



Extraordinary General Meeting of Uniper SE

Düsseldorf, Dezember 19, 2022

Updated after conclusion of the framework agreement

Presentation by

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Please check against delivery.



Ladies and gentlemen,

Uniper shareholders and guests,

I would like to welcome you to this extraordinary and, for Uniper's future, decisive General Meeting.

Since our Annual General Meeting in May, our company's financial situation has deteriorated significantly due to the Russian gas supply reductions. Uniper was close to having to file for insolvency.

Today we are asking you, our shareholders, to approve the stabilization measures that we negotiated with the German Federal Government. They are indispensable for this company's future.

The extraordinarily adverse financial burden required us to recognize a loss equal to more than half of Uniper's share capital on September 30, 2022, balance-sheet date. Today we are notifying you, our shareholders, of this loss.

To give you a complete picture of the Company's situation, I will start by again talking about the causes of this development.

Uniper has been a key purchaser of gas from Russia for more than 50 years. It has procured this gas under long-term agreements with Russian supplier Gazprom.

In late February, Russia began a war of aggression against Ukraine.

Thousands of people have already died or been injured. Uniper strongly condemns this war.

Around eight million people have fled Ukraine. This is staggering and continues to concern me and all of us.

At the same time, Russia is waging an energy war against Europe. This has plunged the entire European energy market into a severe crisis.

However, this crisis is not just affecting Uniper as part of the energy industry. It also affects other sectors of the economy, especially industry, and ultimately every one of us.

This shows how important energy is for our daily lives.



Uniper is a linchpin of the gas and heat market and is thus of central importance for Europe's energy industry.

Until this past summer, gas from Russia was always delivered reliably to Uniper under a predefined price mechanism.

Uniper, in turn, supplies the gas that it has procured under long-term contracts at a predefined price mechanism to about 1,000 customers, which, mostly, are municipal utilities and industrial customers. These price mechanisms are geared to the price mechanism of our supply contracts with Gazprom.

After Russia's invasion of Ukraine in February, Gazprom initially continued to fulfil its delivery obligations to Uniper.

As you know, since then the situation has deteriorated. Energy has been—and still is being—misused by Russia as a means of exerting pressure.

In this context Gazprom reduced its gas deliveries to Uniper in June 2022 with the result that we first received just 40% of the contractually agreed-on amount of gas from Gazprom.

In late August 2022, Gazprom completely suspended gas deliveries to Uniper—and to this day has not resumed them.

We consider this a clear breach of contract. Uniper is taking all measures to assert its claims against Gazprom for failure to deliver gas.

As was announced recently, in late November Uniper initiated arbitration proceedings against Gazprom Export.

Ladies and gentlemen,

For Uniper to continue to meet its supply obligations to its customers, Uniper must procure the outstanding gas volumes elsewhere.

This replacement procurement of gas from alternative sources takes place on the wholesale market at prices that are significantly higher than our agreed-on delivery terms with Gazprom. We cannot pass these higher costs through to our customers. This is a question that we have examined intensively from a legal point of view.

To give you an idea of the order of magnitude:



Uniper covers about one third of Germany's gas supply. We thus incur a significant portion of Germany's gas bill.

Due to the fact that prices on gas markets are both high and volatile, Uniper was at time bearing daily additional costs from procuring gas from alternative sources, which reached the double-digit million range and highs of more than 200 million euros.

This has resulted in Uniper accumulating substantial losses over the past months. Here are the sobering numbers:

Our IFRS results for the first nine months of the 2022 financial year, which were published on November 3, 2022, were significantly negative.

Uniper's preliminary adjusted EBIT for the first nine months of the 2022 financial year was about -4.8 billion euros. In the same period of the prior year, we generated 614 million euros.

Adjusted net income for the same period amounted to roughly -3.2 billion euros. In the prior year it was 487 million euros.

IFRS net results of around -40 billion euros reflect the losses incurred as of September 30, 2022, as well as anticipated future losses resulting from procuring gas from alternative sources in connection with the gas supply restrictions imposed by Russia.

This makes it clear that Uniper also expects its adjusted EBIT and adjusted net income for full-year 2022 to be significantly negative and substantially below the prior-year figures.

As already stated, and in line with the aforementioned negative earnings pursuant to IFRS, on September 30, 2022, balance-sheet date, Uniper recorded a loss equivalent to more than half of its share capital pursuant to the German Commercial Code (HGB). We are informing our shareholders about this at this Extraordinary General Meeting in accordance with Section 92 of the German Stock Corporation Act (AktG).

Uniper's share capital pursuant to the HGB, consisting of subscribed capital, additional paid-in capital and retained earnings, and unappropriated profit was 11.65 billion euros on December 31, 2021. As of September 30, 2022, there was a loss totaling around 40 billion euros, resulting in a negative equity of Uniper SE of around 29 billion euros as of September 30, 2022. This figure demonstrates in all clarity Uniper's balance-sheet difficulties.



Uniper's liquidity situation is very tight due to the effects of the gas replacement procurement to date.

In addition, Uniper is obliged to provide collateral for commodity transactions arising from Uniper's ordinary business activities to hedge its portfolio. This is a common mechanism on exchanges, comparable to a deposit that safeguards a buyer. The money flows back to us as soon as we deliver our product.

The amount of this temporary collateral depends on the general level of commodity prices. In the wake of the sharp rise of gas, coal, and power prices since the summer of 2021, Uniper's collateral for these transactions has also increased many times over.

Against this background, Fortum as our majority shareholder granted us loans as early as September 2021.

In December 2021 Fortum granted Uniper the still existing credit facility with multiple tranches totaling in 8 billion euros. It consists of a cash credit facility of 4 billion euros and a guarantee facility of again 4 billion euros.

The Fortum cash credit facility has been utilized by Uniper in full; about 3.5 billion euros of the Fortum guarantee facility has been utilized to date.

In addition, on July 25, 2022, Uniper initially utilized a 2 billion euros credit facility from state-owned KfW bank agreed on in January 2022.

Since then, this credit facility has been extended progressively because of Uniper's significant liquidity needs resulting from procuring gas from alternative sources along with rising payment obligations for collateral payments on energy markets.

Since the last increase on October 7, 2022, the credit facility from KfW bank amounts to 18 billion euros, of which about 14 billion euros had been utilized to date.



Ladies and gentlemen,

Uniper's business activities and creditworthiness are evaluated by rating agencies. Uniper has a so-called investment-grade credit rating. This is an essential precondition for our business, especially for Uniper's extensive trading activities. This is because many of our customers and counterparties are only willing to conclude transactions with us if we demonstrate commensurate creditworthiness or credit standing.

It is therefore crucial for Uniper to retain its investment-grade rating. If this can no longer be guaranteed, billions in additional collateral payments to our business partners would become due.

In May 2022, S&P Global Ratings downgraded Uniper's BBB rating to BBB– with a negative outlook.

To make the significance of the rating clear to you: if our rating enters the sub-investment-grade range—known colloquially as the junk range—Uniper's continued existence would no longer be guaranteed.

Due to our company's finance and liquidity situation and to support its rating, on July 8, 2022, Uniper applied to the German Federal Ministry for Economic Affairs and Climate Action for stabilization measures.

The German Federal Government, Fortum, and Uniper agreed on a Term Sheet regarding a first stabilization package on July 22, 2022.

Gazprom's complete suspension of deliveries starting in August and the resulting further increases in gas prices on wholesale markets ultimately necessitated a change in this agreement.

On September 21, 2022, the German Federal Government, Fortum, and Uniper therefore concluded an agreement that nullified and replaced the Term Sheet of July 22, 2022, with the following package of measures:

- a cash capital increase of 8 billion euros with shareholders' subscription rights being excluded,
- the sale and transfer to the German Federal Government of all Uniper shares held by Fortum,
- repayment of liabilities existing vis-à-vis Fortum,



- Rights of First Offer for Fortum regarding Northern European hydroelectric plants and stakes in nuclear power plants,
- comprehensive bridge financing by KfW bank.

This package of measures assumed the introduction of a gas procurement surcharge, which was to compensate Uniper's losses from Russian gas supply restrictions by 90% from October 1, 2022. On September 30, 2022, the German Federal Government announced that the gas procurement surcharge would not be implemented as planned and would be replaced by a tailored solution to ensure the financial stability of the affected companies. On November 23, Uniper announced in an ad-hoc release that the Federal Government's support is to be implemented via Authorized Capital of up to 25 billion euros by issuing new shares excluding the subscription rights of current shareholders.

These agreements have now been concretised and supplemented in a framework agreement. The framework agreement defines the participation and approval rights of the federal government for the period of its participation and imposes certain reporting and information obligations on Uniper. The framework agreement further provides that section 29(1a) of the EnSiG, which was adopted by the Bundestag at the end of last week, will apply to the remuneration of the members of the board of management and the supervisory board of Uniper SE. Uniper will also not distribute any dividends - without the consent of the federal government - until the stabilisation has been terminated. The Federal Ministry of Finance will be responsible for the federal government's stake in Uniper in the future.

Uniper has also signed an agreement with Fortum today, according to which Fortum's right, which is limited in time until the end of 2026, to make an initial offer in case Uniper decides to sell the Swedish hydropower or nuclear energy business - or parts thereof - has been specified. However, Uniper currently has no intention to sell.

The various regulatory approvals have also been granted in the meantime. Pending is the approval by the EU under state aid law, which we expect in the near future.

The resolutions to be adopted at the General Meeting will serve to partially restore the weakened equity in the wake of considerable losses in particular in connection with procuring gas from alternative sources and to secure the Company's continuance.

Current and anticipated replacement losses through year-end amount to about 14 billion euros.

A capital increase of 8,000,000,000.10 euros—excluding shareholders' subscription rights—is therefore proposed under agenda item 2a.



The issue price for the German Federal Government to subscribed to new shares is 1.70 euros per share.

This price corresponds to the pro-rate amount of the Company's share capital represented by the shares and is thus the minimum issue price as stipulated by Section 9 of the German Stock Corporation Act (AktG).

The issue price is therefore below the stock exchange price at the time of the resolution of the Management Board dated November 23, 2022, and the Supervisory Board regarding the resolution proposal to the company's Extraordinary General Meeting.

The Management Board regards the minimum issue price for issuing new shares in the context of the capital increase and the discount granted still to be appropriate.

The Federal Government was only prepared to subscribe to the shares at the minimum issue price of 1.70 euros per share

There are no similarly adequate measures available to secure a positive going-concern prognosis for Uniper

For the foreseeable future, the company's equity and liquidity requirements cannot and will not be covered by its own funds.

The required funds and those provided by KfW bank to secure liquidity cannot be raised through debt financing on the capital and banking market.

The implementation of the cash capital increase will result in the German Federal Government acquiring around 93% of Uniper's voting rights. Together with the acquisition of the Uniper shares held by Fortum, the German Federal Government will ultimately secure just under 99% stake in Uniper.

In connection with this, there is also the upcoming change in the company's Supervisory Board, which we have already announced.

Uniper is nominating four new members for its Supervisory Board: (Thomas) Tom Blades, Dr. Jutta Dönges, Dr. Marcus Schenck and Prof. Dr. Ines Zenke are to join the Uniper supervisory body with the planned change of ownership to the Federal Government. The two new Uniper Supervisory Board members Dönges and Zenke will be delegated by the Federal Government. Tom Blades is to take over as Chairman of the Supervisory Board.

Blades, Dönges, Schenck and Zenke are to succeed the representatives of the current majority shareholder Fortum on the Supervisory Board, whose mandates are expected to be resigned after today's Extraordinary General Meeting. The Uniper Board of Management intends to then apply to the Düsseldorf district court



for the appointment of the new Supervisory Board members. A constituent meeting of the supervisory board is still targeted for 2022, at which the chairman and the committee members are to be elected.



Uniper's Annual General Meeting next year is to confirm the new Supervisory Board members, through a right of delegation and corresponding election.

It is also proposed under agenda item 2b) to create Authorized Capital 2022 in an amount of 25,000,000,000.10 euros, with shareholders' subscription rights being excluded.

Only the German Federal Government or an entity mentioned in Section 29, Paragraph 6 of the Energy Security Supply Act (EnSiG) will be admitted to subscribe to the new shares.

After considerable losses, especially in connection with gas replacement, equity has been weakened. Alongside the capital increase under agenda item 2a), Authorized Capital 2022 is to be utilized to partially restore equity and secure the going-concern of the company.

The Authorized Capital is to be utilized, as needed, in several tranches.

Having incurred losses of 10 billion euros by September 30, 2022, and facing expected losses of 14 billion euros at year-end 2022, it is already apparent that the capital increase of roughly 8 billion euros alone will not suffice to stabilize Uniper.

It is intended to partially recover the equity even before the end of 2022 by partial utilization of Authorized Capital 2022.

In addition, Authorized Capital 2022 is also to be utilized to cover additional losses in 2023 and 2024 in order to partially offset the weakening of company's equity anticipated in 2023 and 2024 as well.

Uniper will meet the Company's demonstrable need for capital—arising in particular in connection with procuring gas from alternative sources—initially by means of interim financing in the form of credit facilities from KfW bank, which will be repaid by way of inflows from capital increases from Authorized Capital 2022.

This will apply because comparable and appropriate measures to secure a positive going-concern prognosis for the company remain unavailable.



Ladies and gentlemen,

dear shareholders,

the resolutions on this General Meeting's agenda are essential for Uniper.

Without the necessary funds from the capital increase, Uniper's continued existence is endangered.

To be clear, if approval is not granted, the so-called going concern forecast for our company would be very much at risk.

There may then be the danger of insolvency. In the Management Board's view, a possible insolvency could lead to a complete loss for shareholders.

I therefore ask you to approve the proposed capital measures.

The teams at Uniper have done an extraordinary job over the past months, for which I—on behalf of my Management Board colleagues—am very grateful.

I want to thank everyone involved—above all my Uniper colleagues as well as the representatives of the German Federal Government and Fortum—for their enormous efforts and high degree of professionalism throughout this year.

We have vehemently championed the interests of our employees, customers and you, our shareholders.

We thoroughly reviewed the alternatives, discussed the structure of the package with everyone involved, and intensively negotiated the individual components, terms, and requirements.

In asking for your approval today, we are calling for your solidarity because your stake in the company will be reduced. This situation hurts, but there are no other options.



Ladies and gentlemen,

dear shareholders,

today is an important day for Uniper.

A lot of work awaits us in the weeks and months ahead. It includes the restructuring of our gas portfolio and the creation of the conditions for the LNG supply that Germany urgently needs.

We are aware that a support package funded by taxpayers—particularly one of this magnitude—is not a given.

We are grateful and relieved that the German Federal Government is giving us prospects for the future.

The figure on the order of 33 billion euros comes with a clear responsibility: the responsibility for ensuring that the taxpayer's investment in Uniper contributes toward securing Germany's and Europe's energy supply.

Uniper intends to pay back all loans and to utilize as little as possible of the planned Authorized Capital of 25 billion euros.

Finally, our organization will continue to prove, at each step along the way, that we merit this financial support. Not only with our gas procurement contracts and global trading business, but also with the secure and competent operation of system-critical power plants, the management of energy storage facilities, and, in the future, above all the production and procurement of climate-friendly hydrogen, and investments in renewables.

Together with the German Federal Government, our goal must be to secure the energy supply for people and industry at all times, and to sustainably transform this supply with the aim of making it climate friendly.

Uniper's task in the years ahead will be to consolidate its position, to redefine its strategy and thus regain the right to grow.

This will not be an easy task. We have a rocky road ahead of us.

But now is the time to pave the way. Uniper has already demonstrated its resilience in the past. We will do so again, despite all the challenges posed to us by recent geopolitical developments.

Thank you for listening.



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