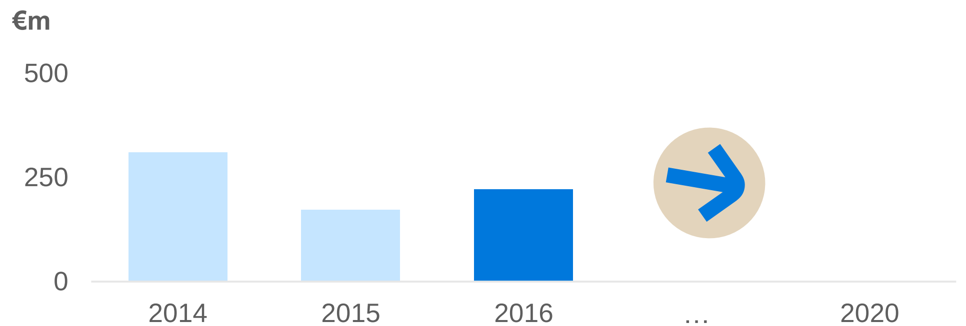
Agenda – European Generation

Disciplined capex policy

European Generation – Maintenance capex[1]



European Generation – Growth capex



Key highlights

Maintenance capex benefits from revised policy

- Stable maintenance capex planned
- Safety rates and availability levels planned to be raised further

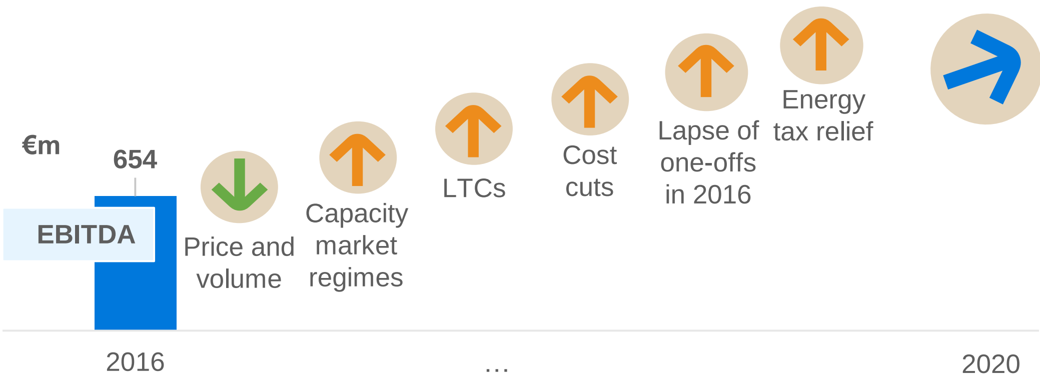
Growth capex down with finalization of Datteln 4 investment

- Current growth plan with finalisation of Datteln 4 plant (c.€0.3bn in 2017/18) widely executed
- Largest upcoming project is the safety upgrade of the Swedish nuclear plant Oskarshamn 3 (<€0.1bn)

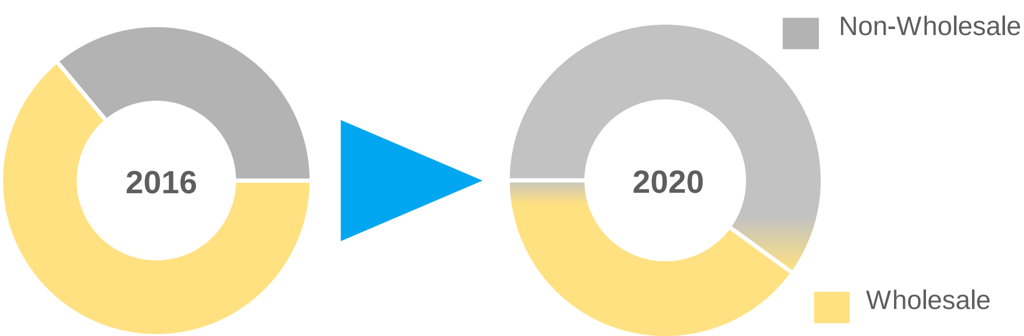
1. Capex include Oskarshamn 2 nuclear plant upgrade (2014 and 2015: c.€0.3bn in total).

Visible earnings growth

European Generation – Main earnings triggers until 2020



European Generation – Indicative EBITDA split



Key highlights

Quality of earnings improving

- Non-wholesale business as main earnings driver with capacity payments and rising LTC contribution
- Stable wholesale earnings despite weaker hedged outright prices
- Cost cutting effects showing up

Long-term earnings lever

- Outright fleet with strongly linked to wholesale price trend
- Net beneficiary of higher CO_2 prices
- Fossil fleet with optionality based on expected revival of spreads and introduction of new security-of-supply schemes

Key elements of the story

Portfolio
- Key parts of our generation portfolio with long residual lifespan

Market trend
- Market tightening re-powers conventional power generation assets and CO_2 uptrend boosts profitability of outright fleet

Near-term prospects
- New earnings streams and operational excellence prove potential of organic growth

Mid-term potential
- Optionality to benefit from structural market changes

Outlook
- Working to lock-in business related upside potential

Disclaimer

This document and the presentation to which it relates contains information relating to Uniper SE, ("Uniper" or the "Company") that must not be relied upon for any purpose and may not be redistributed, reproduced, published, or passed on to any other person or used in whole or in part for any other purposes. By accessing this document you agree to abide by the limitations set out in this document.

This document is being presented solely for informational purposes and should not be treated as giving investment advice. It is not, and is not intended to be, a prospectus, is not, and should not be construed as, an offer to sell or the solicitation of an offer to buy any securities, and should not be used as the sole basis of any analysis or other evaluation and investors should not subscribe for or purchase any shares or other securities in the Company on the basis of or in reliance on the information in this document.

Certain information in this presentation is based on management estimates. Such estimates have been made in good faith and represent the current beliefs of applicable members of management of Uniper. Those management members believe that such estimates are founded on reasonable grounds. However, by their nature, estimates may not be correct or complete. Accordingly, no representation or warranty (express or implied) is given that such estimates are correct or complete.

We advise you that some of the information presented herein is based on statements by third parties, and that no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this information or any other information or opinions contained herein, for any purpose whatsoever. Certain statements contained herein may be statements of future expectations and other forward-looking statements that are based on the Company's current views and assumptions and involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those expressed or implied in such statements. No one undertakes to publicly update or revise any such forward-looking statement. Neither Uniper nor any of their respective officers, employees or affiliates nor any other person shall assume or accept any responsibility, obligation or liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or the statements contained herein as to unverified third person statements, any statements of future expectations and other forward-looking statements, or the fairness, accuracy, completeness or correctness of statements contained herein.

In giving this presentation, neither Uniper nor its respective agents undertake any obligation to provide the recipient with access to any additional information or to update this presentation or any information or to correct any inaccuracies in any such information. This presentation is not intended to provide the basis for any evaluation of any securities and should not be considered as a recommendation that any person should subscribe for or purchase any shares or other securities.

This presentation contains certain financial measures (including forward-looking measures) that are not calculated in accordance with IFRS and are therefore considered as "Non-IFRS financial measures". The management of Uniper believes that the Non-IFRS financial measures used by Uniper, when considered in conjunction with (but not in lieu of) other measures that are computed in accordance with IFRS, enhance an understanding of Uniper's results of operations, financial position or cash flows. A number of these Non-IFRS financial measures are also commonly used by securities analysts, credit rating agencies and investors to evaluate and compare the periodic and future operating performance and value of Uniper and other companies with which Uniper competes. These Non-IFRS financial measures should not be considered in isolation as a measure of Uniper's profitability or liquidity, and should be considered in addition to, rather than as a substitute for, net income and the other income or cash flow data prepared in accordance with IFRS. In particular, there are material limitations associated with our use of Non-IFRS financial measures, including the limitations inherent in our determination of each of the relevant adjustments. The Non-IFRS financial measures used by Uniper may differ from, and not be comparable to, similarly-titled measures used by other companies.

uni
per