uniper

Quarterly Statement: Q1–Q3 2022

Financial Results

Performance Indicators at a Glance

Financial and Non-Financial Indicators for the Uniper Group

January 1–September 30	Unit	2022	2021	2020	2019	2018
Sales	€ in millions	213,303	78,498	30,825	46,852	53,059
Adjusted EBIT[1]	€ in millions	-4,755	614	405	203	386
For informational purposes: Adjusted EBITDA[1]	€ in millions	-4,139	1,100	891	720	891
Net income/loss	€ in millions	-40,374	-4,768	446	981	-521
Earnings per share[2 3]	€	-110.14	-13.20	1.06	2.55	-1.50
Cash provided by operating activities (operating cash flow)	€ in millions	-10,877	2,244	833	-277	89
Adjusted net income[4]	€ in millions	-3,220	487	308	82	N/A
Investments	€ in millions	392	523	491	401	387
Growth	*€ in millions*	*103*	*262*	*283*	*223*	*230*
Maintenance and replacement	*€ in millions*	*289*	*260*	*208*	*178*	*157*
Economic net debt[5]	€ in millions	10,906	324	3,050	2,650	2,509
Employees as of the reporting date[5]		11,209	11,494	11,751	11,532	11,780

[1]Adjusted for non-operating effects.

[2]Basis: outstanding shares as of reporting date.

[3]For the respective fiscal year.

[4]Adjusted net income is used as a management indicator for the entire Group for the first time beginning in 2020. The figure for 2019 is disclosed solely for informational purposes to provide year-over-year comparability.

[5]Figures as of September 30, 2022; comparative figures as of December 31 of each year.

This document is a Quarterly Statement pursuant to Section 53 of the Exchange Rules ("Börsenordnung") of the Frankfurt Stock Exchange ("Frankfurter Wertpapierbörse") as of June 13, 2022, and does not represent an interim financial report as defined in International Accounting Standard ("IAS") 34.

Only the German version of this Quarterly Statement is legally binding.

Uniper applies commercial rounding. Any rounding differences existing between individual amounts and totals are accepted.

The Uniper Group's business activities are subject to substantial seasonal fluctuations, which can have effects on the Uniper Group's assets, financial condition and earnings. Financial indicators communicated during the year can thus differ materially from the figures of the corresponding prior-year quarter and are therefore of limited significance for full-year results.

This Quarterly Statement, and especially the Forecast Report section, contains certain forward-looking statements that are based on current assumptions and forecasts made by Uniper SE management and on other information currently available to Uniper SE management. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial condition, development or performance of the Company to differ materially from that anticipated in the estimates given here. Risks and chances of this nature include, but are not limited to, the risks specifically described in the Risk and Chances Report. Furthermore, Uniper SE does not intend, and specifically disclaims any obligation, to update such forward-looking statements or to adjust them in line with future events or developments.

Contents

Significant Developments of the Months of January through September 2022

- Adjusted EBIT and adjusted net income significantly below prior-year period
- IFRS net loss exacerbated by recognition of anticipated losses from the procurement of replacement volumes of gas
- Significantly higher economic net debt mainly due to negative operating cash flow
- Implementation of Uniper stabilization package started

Business Model of the Group

Uniper is an international energy company with operations in more than 40 countries and with 11,209 employees. Its business is the secure provision of energy and related services in an increasingly decarbonizing environment in accordance with the requirements of energy and climate policy and the regulatory environment, as well as related voluntary commitments. The parent company of the Uniper Group is Uniper SE; the corporate headquarters are in Düsseldorf, Germany. The majority shareholder of Uniper SE is Fortum. As a separate listed group, Uniper publishes its quarterly statements, its half-year interim financial statements, and its consolidated annual financial statements, all of which are also included in Fortum's respective consolidated financial statement. The majority shareholder of Fortum is the Republic of Finland.

The shares of Uniper SE are traded on the Frankfurt Stock Exchange's regulated market in its subsegment with additional post-admission obligations (the "Prime Standard") and are included in various MSCI equity indices. Following its quarterly composition review of the German stock indices, Deutsche Börse removed Uniper's shares from the MDAX and added them to the SDAX effective September 19, 2022.

The Uniper Group is composed of three operating business segments: European Generation, Global Commodities, and Russian Power Generation. Combined separately under Administration/Consolidation are administrative functions that are performed centrally across segments, as well as the consolidations required to be carried out at Group level.

Business Report

Industry Environment

Energy Policy and Regulatory Environment

The increase in energy prices and the impact of the Russian war against Ukraine on the security of supply have been at the forefront of energy policy discussions at the European Union ever since the beginning of 2022. A revised EU regulation on gas storage took effect on June 30, 2022, which provides that member states must ensure that their underground gas storage facilities are filled to at least 80% of capacity by November 1, 2022, and to at least 90% before the winter periods of subsequent years. On May 18, 2022, the European Commission presented its REPowerEU plan, which seeks to reduce dependency on fossil fuels from Russia and fast-forward the transition to green technologies, while additionally imposing an EU-wide embargo on Russian coal and oil.

In addition, EU member states adopted a Council regulation on three emergency intervention measures in the energy sector on October 6, 2022. From December 1, 2022, through June 30, 2023, the effects of the energy crisis are to be mitigated by introducing a cap of €180/MWh on market revenues for electricity generators that operate power plants at the margin of the merit order. At the same time, a solidarity levy will be imposed on the upstream oil and gas sectors. Furthermore, measures were also adopted to achieve a reduction in electricity demand, including a mandatory reduction target of 5% of electricity consumption in peak hours. Discussions on the introduction of a gas price ceiling, on an alternative gas/LNG pricing benchmark and on liquidity measures remain ongoing at EU level.

The complementary climate delegated act was officially adopted on July 15, 2022, and will apply from January 1, 2023. It recognizes, subject to strict conditions, nuclear energy and gas as environmentally sustainable economic activities covered by the EU taxonomy. The negotiation process on the two legislative packages Fit for 55 and Hydrogen and Decarbonised Gas, which are aimed at getting the EU's climate, energy and transportation policy in shape to achieve the goal of reducing greenhouse gas emissions by at least 55% by 2030, continues in the European Parliament and in the Council.

In Germany, the Federal Ministry for Economic Affairs and Climate Action (BMWK) presented a "climate action status" report on January 11, 2022, specifying the climate action goals outlined in the federal government's coalition agreement along with initial measures to be taken to achieve them. The so-called Easter legislative package, which includes an amendment of the Renewable Energy Sources Act, was enacted on July 8, 2022. The main objectives are to cover 80% of gross demand with electricity from renewable sources by 2030 and to expand wind and solar energy tendering significantly in order to reach the enhanced power generation target. The German federal government additionally announced on February 27, 2022, due to the energy price crisis and the Russian war against Ukraine, that it would build LNG terminals on the German coast, including one in Wilhelmshaven. To accelerate the approval procedures for LNG projects, the LNG Acceleration Act was initially adopted on May 24, 2022, and has since been revised. Against the backdrop of comparatively low gas storage levels in the autumn of 2021, the Energy Industry Act was amended to include a new section that sets minimum storage levels for natural gas storage facilities in Germany beyond those contained in the adopted EU regulations. The legislation was enacted on April 8, 2022. Pursuant to the amended legislation, a minimum storage level of 95% shall be ensured at German gas storage facilities in a coordinated process to establish security of supply by November 1 of each year, beginning in 2022.

To mitigate the impact of a potential shortage of natural gas, the Act on the Maintenance of Substitute Power Stations (Ersatzkraftwerkebereithaltungsgesetz) was adopted on July 8, 2022. This new law allows the German federal government to issue ordinances providing for the return to service of coal-fired power plants currently held in the national reserve, as well as the option to place gas-fired power plants into reserve status. On September 29, 2022, the German government adopted an amended ordinance under this law to ensure that hard-coal power plants that are currently held in reserve are capable of operating through March 31, 2024. The German government recently decided to prolong the operating life of Germany's three remaining nuclear power plants through April 2023, and it is additionally allowing the return of lignite power plants from the security reserve into the electricity market through June 30, 2023. Furthermore, the Energy Security Act (EnSiG) was also revised on July 8, 2022. The revised law contains a new provision under which the German government can initiate business stabilization measures (Section 29 EnSiG). In addition, gas utilities will be permitted, should the regulator Bundesnetzagentur determine that there has been a substantial reduction in total gas volumes imported into Germany, to effect a price adjustment along the supply chain to allocate the higher cost of procuring gas from alternative sources. Prices should initially be adjusted by netting additional costs and adding them to grid charges, pursuant to a government ordinance issued to that effect (Section 26 EnSiG). This ordinance for a gas price surcharge under Section 26 EnSiG originally issued in August 2022 was withdrawn on September 30, 2022, and the gas price surcharge will now not be collected. According to the official public statements by the German government the withdrawn surcharge is planned to be replaced by a tailored solution for Uniper and other German gas importers. The revised law also provides that businesses shall be compensated for gas storage volumes withdrawn from facilities under a withdrawal order from a competent authority (Section 11a EnSiG). On October 10, 2022, a committee of experts on gas and heating policy convened by the German federal government submitted its interim report. In its recommendations, the experts propose issuing a one-time payment to gas customers in 2022, as well as a cap on the gross price of a specific allocation of gas from March 2023 at the earliest for household and commercial customers and, for industrial customers, a cap on procurement prices for a specific allocation of gas from January 1, 2023. Prices should remain capped until at least April 30, 2024. A similar procedure is recommended for district-heating customers.

In the United Kingdom, Liz Truss, who had been in office since September 6, 2022, and resigned on October 20, 2022, has been succeeded as prime minister by former finance minister Rishi Sunak.

The £40 billion Energy Markets Financing Scheme, a joint program of the UK Treasury and the Bank of England to provide liquidity supports to businesses operating in wholesale energy markets, is open for applications through January 27, 2023.

The Energy Bill is in passage through the UK parliament; it contains the provisions needed to implement business models for carbon capture, use and storage, low-carbon hydrogen production and industrial carbon capture, and to establish a new Future System Operator (FSO) that will provide strategic oversight across electricity and gas systems. The bill's passage has been suspended, however, so that elements of the announced energy package could be included in the legislation. The UK government has also launched a review of the country's net zero strategy, with requests for public comment. The review, due to be completed by the end of the year, is being led by Chris Skidmore, a member of parliament committed to a net zero strategy, and aims to make recommendations about the best ways for the UK to reach net zero by 2050. The UK government additionally launched a review of electricity market arrangements (REMA) and is running a consultation on a broad range of possible reforms.

At the request of the British government, three operators of coal-fired power plants reached agreements with National Grid Electricity System Operator (NGESO) to continue operating through winter 2022/23 units that were scheduled to be shut down in September 2022. For Unit 1 of its Ratcliffe power plant, Uniper reached an agreement with NGESO on a cost-coverage basis, which also covers the dispatch of the power plant. The government additionally asked Uniper to consider participating in the UK's Capacity Market year-ahead auction for the 2023/24 delivery year, which means that Uniper might continue operating the unit, along with the plant's other units, until the final phase-out of coal at the end of September 2024.

In the Netherlands, the government withdrew the CO_2 emissions cap for coal-fired power plants completely as of June 20, 2022. A law to implement the withdrawal of the production cap is being drafted. The law is expected to be enacted during the fourth quarter of 2022. This law will also contain provisions specifying how compensation for the period from January 1, 2022, through June 22, 2022, shall be handled.

Following the elections that took place in Sweden in September 2022, Ulf Kristersson, the leader of the conservative Moderate Party, formed a new center-right governing coalition consisting of his Moderates, the Christian Democrats and the Liberal Party. Although not officially part of the government, the far-right Sweden Democrats will be involved in the government's work for the first time since they entered the Swedish parliament in 2010. Twelve of the twenty-three ministerial posts will go to Kristersson's Moderates, the Christian Democrats will take six posts and the Liberals five.

In Russia, presidential decree no. 520 of August 5, 2022, introduced restrictive measures relating to foreign legal entities that own securities, equities or equity interests in Russian businesses. Until December 31, 2022, all transactions are prohibited that would modify, terminate or encumber ownership rights in equities, shares (capital contributions) of stock corporations included in a list of strategic businesses, strategic stock corporations and asset groups that are involved in the generation of heat and electric power. The transaction ban may be lifted by special authorization of the President of the Russian Federation. The applicability of the decree can be extended multiple times.

Business Performance

Business Developments and Key Events for the Uniper Group in the Months of January through September 2022

Existing Long-Term Gas Import Contracts with Russia as Part of Europe's Gas Supply

Uniper's Gas Midstream business comprises a portfolio of roughly 370 TWh p.a. of long-term gas supply contracts, with roughly 200 TWh originating from Russia. These long-term import contracts between Uniper and Russia used to play an essential role for gas supply in Europe, especially in Germany. Germany is more than 90% dependent on natural gas imports.

Since June 14, 2022, Gazprom has reduced Russian gas deliveries and is thus in breach of its contractual obligations. After a period of supply interruptions varying in extent, deliveries of Russian gas to Uniper have been fully discontinued by Gazprom since the end of August 2022. Gazprom is thus in breach of the long-term gas supply contracts and has become an unreliable supplier for Uniper and for the German and European gas market. To continue ensuring security of supply for its customers and fulfill customer contracts despite this, and to replenish gas storage facilities in time for the upcoming winter, Uniper is procuring replacement volumes at significantly higher market prices. Because of the high price levels and volatility in the gas markets, Uniper incurred daily costs ranging from the double-digit-million-euro level into the low triple-digit millions until September 30, 2022. As spot gas prices decreased significantly during October 2022, the current daily costs dropped to a single-digit-million-euro amount as of the end of October 2022.

Especially since the gas curtailments by Gazprom previously described, the Board of Management has continuously analyzed and discussed the situation and acted to protect Uniper and the security of supply. As the situation kept deteriorating for Uniper and led to severe liquidity constraints, the Uniper Board of Management finally initiated discussions with the German federal government on possible stabilization measures in June 2022. Following the passage of amendments to the German Energy Security Act, Uniper submitted a formal application for stabilization measures to the German government on July 8, 2022, and subsequently continued the discussions on possible stabilization measures. In addition, on March 7, 2022 – shortly after the start of the Russian war against Ukraine – the Board of Management had already decided not to enter into new long-term supply contracts for natural gas with Russia.

Following the very difficult political and public discussion not only in Germany but also at EU level, the German federal government announced in a press conference on September 29, 2022, and in a follow-up press release on September 30, 2022, that the gas surcharge introduced pursuant to the provisions of the Gas Price Adjustment Ordinance that had initially taken effect on August 9, 2022, would be withdrawn on September 30, 2022. Instead, the German government is planning to create a €200 billion "protective shield," which among other things would be used to fund inter alia a "gas price brake." To that end, the government plans to allocate an equivalent amount to Germany's Economic Stabilization Fund. It is intended that, among other things, the Economic Stabilization Fund should be used to help gas importers that are in difficulties due to the war and are relevant for market stability cover the cost of procuring replacement volumes by way of formalizing a tailored solution replacing the gas surcharge mechanism. Uniper is currently in advanced discussions with the German federal government concerning the concrete form of such a mechanism.

The following chronological overview provides information on current events and describes the decisions and measures taken by Uniper in response to secure its own liquidity and, by extension, the security of supply, and it further provides an outline of national and European legislative proceedings in this context:

In response to Russia's announcement that it would accept payments for gas imports only in rubles, the Federal Ministry for Economic Affairs and Climate Action (BMWK) declared the early-warning stage of its Emergency Plan for Gas for the Federal Republic of Germany on March 30, 2022, in order to be prepared for potential restrictions or interruptions of supply. The gas emergency plan has three stages: the early-warning stage, the alert stage and the emergency stage. The first stage provides for the convening of a "gas crisis team" to observe very closely the current situation in the gas network and advise the BMWK's leadership. This crisis team includes representatives of the BMWK, the Bundesnetzagentur, the transmission system operators (TSOs) and their market area managers (MAMs) for gas, and it is supported by representatives of Germany's federal states. Since the emergency plan is based on an EU regulation, the European Commission and neighboring states were also informed about the declaration of the early-warning stage.

On June 23, 2022, the BMWK declared the second stage of the gas emergency plan, the alert stage, following coordination within the federal government, which remains in effect as of the reporting date. Currently, security of supply is guaranteed, but the situation remains tense. The reason for declaring the alert stage was the curtailment of gas supplies from Russia in place since June 14, 2022, and the high price levels in the gas market. In an emergency, the significant interruptions of gas flows could jeopardize the stability of the German gas system and lead to a declaration of an emergency by the BMWK. Within the corresponding legal framework, the Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railway (Bundesnetzagentur) would become the so-called "federal load dispatcher," effectively taking control of the system and issuing instructions to market participants on the supply and demand side to balance the system in a timely manner. In this context, Uniper would thus actively lend its support through use of its flexible assets to stabilize the system. Uniper expects that such measures and events would supersede existing contractual arrangements with customers.

Under EU legislation (specifically Regulation 2017/1938 on the security of gas supply), corresponding regulations are also established for other EU countries. This is also true for the United Kingdom, where most of the Security of Gas Supply Regulation has been transposed into UK law, and UK and EU crisis levels and security standards remain aligned. Accordingly, power generation facilities in Germany, the UK, the Netherlands and Hungary would be placed in merit order groups for gas supply restrictions. These groups differ depending on the country and customer group of the respective power plant.

Withdrawal of Earnings Outlook for the 2022 Fiscal Year

On June 29, 2022, Uniper withdrew its outlook for fiscal 2022 with regard to adjusted EBIT and adjusted net income and communicated this decision in an ad-hoc announcement. Uniper also stated in that announcement that discussions on possible stabilization measures had been initiated with the German government.

As already discussed above, Gazprom has reduced Russian gas deliveries since June 14, 2022. After a period of supply interruptions varying in extent, gas deliveries for Uniper were fully discontinued from the end of August 2022. Uniper currently procures replacement volumes at significantly higher market prices. Because Uniper fulfills its obligations under existing sales contracts and cannot yet pass on these additional costs to its contractual counterparties, this results in a significant negative impact on earnings and liquidity. There are also major uncertainties regarding future developments in the geopolitical situation, as well as the duration and scope of Russian gas supply curtailments. Against this backdrop, future gas price developments are also difficult to assess at present.

KfW Credit Facility Extended through April 2023, Increased Further

On January 4, 2022, Uniper agreed on a credit facility of up to €2 billion with the German state-owned KfW banking group. The facility was due to expire on April 30, 2022. As a precautionary measure in view of the ongoing Russian war against Ukraine and the associated volatility in the commodity markets, Uniper and KfW agreed in March 2022 to continue the facility at an unchanged amount through April 30, 2023. To secure the liquidity needed to procure replacement volumes for undelivered gas volumes from Russia and to cover the simultaneously rising collateral amounts for margining in the energy markets and exchanges, the KfW credit facility was increased in several stages to a volume of €13 billion with a maturity date of April 30, 2023. The facility was utilized in the amount of €12 billion as of September 30, 2022. Following the agreement on a stabilization package for Uniper on July 22, 2022, the Fortum credit facility was subordinated to the KfW credit facility in a separate agreement.

Agreement on Uniper Stabilization Package

On July 22, 2022, the German federal government, Uniper and Fortum had agreed on the key points of a stabilization package for Uniper. Given the continuing escalation of the European energy crisis from late August 2022 forward, the three parties concluded that that initial agreement would not be sufficient to stabilize Uniper.

Therefore, on September 21, 2022, the German federal government, Uniper and Fortum signed and announced an agreement to amend the stabilization package announced on July 22, 2022. The amendments reflect and take into consideration the new developments since the end of July 2022, including the increased Russian gas supply curtailments since the end of August 2022 and the associated additional impact on Uniper's earnings and liquidity. The stabilization package as amended now comprises a capital increase of €8 billion at an issue price of €1.70 per share, excluding the subscription rights of the existing shareholders. The capital increase will be subscribed exclusively by the Federal Republic of Germany, which will thus acquire an ownership interest of roughly 93% in Uniper (after the capital increase). The German state will additionally acquire the Uniper shares currently held by Fortum for €1.70 per share, which will lead to a shareholding of roughly 99% for the Federal Republic of Germany.

The state-owned KfW bank will provide financing to Uniper according to its liquidity needs, and it will replace the current credit line from Fortum consisting of a €4 billion shareholder loan and a €4 billion guarantee line.

Any further need for equity will be covered by additional support measures by the German state as part of the stabilization package by way of a tailored solution replacing the gas surcharge mechanism. The details of these additional support measures are currently being finalized between the German government and Uniper.

The stabilization measures continue to be subject to conditions including, among others, withdrawal of Uniper's lawsuit against the Netherlands in connection with the Energy Charter Treaty (ECT) and to regulatory approvals in various jurisdictions, including state-aid and merger-control approvals from the European Commission.

Uniper intends to convene an Extraordinary General Meeting in the second half of December 2022 to obtain shareholder approval for the stabilization measures and the capital increase. Further conditions are that – as long as Uniper requires these stabilization measures – no variable compensation will be paid to the members of the Board of Management, and no dividend distributions will be made.

Alternative Gas Supplies: Resumption of the LNG Terminal Project in Wilhelmshaven and Increased Diversification of Supply Sources

Uniper continues to implement its strategy, which includes making the energy supply more diversified and secure – for example, by possibly procuring additional volumes of liquefied natural gas (LNG) for Germany in cooperation with the German government. It has over the years increased its booked capacity at the Gate regasification terminal in order to create additional options for importing LNG into Europe. This forms a good foundation to establish LNG as an important part of the German supply portfolio. Uniper is well positioned for this with its global LNG business and its contractually secured LNG volumes. Last year, Uniper traded more than 360 cargoes worldwide.

Uniper has also supported the German government in procuring floating storage and regasification units (FSRUs). One of the planned FSRU projects is to be built at Uniper's site in Wilhelmshaven by winter 2022/2023. Uniper submitted the application for the required permit and for approval of the early start in accordance with the Federal Immission Control Act (BImSchG) to Lower Saxony's State Trade Supervisory Authority at Oldenburg at the beginning of June 2022. These activities will be closely linked to Uniper's plans to make Wilhelmshaven a green energy hub, with green ammonia importation and hydrogen production to meet more than 10% of German hydrogen demand in 2030.

On September 15, 2022, the final application documents were submitted for the main proceeding pursuant to Section 10 (1) BImSchG relating to the construction and operation of the FRSU, the superstructure on the bridge and the land-side infrastructure (including the high-pressure gas transmission line). In addition, an application for permission to discharge wastewater and process water from the FRSU into the Jade Bight was submitted to the Lower Saxony State Water Management, Coastal and Nature Conservation Agency (NLWKN) at the end of September 2022.

Moreover, Uniper is working on further diversifying its gas procurement sources, operating gas storage facilities responsibly to ensure security of supply and implementing consistently the Company's strategy in the areas of hydrogen and renewables.

Proactive Measures Taken to Strengthen Security of Supply and Improve Fuel Supply Diversification for Power Generation

Uniper has taken the necessary steps to ensure that its coal-fired power plants in Europe can be technically operated without Russian coal and has decided not to extend its Russian coal supply contracts. Uniper already procures hard coal from a wide variety of regions worldwide and is executing a transitional coal diversification strategy. On April 8, 2022, the European Commission additionally declared an embargo on coal imports from Russia, which became fully effective from August 10, 2022. In this context, Uniper has not procured any more coal supplies from Russia since August 2022, which is also in line with Uniper's voluntary commitment in this regard from the first quarter of 2022. On June 3, 2022, the European Commission introduced a phased ban on Russian crude oil and petroleum products, which is subject to numerous exemptions and derogations, among other measures, and remained in place throughout the third quarter of 2022. Uniper continues to monitor closely the sanctions developments and takes relevant reactive measures where necessary.

Finally, Uniper continues to develop its power generation fleet within the EU, and the Company remains fully committed to achieving carbon neutrality by 2035 by continuing to operate its hydroelectric and nuclear power plants, by investing in power from renewables and by concentrating on the use of clean fuels in the gas-fired power portfolio.

Resumption of Market Operation by Uniper's Heyden 4 Hard-Coal Power Plant

Uniper's Heyden 4 hard-coal-fired power plant in Petershagen near Minden is generating electricity for the market again since August 29, 2022. The deployment of the 875-megawatt unit takes place under the "Act on the Maintenance of Substitute Power Stations" (legislation to reactivate alternative power plants to reduce the use of gas in the electricity sector), which serves to secure Germany's energy supply in the coming winters. After the deadlines of this law were extended by the German government on October 4, 2022, Heyden 4 can remain in the market until March 31, 2024, at the latest.

Uniper can revoke the decision to return to the market at any time with four weeks' notice. A further prerequisite for deployment is the declaration of at least the alert stage in the federal government's gas emergency plan, which is currently the case.

Intensified Activities Related to Green Ammonia

On August 23, 2022, EverWind Fuels Company ("EverWind"), a private developer of green hydrogen and ammonia production in Nova Scotia, Canada, and Uniper announced the signing of a memorandum of understanding (MOU) for Uniper to purchase green ammonia from EverWind's initial production facility in Point Tupper, Nova Scotia. Under the MOU, EverWind and Uniper intend to negotiate a binding offtake agreement for 500,000 metric tons per annum of green ammonia. Point Tupper is a multi-phase green hydrogen and ammonia production and export facility, which is in advanced stages of development and is expected to reach commercial operation in early 2025.

In addition, JERA, its wholly owned subsidiary JERA Americas ("JERA") and Uniper announced on September 5, 2022, that they are collaborating to facilitate the development of initial production of 2 million metric tons (MTPA) of green ammonia, with expansion potential up to 8 MTPA, to greatly accelerate the production and supply of zero-carbon fuels from the United States for use in the U.S., Europe, Japan and greater Asia. The proposed facility on the U.S. Gulf coast, developed by JERA Americas and ConocoPhillips, aims to produce hydrogen and convert it into green ammonia to be supplied to JERA and Uniper under long-term sale and purchase agreements, with Europe as the primary initial export market, and with Uniper targeting about 1 MTPA of green ammonia by the end of the decade. Both companies are working jointly to optimize their LNG portfolio. As a result, Uniper will be able to supply additional LNG to Germany and JERA to Japan.

Nord Stream 2 Loans Written Down to Zero

In the first quarter of 2022, Uniper wrote down to zero the value of its loans to Nord Stream 2 AG in the amount of €1,003 million including accrued interest. The impairment loss is reported within other financial results and is classified as non-operating in line with other capital investments.

Presentation of PAO Unipro in the Consolidated Financial Statements of Uniper SE

Due to existing sanctions imposed by Russia, PAO Unipro is subject to significant foreign exchange transfer restrictions, which currently limit the transfer of funds, and thus potential dividend distributions, into the European Union. The currently existing sanctions do not, however, restrict Uniper SE in any way from exercising its voting rights at the general meetings of PAO Unipro at this time. Similarly, the current sanctions situation does not currently entail restrictions of voting rights for Uniper SE's representatives from the EU on PAO Unipro's board of directors. Accordingly, PAO Unipro remains classified as a subsidiary of Uniper SE as of September 30, 2022, as it was in the consolidated financial statements for 2021. The sanctions and the associated consolidation status of PAO Unipro are monitored continuously.

Changes in the Composition of the Supervisory Board

The terms of office of the shareholder representatives on the Supervisory Board ended at the close of the Annual General Meeting on May 18, 2022. At the Annual General Meeting on May 18, 2022, Markus Rauramo, Dr. Bernhard Günther, Prof. Dr. Werner Brinker, Judith Buss, Esa Hyvärinen and Nora Steiner-Forsberg were elected to the Supervisory Board as shareholder representatives. In accordance with Section 8 (3) of the Articles of Association of Uniper SE, they are elected effective from the close of the Annual General Meeting of May 18, 2022, through the close of the General Meeting resolving on their discharge for the fourth fiscal year after their election.

Among the employee representatives, Oliver Biniek, Barbara Jagodzinski and André Muilwijk departed from the Supervisory Board on May 18, 2022. Holger Grzella, Diana Kirschner and Magnus Notini had already been elected to the Supervisory Board as new employee representatives at the Uniper SE Works Council meeting on March 22, 2022, effective from the close of the Annual General Meeting on May 18, 2022.

Subsequently, at its inaugural meeting, the Supervisory Board elected Markus Rauramo as Chairman of the Supervisory Board. Dr. Bernhard Günther was elected Deputy Chairman of the Supervisory Board. Harald Seegatz, as employee representative, also holds the position of Deputy Chairman of the Supervisory Board.

Business Developments and Key Events at the Uniper Segments in the Months of January through September 2022

European Generation

Especially gas and coal prices, and consequently European electricity prices as well, rose significantly in the first nine months of 2022, due particularly to the prevailing geopolitical situation. Most prices reached a peak in late August 2022 as Russian gas deliveries came to a halt. This peak was significantly higher than even the previous peaks of mid-June and early March 2022. In the fossil-fuel generation portfolio, Uniper's hard-coal power plants are benefiting especially from an improved competitive position relative to gas-fired power plants. The unplanned steep decline in French nuclear power generation and the elimination of production restrictions on the Maasvlakte hard-coal power plant in the Netherlands also had positive effects on production volumes and trading margins. In the Nordic market, the hydrological situation improved significantly compared with the start of the year. The principal cause was the higher water flows at the hydroelectric power plants brought about by milder weather conditions. Flows of water feeding the run-of-river hydroelectric plants in Germany, however, were very low due to the dry summer of 2022. The Uniper Group's hedging and trading activities are severely limited by persistent liquidity and margining difficulties.

Global Commodities

When demand improved at the start of 2022 as the impact of the Covid-19 pandemic receded, gas and electricity prices remained at or climbed above already high levels in a volatile market in the third quarter of 2022. The primary causes continued to be the geopolitical crisis triggered by the Russian war against Ukraine, halted deliveries from Russia and fears of supply shortages. With a diversified portfolio of procurement, transportation and storage activities, Uniper was able to ensure security of supply in this environment, even amid the Russian curtailments of gas supply starting in June 2022 that culminated in a complete delivery stoppage by late August 2022. The negative financial impact of the initially curtailed and since fully discontinued deliveries of gas from Russia on earnings and liquidity has been significant, however, because the volumes needed to supply customers had to be procured in the spot market at substantially higher prices.

In the first nine months of 2022, Uniper was able to operate successfully with its international portfolio in a volatile market environment. The LNG business was additionally boosted by catch-up effects from the previous year attributable to hedges. The fire outbreak at the Freeport LNG terminal in the U.S. on June 8, 2022, led to a shortfall in LNG deliveries, which necessitated procurement of replacement volumes. The resulting negative impact on earnings will continue to materialize until the end of 2022.

On March 16, 2022, Uniper announced that its capacity rights at the Gate terminal would be increased by 1 billion cubic meters (m^3) per year for a period of three years from October 1, 2022.

Russian Power Generation

The business of the Russian majority shareholding Unipro was mainly influenced by the return to service of the Berezovskaya 3 power plant, which has been receiving capacity payments since May 1, 2021, and further by positive foreign-exchange and regulatory effects as well as higher production volumes and higher prices in the Siberian price zone. This was partially offset by the expiration of the long-term capacity payments for two units at the Surgutskaya power plant.

Changes in Ratings

On May 16, 2022, S&P Global Ratings (S&P) downgraded Uniper's rating from BBB to BBB- with a negative outlook. This rating action resolved the CreditWatch negative that Uniper had been placed on by S&P on March 14, 2022.

On July 29, 2022, S&P affirmed Uniper's BBB- rating with a negative outlook. This rating action resolved the CreditWatch negative which Uniper had been placed on by S&P on July 5, 2022. The rating action mainly came as a reaction to the publication of the stabilization package that was agreed between the German federal government, Uniper and Fortum on July 22, 2022. The support Uniper is receiving from the German federal government has led S&P to consider Uniper a "government-related entity," which resulted in an affirmation of the rating at the BBB- level despite S&P considering Uniper's stand-alone credit quality to have weakened.

On October 12, 2022, S&P again affirmed Uniper's long-term rating of BBB- with a negative outlook. The Research Update provides an updated view on Uniper's credit quality following the agreement on the amended stabilization package with the German federal government and Fortum on September 21, 2022, and the cancellation of the planned gas surcharge on September 30, 2022. Uniper continues to be regarded as a "government-related entity" by S&P. The strong support and significant increase of the German state's ownership stake to 99% under the amended stabilization package have resulted in an affirmation of the BBB- rating despite S&P considering Uniper's stand-alone credit quality to have weakened further. The negative outlook reflects the fact that the agreed stabilization package is still subject to regulatory approval processes, including by the European Commission, as well as uncertainty around Uniper's future business prospects.

On September 14, 2022, Scope Ratings (Scope) downgraded Uniper's credit rating to BBB- with a negative outlook from BBB+, thereby resolving the review for a possible downgrade of March 14, 2022. The downgrade reflected a weakening of Uniper's stand-alone credit quality, which was partially compensated by Uniper being assigned the status as a "government-related entity" following the publication of the initial stabilization package agreed with the German federal government on July 22, 2022.

On September 27, 2022, Scope affirmed Uniper's BBB- issuer rating and revised the outlook to stable. The rating action reflects the expected majority ownership in Uniper by the German state following the amendment of the stabilization package communicated on September 21, 2022. Scope expects this change in Uniper's ownership structure to lead to a faster and more straightforward implementation of the required stabilization measures, which drove the outlook change to stable from negative. Uniper continues to be considered a "government-related entity" by Scope.

In general, Uniper strives to maintain a stable investment-grade rating.

Earnings

Sales Performance

Sales

January 1–September 30 € in millions	2022	2021	+/- %
European Generation	45,725	13,636	235.3
Global Commodities	249,607	86,802	187.6
Russian Power Generation	1,013	720	40.8
Administration/Consolidation	-83,042	-22,660	266.5
Total	**213,303**	**78,498**	**171.7**

The significant increase in revenues resulted primarily from the higher average market prices in the power and gas business. Aside from higher own-use contract prices and spot-market transactions, a significant portion of this increase is attributable to the contracts involving physical settlement that Uniper enters into (failed own-use contracts), which are presented at the spot price applicable on the settlement date – applying the recognition and measurement rules codified in IFRS – rather than at the originally hedged contract price. The difference between the spot price and the contractually hedged price is instead recognized in the line items for other operating income and expenses. The sharp rise in commodity spot prices has thus brought about a shift in the presentation of realized income and expenses from revenues and cost of materials to other operating income and expenses, but it has no effect on contractual cash flows and therefore no impact on adjusted EBIT. A reconciliation to the contractual revenues and cost of materials that are relevant for measuring earnings performance can be found in the "Reconciliation of Income/Loss before Financial Results and Taxes" section. Alongside the significant price effect, power generation volumes also had a positive impact on sales performance, whereas electricity and gas sales volumes in the optimization and trading business declined significantly. In addition, there are general macroeconomic, political and sectoral developments.

European Generation

The significant sales increase in the European Generation segment compared with the prior-year period can mainly be attributed to significantly higher prices. The sharp price difference resulted from increased demand compared with that of the prior-year period, which had been characterized by comparatively low spot prices. In addition, a significant increase in fossil fuel prices in the first nine months of 2022 contributed further to the significant rise in European electricity prices.

Global Commodities

External sales in the gas and power business rose even amid substantially reduced volumes due to significantly higher prices realized in a dynamic market environment. Having been positively affected by the economic recovery that followed the Covid-19 pandemic in the prior-year period, prices again increased significantly during the first nine months of 2022 owing to the geopolitical crisis as a consequence of the Russian war against Ukraine.

Russian Power Generation

The sales performance of the Russian Power Generation segment was positively affected by the return to service of the Berezovskaya 3 power plant, which has been receiving capacity payments since May 1, 2021, as well as by positive foreign exchange and regulatory effects and by higher volumes as well as prices. This was partially offset by the expiration of the long-term capacity payments for two units at the Surgutskaya power plant.

Administration/Consolidation

The change in revenues attributable to the Administration/Consolidation reconciliation item resulted primarily from a higher consolidation effect arising from intersegment transactions between the power plant operating companies of the European Generation segment and the Uniper Group's trading unit in the Global Commodities segment.

Sales by product break down as follows:

Sales

January 1–September 30 € in millions	2022	2021	+/- %
Electricity	51,302	23,313	120.1
Gas	153,662	50,609	203.6
Other	8,338	4,575	82.2
Total	**213,303**	**78,498**	**171.7**

Significant Earnings Trends

The Group's net loss determined in accordance with International Financial Reporting Standards (IFRS) amounted to €40,374 million (prior-year period: €4,768 million net loss). Income before financial results and taxes decreased to -€45,303 million (prior-year period: -€6,489 million).

The principal factors driving this earnings trend are presented below:

A substantial share of the net loss was caused by effects relating to undelivered Russian gas supplies and the resulting need to procure corresponding replacement volumes directly in the market, at significantly higher price levels as a consequence of the curtailed supplies. The realized cost of procuring replacement volumes thus amounted to roughly €10 billion through September 30, 2022. In addition, assets arising from the long-term gas supply contracts with Gazprom, especially derivatives, had to be written down by roughly €3 billion in total and are measured at a fair value of zero, since no more material gas supplies from Gazprom are expected. Derivative financial instruments, used to hedge the above-mentioned long-term gas supply contracts with Gazprom, which are also accounted for in accordance with IFRS 9, decreased by roughly €9 billion. Finally, a provision for onerous contracts was recognized in the amount of roughly €19 billion to reflect the risk of increased purchase costs to replace undelivered Russian gas supplies in the future. Unrealized gains and losses on remaining derivatives due to increased prices in all the commodity markets relevant to Uniper made an additional negative contribution of roughly €11 billion to the net loss.

In summary, the net loss of €40,374 million contains roughly €10 billion of realized costs for replacement volumes, and roughly €31 billion of anticipated future losses from valuation effects on derivatives and provision build-ups related to the Russian gas curtailments as of September 30, 2022.

The other contributing factors were as follows:

The cost of materials increased by €137,646 million in the first nine months of 2022 to €212,975 million (prior-year period: €75,329 million). The sales trend described previously was a key factor in this development. Particularly the substantial expenses incurred to cover the added cost of procuring replacement volumes of gas, which Uniper has been purchasing in the day-ahead and spot markets since June 2022, additionally inflated the cost of materials.

The Uniper Group's personnel costs decreased by €70 million in the first nine months of 2022 to €682 million (prior-year period: €752 million). The decrease is mainly attributable to a reduction relative to the prior-year period of provisions recognized in connection with the restructuring process in the Engineering business initiated in the previous year and further implemented in the first nine months of 2022 and the implementation of Uniper's strategy, which includes a proactive coal phase-out in Europe and particularly in Germany, and to a year-over-year adjustment in the measurement of these provisions in line with project development. Moreover, the lower average number of persons employed at the Uniper Group relative to the prior-year period, as well as the agreed elimination of the annual bonus (STI) for members of the Board of Management of Uniper SE for 2022, also helped reduce personnel costs. as did the non-recurrence of the one-time prior-year expense for the settlement of amounts still payable to former members of the Board of Management of Uniper SE and a reduced expense for occupational retirement benefits relative to the prior-year period. This was partly offset by increases resulting from collectively agreed wage and salary adjustments.

Depreciation, amortization and impairment charges amounted to €3,133 million in the first nine months of 2022 (prior-year period: €701 million). The increase is primarily attributable to the write-down to zero of goodwill in the Global Commodities segment by €1,312 million (prior-year period: €0 million) and in the Russian Power Generation segment by €524 million (prior-year period: €0 million) and to an increase of €527 million in impairment charges on property, plant and equipment to €739 million (prior-year period: €212 million). Impairments on property, plant and equipment recognized in the first nine months of the 2022 fiscal year related primarily to power plants held in the Russian Power Generation and European Generation segments and to gas infrastructure in the Global Commodities segment (prior-year period: European Generation segment). To account for further developments in the geopolitical situation, individual power plants and storage facilities were tested for impairment based on changed estimates and assumptions about underlying price expectations for the liquid period. Regular depreciation and amortization rose by €66 million to €554 million (prior-year period: €488 million), mainly due to reversals of impairment losses recognized in prior periods for power plants in the UK, Germany and the Netherlands.

Reversals of impairments in the first nine months of 2022, which mainly resulted from changes in estimates and assumptions about underlying price expectations, amounted to €698 million (prior-year period: €46 million) and related to the European Generation and Global Commodities segments (prior-year period: European Generation segment). The reversals particularly affected the Maasvlakte 3 hard-coal power plant in the Netherlands because, owing to the geopolitical situation, the Dutch government activated the early-warning phase of its energy crisis plan and announced the recently implemented withdrawal of the statutory 35% production cap for coal-fired power plants, resulting in a revaluation of the power plant for the period from 2022 to 2024. Reversals in the Global Commodities segment related particularly to gas storage facilities in Austria due to an improved summer-winter spread. Impairment reversals are recognized as other operating income.

Other operating income increased to €212,294 million in the first nine months of 2022 (prior-year period: €111,141 million). This was caused primarily by changes in commodity derivatives recognized at fair value – due to the significantly increased commodity prices in all the markets relevant to the Uniper Group. Income from invoiced and open transactions and from related currency hedges amounted to €210,373 million, having increased by €99,580 million year over year (prior-year period: €110,794 million).

Other operating expenses increased to €254,208 million in the first nine months of 2022 (prior-year period: €119,490 million). This was caused primarily by changes in commodity derivatives recognized at fair value – due to the significantly increased commodity prices in all the markets relevant to the Uniper Group. In addition, the increase also includes a provision for onerous contracts to reflect the risk of increased purchase costs to replace undelivered Russian gas supplies in the future. Expenses from invoiced and open transactions and from related currency hedges amounted to €252,745 million, having increased by €134,002 million year over year (prior-year period: €118,743 million).

The main driver of this significant change in other operating income/expenses is the strong increase in commodity prices, as Uniper structurally sells gas and power, and buys carbon allowances and coal, using forward transactions that are measured at fair value through profit or loss.

Because of the complete delivery stoppage, it was not possible to value certain long-term gas supply contracts measured at fair value, and a fair value of zero was therefore recognized for the corresponding long-term gas supply contracts.

In assessing the provision for onerous contracts to reflect the risk of increased purchase costs to replace undelivered Russian gas supplies in the future, various differently weighted scenarios were used to account for the complete stoppage of Russian gas supply and different future price assumptions. Currently, Uniper and the German federal government are jointly working on a tailored solution for Uniper. As the solution has not been sufficiently concretized as of the reporting date, capitalization of potential reimbursement assets is not possible as of the reporting date.

During the first nine months of 2022, the negative changes in fair value of the sales forward contracts were higher than the positive changes in fair value of the purchase forward contracts, leading to a significant unrealized net loss on the derivative positions.

In addition, Uniper hedges its asset positions via forward sales and fuels via forward purchases. In many cases, these hedging transactions are subject to "mark-to-market" accounting under IFRS, while the underlying assets, like power plants, contracts classified under the own-use exemption or inventories, are not. Accordingly, in times of rising commodity prices, Uniper's IFRS net income reflects unrealized losses from hedges now, while the offsetting unrealized gains on the underlying (hedged) assets and generation positions are not recognized until they are realized.

This IFRS-driven accounting mismatch, which as of September 30, 2022, relates to all issues previously described, is only temporary and will resolve over time as the forward contracts are settled. Uniper neutralizes these effects within its key performance indicators – adjusted EBIT and adjusted net income – in order to better reflect operational developments without these measurement effects.

Financial results decreased significantly, by €1,222 million, to -€1,063 million (prior-year period: €159 million). This change is primarily attributable to the write-down to zero of the loans to Nord Stream 2 AG in the amount of €1,003 million including accrued interest due to the withdrawal of the security of supply analysis by the German Federal Ministry for Economic Affairs and Climate Action and the associated halt to the certification process, as well as the imposition of U.S. sanctions on Nord Stream 2 AG and its CEO.

Tax income increased from €1,562 million in the prior-year period to €5,992 million, mainly due to non-operating tax income of €4,501 million (prior-year period: €1,734 million income) resulting particularly from the valuation of derivative financial instruments. Operating tax income amounted to €1,491 million (prior-year period: €172 million expense).

Reconciliation of Income/Loss before Financial Results and Taxes

Unadjusted earnings before interest and taxes ("EBIT") represents the Group's income/loss before financial results and taxes in accordance with IFRS, taking into account the net income/loss from equity investments.

In order to increase its meaningfulness as an indicator of the operating performance of Uniper's business, EBIT is adjusted for certain non-operating effects to produce a reliable adjusted EBIT measure, which is used for internal management control purposes.

The non-operating effects on earnings for which EBIT is adjusted include gains and losses from the fair value measurement of derivative financial instruments used in hedges, as well as certain effects resulting from the measurement of physically settled contracts within the scope of IFRS 9, which are measured at the market price at physical settlement instead of the contractually hedged price. Additionally, certain book gains/losses, expenses for (and income from) restructuring and cost-management programs and impairment charges/reversals on non-current assets, on companies accounted for under the equity method and other long-term financial assets and on goodwill in the context of impairment tests, as well as other contributions to non-operating earnings, are eliminated.

Net book gains are equal to the sum of book gains and losses from disposals, which are included in other operating income and other operating expenses. Effects from the fair value measurement of derivatives are also included in other operating expenses and income. These hedges entered into as part of the energy trading business, however, have no impact on adjusted EBIT until maturity. In addition, for physically settled derivative financial instruments within the scope of IFRS 9, further non-operating adjustments of revenues, cost of materials, other operating income and other operating expenses are also made to adjust for the difference between the economically and contractually hedged contract price and the spot price on the settlement date that is relevant for income and expense recognition under IFRS. Since unadjusted EBIT is derived from the revenue and cost of materials (i.e., inventories and emission rights, including their subsequent measurement) measured for these transactions at the IFRS-relevant spot price when they are settled, the difference between such measurement and one based on the economically hedged contract price is adjusted accordingly to determine adjusted EBIT.

Expenses for (and income from) restructuring and cost-management programs represent additional expenses and income that are not directly attributable to the operating business. Other non-operating earnings encompass other non-operating income and expenses that are unique or rare in nature. Depending on the particular case, such income and expenses may affect different line items in the income statement.

The reported net income before financial results and taxes of -€45,303 million (prior-year period: -€6,489 million) is adjusted for non-operating effects totaling €40,545 million (prior-year period: €7,093 million) and, in addition, increased by net income from equity investments of €3 million (prior-year period: €10 million) to produce adjusted EBIT of -€4,755 million (prior-year period: €614 million).

The bottom line in the table below shows the detailed reconciliation of income/loss before financial results and taxes in accordance with IFRS to adjusted EBIT, and additionally provides an overview of what items are affected by non-operating adjustments:

Matrix for Reconciliation of Income/Loss before Financial Results and Taxes 2022[1]

January 1–September 30 € in millions	Income statement items	Adjustments of items of income/loss before financial results and taxes to adjusted EBIT: Net book gains (-) / losses (+)	FV measure-ment of deriv-atives	Adj. of reve-nues and cost of materials	Restruc-turing[2]	Misc. other non-op. earnings	Impair-ment charges/ reversals[3]	Total adjust-ments	Income from equity invest-ments[4]	Components of adjusted EBIT
Sales including electricity and energy taxes	213,470	–	–	-85,213	–	–	–	-85,213	–	128,257
Electricity and energy taxes	-168	–	–	–	–	–	–	–	–	-168
Sales	**213,303**	**–**	**–**	**-85,213**	**–**	**–**	**–**	**-85,213**	**–**	**128,090**
Changes in inventories (finished goods and work in progress)	2	–	–	–	–	–	–	–	–	2
Own work capitalized	56	–	–	–	–	–	–	–	–	56
Other operating income	212,294	-4	-188,681	–	-1	-324	-698	-189,708	–	22,586
Cost of materials	-212,975	–	–	80,628	–	-59	–	80,568	–	-132,407
Personnel costs	-682	–	–	–	-28	4	–	-24	–	-706
Depreciation, amortization and impairment charges	-3,133	–	–	–	1	–	2,515	2,516	–	-617
Other operating expenses	-254,208	4	232,245	–	-7	163	–	232,405	–	-21,803
For informational purposes: Subtotal of adjusted EBIT components before income from equity-method accounting and from equity investments	N/A	–	–	–	–	–	–	–	–	-4,799
Income from companies accounted for under the equity method	39	–	–	–	–	–	–	–	–	39
For calculation purposes: Income from equity investments[4]	N/A	–	–	–	–	–	1	1	3	4
Reconciliation of income/loss before financial results and taxes to adjusted EBIT (summarized)	**-45,303**	**1**	**43,563**	**-4,585**	**-35**	**-217**	**1,819**	**40,545**	**3**	**-4,755**

[1]Owing to the adjustments made, the earnings items shown here may differ from the figures determined in accordance with IFRS. A reconciliation of income/loss before financial results and taxes prepared in compliance with the Guidelines on Alternative Performance Measures published by the European Securities Markets Authority (ESMA) is provided in the notes to the IFRS interim and consolidated financial statements.

[2]Expenses for (and income from) restructuring and cost management in the Global Commodities segment included depreciation and amortization of €1 million in the first nine months of 2022 (first nine months of 2021: €2 million).

[3]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals differs from the depreciation, amortization and impairment charges reported in the income statement, since the two items also include impairment charges on companies accounted for under the equity method and other financial assets; in addition, a small portion is included in restructuring/cost-management expenses and in miscellaneous other non-operating earnings.

[4]In the income statement according to IFRS, income from equity investments is part of financial results, which are not shown in this matrix, and is added as a component of adjusted EBIT. The presentation within the items of the income statement that make up income/loss before financial results and taxes is used in this matrix solely to determine adjusted EBIT.

Matrix for Reconciliation of Income/Loss before Financial Results and Taxes 2021[1]

January 1–September 30 € in millions	Income statement items	Net book gains (-) / losses (+)	FV measure-ment of deriv-atives	Adj. of reve-nues and cost of materials	Restruc-turing[2]	Misc. other non-op. earnings	Impair-ment charges/ reversals[3]	Total adjust-ments	Income from equity invest-ments[4]	Components of adjusted EBIT
		Adjustments of items of income/loss before financial results and taxes to adjusted EBIT								
Sales including electricity and energy taxes	78,697	–	–	-20,333	–	–	–	-20,333	–	58,364
Electricity and energy taxes	-199	–	–	–	–	–	–	0	–	-199
Sales	**78,498**	**–**	**–**	**-20,333**	**–**	**–**	**–**	**-20,333**	**–**	**58,165**
Changes in inventories (finished goods and work in progress)	54	–	–	–	–	–	–	0	–	54
Own work capitalized	55	–	–	–	–	–	–	0	–	55
Other operating income	111,141	-14	-104,144	–	–	-58	-46	-104,263	–	6,877
Cost of materials	-75,329	–	–	20,112	–	59	–	20,171	–	-55,158
Personnel costs	-752	–	–	–	7	–	–	7	–	-745
Depreciation, amortization and impairment charges	-701	–	–	–	2	–	212	214	–	-486
Other operating expenses	-119,490	2	111,149	–	-2	111	40	111,299	–	-8,191
For informational purposes: Subtotal of adjusted EBIT components before income from equity-method accounting and from equity investments	N/A	–	–	–	–	–	–	0	–	571
Income from companies accounted for under the equity method	35	–	–	–	–	–	–	0	–	35
For calculation purposes: Income from equity investments[4]	N/A	–	–	–	–	–	-1	-1	10	9
Reconciliation of income/loss before financial results and taxes to adjusted EBIT (summarized)	**-6,489**	**-12**	**7,004**	**-221**	**7**	**111**	**204**	**7,093**	**10**	**614**

[1]Owing to the adjustments made, the earnings items shown here may differ from the figures determined in accordance with IFRS. A reconciliation of income/loss before financial results and taxes prepared in compliance with the Guidelines on Alternative Performance Measures published by the European Securities Markets Authority (ESMA) is provided in the notes to the IFRS interim and consolidated financial statements.
[2]Expenses for (and income from) restructuring and cost management in the Global Commodities segment included depreciation and amortization of €2 million in the first nine months of 2021 (first nine months of 2020: €4 million).
[3]Non-operating impairment charges/reversals consist of non-operating impairment charges and reversals triggered by regular impairment tests. The total of the non-operating impairment charges/reversals and economic depreciation and amortization/reversals differs from the depreciation, amortization and impairment charges reported in the income statement, since the two items also include impairment charges on companies accounted for under the equity method and other financial assets; in addition, a small portion is included in restructuring/cost-management expenses and in miscellaneous other non-operating earnings.
[4]In the income statement according to IFRS, income from equity investments is part of financial results, which are not shown in this matrix, and is added as a component of adjusted EBIT. The presentation within the items of the income statement that make up income/loss before financial results and taxes is used in this matrix solely to determine adjusted EBIT.

Gains and losses on disposals of property, plant and equipment resulted in a net book loss of €1 million in the reporting period (prior-year period: net book gain of €12 million on a land sale and on the sale of other equity investments).

The fair value measurement of derivatives used to hedge the operating business against price fluctuations resulted in a net non-operating loss of €43,563 million in the first nine months of 2022, due to changed market values in connection with increased commodity prices in all the forward markets relevant to Uniper (prior-year period: net non-operating loss of €7,004 million). The non-operating loss on derivatives includes gas supply contracts (recognized as derivatives) with fair values written down to zero given that Gazprom is no longer delivering gas. Whereas the derivatives are subject to “mark-to-market” (i.e., fair value) accounting, the corresponding appreciation of the hedged underlying assets is initially limited to their cost, and additional gains may not be recognized until they are realized. This measurement inconsistency is neutralized accordingly within the adjusted EBIT and adjusted net income measures, in order to better reflect Uniper’s operating performance.

This item also includes the recognition of a provision for onerous contracts. This provision was measured at €18,852 million as of September 30, 2022, and reflects the risk of increased purchase costs to replace the completely halted Russian gas supplies in the future. Due to the uncertainty of the future price difference (i.e., purchase price variability) and volumes supplied, the as yet unrealized part reflecting the risk of increased purchase costs is classified as non-operating. Upon physical delivery, when the cost of procuring replacement volumes is incurred, the effects are reported within adjusted EBIT. At the same time, reimbursements by third parties – recognized as a separate asset – were not considered when accounting for the added cost of procuring replacement volumes as of September 30, 2022, since the measures envisaged as part of the reactivation and realignment of Germany's Economic Stabilization Fund (WSF) as an economic protective shield against the consequences of Russia's war of aggression were not yet sufficiently specified when the financial statements were prepared.

Revenues and cost of materials for physically settled commodity derivatives (contracts that are accounted for under IFRS 9 (failed own-use contracts)) were adjusted for the difference between the spot prices relevant pursuant to IFRS and the contract prices relevant from the management perspective by net income of €4,585 million in the first nine months of 2022 (prior-year period: net income of €221 million).

In the first nine months of 2022, restructuring and cost-management expenses/income changed by €42 million relative to the prior-year period. Income amounted to €35 million in the first nine months of 2022 (prior-year period: €7 million expense) and was primarily attributable to the partial reversal of provisions relating to the restructuring of the Engineering business by an amount of €23 million.

Income of €217 million was recorded under miscellaneous other non-operating earnings in the first nine months of 2022 (prior-year period: expense of €111 million). It includes net income of €178 million (prior-year period: €125 million) from adjustments of provisions recognized for non-operating effects in the Global Commodities segment and income of €59 million from an insurance settlement in the European Generation segment.

A net loss of €1,819 million (prior-year period: net loss of €204 million) from the aggregation of non-operating impairment charges and reversals was recognized in the reporting period. The valuations related to all three of the Uniper Group's operating segments in the first nine months of 2022 (prior-year period: primarily European Generation). The increase is particularly attributable to the write-down to zero of goodwill in the Global Commodities segment by €1,312 million (prior-year period: €0 million) and in the Russian Power Generation segment by €524 million (prior-year period: €0 million). Reversals of impairments recognized in previous years related primarily to the European Generation and Global Commodities segments in the first nine months of 2022 (prior-year period: European Generation segment). This particularly affected the Maasvlakte 3 hard-coal power plant in the Netherlands because, owing to the geopolitical situation, the Dutch government activated the early-warning phase of its energy crisis plan and announced the still-pending withdrawal of the statutory 35% production cap for coal-fired power plants, resulting in a revaluation of the power plant. Impairment reversals are recognized as other operating income.

Adjusted EBIT

Adjusted EBIT, a measure of earnings before interest and taxes adjusted for non-operating effects, is the key measure in the Uniper Group for purposes of internal management control and as the most important indicator of the profitability of its operations.

Segments

The following table shows adjusted EBIT for the first nine months of 2022 and the first nine months of 2021, broken down by segment:

Adjusted EBIT

January 1–September 30 € in millions	2022	2021	+/- %
European Generation	-93	271	-134.2
Global Commodities	-4,727	771	-712.9
Russian Power Generation	331	168	96.8
Administration/Consolidation	-266	-596	55.4
Total	**-4,755**	**614**	**-874.7**

European Generation

The significantly reduced adjusted EBIT compared with the prior-year period is particularly attributable to higher expenses recognized in the context of measuring provisions for carbon allowances, which are offset by hedges that will not be realized until the fourth quarter of 2022, and for which gains on fair value measurement, which were higher compared with the prior-year period, are reported as non-operating earnings until they are realized. Discounting this interim measurement effect, the segment's operating earnings came in almost at the prior-year level. Increasingly positive earnings contributions resulted from the trading margin in fossil generation due to higher spreads. In contrast, large discrepancies between the so-called Swedish system prices and the delivery prices in the relevant Swedish price zones led to significantly lower earnings contributions from Nordic hydropower as a consequence of the hedging strategy applied in the past. Additional factors that affected adjusted EBIT negatively year over year were the disposal of the Schkopau power plant in the third quarter of fiscal 2021, reduced contributions from the British capacity market and higher delivery and procurement costs incurred for hard coal in the context of the transitional strategy to diversify coal sourcing.

Global Commodities

Adjusted EBIT in the Global Commodities segment fell significantly compared with the prior-year period. The decline is primarily attributable to the gas business. Gas earnings were negatively affected by the added cost of procuring replacement volumes in response to the curtailment of Russian gas volumes from June 14, 2022. This impact was further exacerbated in the third quarter of 2022 when deliveries came to a complete halt. However, the gas business also benefited from the volatile, rising prices. Furthermore, some hedges for future gas deliveries had a partially offsetting effect in the current year. Earnings in the international portfolio were down significantly from the prior-year period, which had been characterized by volatile markets during the winter months. In the current year, the shortfall in LNG deliveries from the Freeport LNG terminal in the U.S. due to fire damage to the infrastructure there weighed on adjusted EBIT.

Russian Power Generation

The Russian Power Generation segment's adjusted EBIT came in significantly above the prior-year level. The main reasons for this were the commissioning of the Berezovskaya 3 power plant unit, which has been receiving capacity payments since May 1, 2021, positive foreign exchange and regulatory effects, as well as higher volumes and higher prices in the Siberian price zone. The expiration of the long-term capacity payments for two units at the Surgutskaya power plant had an offsetting effect.

Administration/Consolidation

Adjusted EBIT attributable to the Administration/Consolidation reconciliation item changed positively relative to that of the prior-year period. This change resulted particularly from the measurement during the year of provisions for carbon emissions (remeasurement to cross-segment figures at Group level), which was partially offset by the reconciliation of the operating segments' adjusted EBIT to the Group's adjusted EBIT with respect to the measurement of coal inventories, among other things.

Adjusted Net Income

The Uniper Group uses adjusted net income as an additional internal management indicator and as a further key indicator of the profitability of its operations after taxes and after financial results – one that also takes into account important income and expense components that are not included in adjusted EBIT but aggregated as an economic interest and tax result – for determining the variable compensation of the Board of Management and of all management personnel and of all non-pay-scale and pay-scale employees.

Unadjusted net income is earnings after financial results and income taxes. To focus this indicator on the operating business and increase its meaningfulness, unadjusted net income is adjusted for certain non-operating effects.

Adjusted EBIT is the starting point for further adjustments, and it is adjusted for the following selected non-operating items:

- Net non-operating interest income
- Other financial results
- Income taxes on non-operating earnings
- Non-controlling interests in non-operating earnings

Included in other financial results are effects such as measurement effects from changes in the fair value of securities and of the KAF (the Swedish Nuclear Waste Fund; "Kärnavfallsfonden"). Not being a component of adjusted EBIT, other financial results are added back to adjusted EBIT in a first step to determine adjusted net income, together with net interest income, so that all earnings components of the income statement are also shown in the reconciliation to adjusted net income. They are then eliminated in a second step, together with non-operating interest expense and income. Other financial results thus have no effect on adjusted net income. Non-operating time value of money effects include, for example, interest on provisions financed through the KAF, which are eliminated correspondingly with other financial results. Also eliminated are measurement effects on liabilities to minority shareholders. The adjustments additionally include, among other things, the related income taxes, and the overall result is adjusted net income.

Reconciliation to Adjusted Net Income

January 1–September 30 € in millions	2022	2021
Income/Loss before financial results and taxes	**-45,303**	**-6,489**
Net income/loss from equity investments	3	10
EBIT	**-45,300**	**-6,479**
Non-operating adjustments	40,545	7,093
Adjusted EBIT	**-4,755**	**614**
Interest income/expense and other financial results	*-1,066*	*149*
Non-operating interest expense and negative other financial results (+) / interest income and positive other financial results (-)	*1,169*	*-65*
Operating interest income/expense and other financial results	103	84
Income taxes	*5,992*	*1,562*
Expense (+) / Income (-) resulting from income taxes on non-operating earnings	*-4,501*	*-1,734*
Income taxes on operating earnings	1,491	-172
Less non-controlling interests in operating earnings	-59	-40
Adjusted net income	**-3,220**	**487**

The adjustments for financial effects relate primarily to the write-down to zero of the financing extended to Nord Stream 2 AG in the amount of €1,003 million and to the expense of €174 million (prior-year period: €87 million income), recognized as interest expense, from the valuation of the Swedish Nuclear Waste Fund (KAF), which finances provisions in the European Generation segment. Furthermore, aside from the remaining other financial results, time value of money adjustments amounting to income of €44 million (prior-year period: €28 million expense) were made primarily for other non-operating provisions in the Global Commodities segment. An expense of €1,169 million was adjusted for in total (prior-year period: €65 million income).

In the first nine months of 2022, there was non-operating tax income, arising particularly from the measurement of derivative financial instruments, of €4,501 million (prior-year period: €1,734 million income). Operating tax income amounted to €1,491 million (prior-year period: €172 million expense), resulting in an operating effective tax rate of 32.0% (prior-year period: 24.6%).

Adjusted net income for the first nine months of 2022 amounted to -€3,220 million, a year-over-year decrease of -€3,707 million (prior-year period: €487 million). Aside from the operating tax income, higher economic net interest income relative to the prior-year period of 2021 also had a slight positive effect. This is attributable especially to higher interest rates and their effect on the measurement of non-current provisions for asset retirement obligations, primarily in Hydro. It was offset by a year-over-year increase in interest expenses due to the increased financing volume and to higher margin payments, as well as by the non-recurrence of the economic net interest income from the financing extended to Nord Stream 2 AG.

Financial Condition

The Uniper Group presents its financial condition using financial measures including economic net debt and operating cash flow before interest and taxes, among others.

Economic Net Debt

Economic net debt is used by Uniper to manage the Group's capital structure. All items are shown with their respective (+) or (-) sign in the summation.

Economic Net Debt

€ in millions	**Sept. 30, 2022**	**Dec. 31, 2021**
(+) Financial liabilities and liabilities from leases	21,347	8,975
(+) Bonds	–	–
(+) Commercial paper	*55*	*1,480*
(+) Liabilities to banks	*15,073*	*2,964*
(+) Lease liabilities	*697*	*745*
(+) Margining liabilities	*1,134*	*783*
(+) Liabilities from shareholder loans towards Uniper shareholders and co-shareholders	*4,338*	*2,931*
(+) Other financing	*50*	*70*
(-) Cash and cash equivalents	2,184	2,919
(-) Current securities	63	47
(-) Non-current securities	91	111
(-) Margining receivables	9,897	7,866
Net financial position	**9,110**	**-1,969**
(+) Provisions for pensions and similar obligations	516	1,065
(+) Provisions for asset retirement obligations	1,280	1,228
(+) Other asset retirement obligations	*770*	*853*
(+) Asset retirement obligations for Swedish nuclear power plants	*2,696*	*2,940*
(-) Receivables from the Swedish Nuclear Waste Fund recognized on the balance sheet	*2,186*	*2,565*
Economic net debt	**10,906**	**324**
(-) For informational purposes: Receivables from the Swedish Nuclear Waste Fund (KAF) ineligible for capitalization[1]	50	211
For informational purposes: Fundamental economic net debt	**10,857**	**113**

[1]Due to IFRS valuation rules (IFRIC 5), €50 million (December 31, 2021: €211 million) of Uniper's share of the fair value of the net assets of the Swedish Nuclear Waste Fund may not be capitalized on the balance sheet. Accordingly, there exists an additional receivable from the Swedish Nuclear Waste Fund ineligible for recognition on the balance sheet, and the economic net obligation for the decommissioning of the Swedish nuclear power plants is thus reported too high in the table by the amount of this receivable.

Mainly the negative operating cash flow (-€10,877 million) and outflows for investments (-€392 million) reduced the net financial position by €11,079 million in the first nine months of 2022. Within the net financial position, financial liabilities and liabilities from leases rose by €12,372 million to €21,347 million (December 31, 2021: €8,975 million). One main reason was the drawing of €12,000 million of the KfW financing by Uniper SE as of September 30, 2022. Furthermore, the Fortum loan is now drawn completely by €4,000 million (December 31, 2021: €2,500 million). Margining receivables increased by €2,031 million to €9,897 million (December 31, 2021, €7,866 million) and margining liabilities increased by €351 million to €1,134 million. As an offsetting effect, the use of commercial papers was reduced by €1,425 million to €55 million.

The increase in economic net debt by €10,582 million was lower than the increase in the net financial position, mainly because provisions for pensions and similar obligations were reduced by €549 million to €516 million (December 31, 2021: €1,065 million). This development was caused by an increase in interest rates in Germany and the UK during the first nine months of 2022 relative to year-end 2021, leading to a reduction of the present value of pension liabilities. While the fair value of plan assets diminished compared with year-end 2021 at the same time, the two developments taken together resulted in overall lower provisions for pensions and similar obligations in the first nine months of 2022. In contrast, the provisions for asset retirement obligations increased slightly to €1,280 million as of September 30, 2022 (December 31, 2021: €1,228 million) due to the effect of foreign exchange rates, among others.

Investments

Investments

January 1–September 30 € in millions	2022	2021
Investments		
European Generation	*273*	*394*
Global Commodities	*55*	*30*
Russian Power Generation	*44*	*89*
Administration/Consolidation	*21*	*10*
Total	**392**	**523**
Growth	*103*	*262*
Maintenance and replacement	*289*	*260*

The decrease in the Uniper Group's investment spending resulted mainly from significantly reduced growth investments, while repair and maintenance investments were above those of the prior-year level. The investments break down by segment as follows:

The year-over-year decrease of €121 million in investments in the European Generation segment in the first nine months of 2022 was primarily due to lower growth investments given the impending completion of the Scholven 3 new construction project and to lower growth investments for the Datteln 4 hard-coal power plant. The collection of an insurance settlement had an additional reducing effect for Datteln 4.

In the Global Commodities segment, investments were up €25 million from the prior-year level, primarily due to higher spending on growth investments for the LNG terminal in Wilhelmshaven.

Investment spending in the Russian Power Generation segment in the first nine months of 2022 was down €45 million year over year and was primarily attributable to lower growth investments for the Berezovskaya 3 power plant, which was commissioned in May 2021, and to significantly lower maintenance investments.

In the Administration/Consolidation segment, investments were up €11 million from the prior-year level and related to investments in IT projects, among others.

Cash Flow

Cash Flow

January 1–September 30 € in millions	2022	2021
Cash provided by operating activities (operating cash flow)	**-10,877**	**2,244**
Cash provided by investing activities	**-2,217**	**-4,871**
Cash provided by financing activities	**12,243**	**4,125**

Cash Flow from Operating Activities, Operating Cash Flow before Interest and Taxes

Cash provided by operating activities (operating cash flow) changed by -€13,121 million in the first nine months of 2022 to a cash outflow of €10,877 million (prior-year period: cash inflow of €2,244 million). This resulted primarily from the impact of the added cost of procuring replacement volumes in the market in response to the curtailment of Russian gas volumes from June 14, 2022, culminating in the discontinuation of gas deliveries from late August 2022 forward. A significant portion of the operating cash flow also had already been anticipated by liquidity optimization measures taken at the end of 2021 for assets in the gas and emission rights business to cover temporary liquidity requirements arising from collateral pledges for commodity transactions (margining).
Operating cash flow was additionally negatively impacted by changes in working capital, especially inventories, that resulted primarily from price increases in the commodity markets.

The following table presents the reconciliation of cash flow from operating activities (operating cash flow) to operating cash flow before interest and taxes:

Operating Cash Flow before Interest and Taxes

January 1–September 30 € in millions	2022	2021	+/-
Operating cash flow	**-10,877**	**2,244**	**-13,121**
Interest payments and receipts	97	12	85
Income tax payments (+) / refunds (-)	342	107	235
Operating cash flow before interest and taxes	**-10,438**	**2,363**	**-12,801**

Cash Flow from Investing Activities

Cash provided by investing activities improved by €2,654 million, from a cash outflow of €4,871 million in the prior-year period to a cash outflow of €2,217 million in the first nine months of 2022. This development resulted primarily from a lower cash outflow for collateral to be provided by Uniper for futures and forward transactions (margining receivables), which changed by €2,421 million year over year in the first nine months of 2022. Where there had been a cash outflow of €4,422 million in the prior-year period, there was a cash outflow of €2,001 million in the first nine months of 2022. Compared with the prior-year period (€523 million), cash payments for investments in intangible assets, in property, plant and equipment, and in equity investments decreased by €131 million, to €392 million. Cash proceeds from disposals increased by €68 million, from a cash inflow of €56 million in the prior-year period to a cash inflow of €124 million in the first nine months of 2022.

Cash Flow from Financing Activities

In the first nine months of 2022, cash provided by financing activities amounted to €12,243 million (prior-year period: cash inflow of €4,125 million). The increase in margin deposits received for futures and forward transactions led to a cash inflow of €301 million (prior-year period: cash inflow of €2,021 million) and increased margining liabilities accordingly. Furthermore, the shareholder loan provided by Fortum was increased, which resulted in a cash inflow of €1,500 million. An additional material factor underlying the strongly positive cash flow from financing activities was the drawing of €12,000 million under the KfW credit facility in response to the liquidity impact brought about by the gas supply interruptions and the associated price developments in European energy markets and exchanges since July 2022. The redemption of commercial paper in the amount of €1,426 million in the first nine months of 2022 (prior-year period: cash inflow of €1,246 million) and the repayment of lease liabilities in the amount of €78 million (prior-year period: €92 million) had an offsetting effect. The dividend distributed to shareholders of Uniper SE led to a cash outflow of €26 million (2021: cash outflow of €501 million).

Assets

Consolidated Assets, Liabilities and Equity

€ in millions	Sept. 30, 2022	Dec. 31, 2021
Non-current assets	116,858	37,074
Current assets	135,542	91,323
Total assets	**252,400**	**128,397**
Equity (deficit)	-31,485	6,788
Non-current liabilities	133,722	26,094
Current liabilities	150,162	95,514
Total equity and liabilities	**252,400**	**128,397**

The significant increase in total assets in the first nine months of 2022 compared with December 31, 2021, is due especially to the significant price increases in all the commodity forward markets relevant to Uniper. These higher prices led to valuation-related increases in current as well as non-current receivables and liabilities from derivative financial instruments. Because of the particularly strong increase in prices for the supply of electricity and fuels in future years, non-current receivables and liabilities from derivative financial instruments with a maturity of more than twelve months rose by a much greater percentage than the corresponding short-term balance sheet line items. Also, current and non-current liabilities from derivative financial instruments increased by more in total than the corresponding receivables. One of the reasons for this was that Uniper predominantly entered into sales contracts in the electricity market to hedge future power generation, and the value of these contracts was diminished amid rising prices. In addition, the greater increase in derivative liabilities compared with the corresponding assets as of September 30, 2022, was amplified further by changes in the fair value of derivative receivables from certain gas purchase contracts, which were written down to zero due the complete discontinuation of deliveries of gas.

The increase in non-current assets resulted especially from the described change in non-current receivables from derivative financial instruments, which increased by €76,260 million, from €16,913 million to €93,174 million, as well as from deferred tax assets. These increased by €5,789 million, from €2,121 million to €7,911 million, primarily due to the changes in derivative financial instruments.
The increase in the carrying amount of property, plant and equipment of €206 million, from €10,055 million to €10,262 million, was primarily due to currency translation effects and impairment reversals because, among other things, these effects exceeded those of impairments and regular depreciation of property, plant and equipment. The reversal of an impairment on a power plant in the Netherlands was a significant individual effect. Investments of €344 million in property, plant and equipment in the first nine months of 2022 exceeded divestments of €89 million.

Non-current financial receivables were reduced by €1,386 million, from €4,065 million to €2,680 million, primarily due to the write-down to zero of the financing extended to Nord Stream 2 AG. Furthermore, the changed geopolitical situation and several specific issues triggered impairment testing of individual items of property, plant and equipment. The tests resulted in impairment charges of €739 million (particularly in the European Generation and Russian Power Generation segments) due to changed estimates arising from the changed geopolitical situation and in reversals of €697 million (particularly in the European Generation segment) due to changed assumptions about the utilization of assets. These changed assumptions also led to the write-down to zero of all goodwill carried in the Global Commodities and Russian Power Generation segments by €1,312 million and €524 million, respectively. Impairment testing of deferred tax items resulted in a charge of €7,289 million on deferred tax assets.

As with non-current assets, the main cause of the increase in current assets was the valuation-related increase in receivables from derivative financial instruments, which rose by €39,924 million, from €64,732 million to €104,656 million. There also was an increase of €2,031 million in receivables from posted collateral for commodity forward transactions, which rose from €7,866 million to €9,897 million. Trade receivables, in contrast, declined by €1,369 million, from €11,629 million to €10,260 million. The negative operating cash flow associated with the loss of gas supplies from Gazprom and the necessary procurement of replacement volumes, as well as outflows of cash from investing activities, exceeded cash inflows from financing activities and thus reduced liquid funds by €719 million, from €2,966 million to €2,248 million.

Payment transactions with Russia are subject to general restrictions as of September 30, 2022. Accordingly, the cash and cash equivalents held within Russia by PAO Unipro in the amount of €341 million are not available to the other Group companies. There had been no restrictions as of December 31, 2021.

Equity fell by €38,273 million in the reporting period, from €6,788 million as of December 31, 2021, to -€31,485 million (equity deficit) as of September 30, 2022, due primarily to the net loss of €40,374 million (of which a share of -€67 million is attributable to non-controlling interests). The Group's net loss was heavily influenced by the unrealized negative change in the value of derivative financial instruments, the increase in the onerous contract provision regarding the anticipation of future losses for replacing continuously curtailed gas volumes in the future, the impairment charges on property, plant and equipment and on goodwill, the write-down to zero of the financing extended to Nord Stream 2 AG and especially by the negative earnings impact of having to procure replacement volumes for undelivered Russian gas in the market at much higher prices. The offsetting effect of the unrealized appreciation of the corresponding hedged items (especially power plants and inventories) is limited by IFRS accounting rules to their cost. Other comprehensive income, by contrast, had a positive effect of €2,133 million on equity. It includes the remeasurement of defined benefit plans in the net amount of €365 million. This remeasurement increased relative to year-end 2021 because the applicable discount rates were higher than those used for the Consolidated Financial Statements as of December 31, 2021. Effects from the remeasurement of equity investments totaling €731 million, as well as exchange-rate-related changes in assets and liabilities amounting to €781 million net and the change in fair value of cash flow hedges of €134 million after taxes, also contributed positively. Equity was reduced by the dividend distribution of €26 million to shareholders of Uniper SE.

Non-current liabilities increased by €107,628 million in the reporting period, from €26,094 million at the end of the previous year to €133,722 million as of September 30, 2022, predominantly because of the valuation-related increase of €83,311 million in liabilities from derivative financial instruments, which rose from €16,336 million to €99,647 million. Furthermore, non-current miscellaneous provisions increased by €11,374 million, from €6,346 million to €17,719 million. This increase is due to higher expected procurement costs for electricity sales contracts, and it also accounts for the impact of the complete discontinuation of deliveries of gas from Russia. Potential future solution approaches, based on an economic protective shield against the consequences of Russia's war of aggression, to compensate for the added cost of procuring replacement volumes of gas could not be applied to these provisions to reduce losses in the quarter. Power purchases are, however, hedged using derivative financial instruments; the recognized provision is thus offset on the asset side by a positive effect in non-current receivables from derivative financial instruments. Non-current financial liabilities rose by €13,322 million, from €1,655 million to €14,977 million, primarily due to the initial drawing in July 2022 of the KfW credit facility, under which loans totaling €12 billion were outstanding as of September 30, 2022, and to the reclassification of the €1,800 million revolving credit facility (December 31, 2021: €1,800 million current), which is no longer expected to be repaid within the next twelve months. It was partly offset by changes in the maturity dates of some promissory notes totaling €400 million, which are now reclassified as current liabilities (December 31, 2021: €400 million non-current). Provisions for pensions and similar obligations, in turn, decreased by €549 million, from €1,065 million to €516 million, particularly as a result of higher interest rates as of September 30, 2022, compared with those at year-end 2021. Deferred tax liabilities changed by €70 million, from €433 million to €502 million.

The increase in current liabilities is primarily attributable to the valuation-related increase in liabilities from derivative financial instruments, which rose by €45,803 million, from €70,397 million to €116,200 million. Current financial liabilities include liabilities of €4,000 million from a shareholder loan extended by Fortum (December 31, 2021: €2,500 million). At the signing of an amended stabilization package by the German federal government, Uniper SE and Fortum Oyj on September 21, 2022, it was agreed between the parties that the existing credit line extended by Fortum consisting of a €4 billion shareholder loan and a €4 billion guarantee line would be replaced by financing from the German state. Since the package is to be implemented in the near future, repayment of the shareholder loan within the next twelve months is planned by Uniper and contractually possible. As of June 30, 2022, the full amount of that shareholder loan had still been classified as non-current – based on the provisions of the initial stabilization package of July 22, 2022 – because at that time a repayment within the next twelve months had not been anticipated. Aside from the described change in presentation, liabilities from posted collateral for commodity forward transactions increased by €350 million. The increase of €11,644 million in current miscellaneous provisions, from €4,361 million to €16,005 million, is attributable to the circumstances mentioned for the corresponding non-current provisions, among others. Power purchases are, however, hedged using derivative financial instruments; the recognized provision is thus offset on the asset side by a positive effect in current receivables from derivative financial instruments. Future cash outflows arising from higher procurement costs are thus offset by expected cash inflows from derivative financial instruments. Current provisions have additionally been recognized in the gas portfolio to account for the impact of the complete discontinuation of deliveries of gas from Russia, for which, as in the case of non-current provisions, expected support measures may not be considered in their calculation.
Offsetting effects resulted from redemptions of commercial papers in the amount of €1,425 million, the already described reclassification of the €1,800 million revolving credit facility (December 31, 2021: €1,800 million non-current) and the reduction in trade payables by €1,176 million, from €11,568 million to €10,392 million.

Risk and Chances Report

The commercial activity of the Uniper Group is naturally linked with uncertainties which lead to risks and chances. Resulting financial, credit, market and operational risks and chances including their subcategories (such as political & regulatory, legal, IT risks and chances, etc.) as well as the risk management system of the Uniper Group, are explained in detail in the 2021 Combined Management Report. The categories of risks/chances, as well as the methodology to determine the assessment classes, have not changed compared to the 2021 Consolidated Financial Statements.

In the 2022 Half-Year Interim Report, which has been available online at www.uniper.energy since it was published on August 17, 2022, those risk (sub)categories have been discussed in which the assessment class had changed as of June 30, 2022, compared with December 31, 2021. Also changes to major individual risks/chances were described. Major individual risks/chances are those with a potential worst-/best-case earnings or cash flow impact of at least € 300 million in one year. The present risk and chance report describes the material changes of the reporting date September 30, 2022, relative to the situation on June 30, 2022.

Key changes in the Risk and Chances Profile of the Uniper Group

The current risk and chances profile of the Uniper Group as well as the key changes compared to the Half-Year Interim 2022 Report continue to be determined by the major uncertainties regarding the future developments in the geopolitical situation.

Gas curtailment related risks and chances
During the third quarter of 2022 Gazprom continued its reduced gas deliveries to Uniper which came to a complete stop since end of August 2022 and gas wholesale prices further increased. As a result, Uniper has suffered up to low triple digit million costs daily having to procure gas at the current market prices to fulfil the contractual obligations towards its customers. As per end of September this has led to year-to-date costs for replacement purchases of approximately € 10 billion. To address the adverse supply and market developments and to secure Uniper's going concern, the German federal government, Uniper SE and Fortum Oyj on September 21, 2022 signed an amendment of the stabilization package for Uniper announced on July 22, 2022. Both stabilization packages foresaw a 90% cost pass through of the replacement purchase expenses since October 1, 2022 via a gas surcharge based on §26 EnSiG. Since then, the gas surcharge was withdrawn on September 30, 2022 by the German federal government and is planned to be replaced by a tailored solution for Uniper and other German gas importers. Based on the complete delivery stop by Gazprom Export and the withdrawal of the gas surcharge, Uniper measured the fair value at zero on all Gazprom Export long-term supply contracts and recognized a provision for potential future losses on gas curtailments. In total, the valuation effect from the anticipation of continued gas curtailments in the future and related losses for replacement of the curtailed gas volumes amount to approximately € 31 billion thereby jointly realizing a big part of the gas curtailment risk and materializing the major individual credit risk towards Gazprom Export. The provision assumes no further gas deliveries by Gazprom Export, certain replacement purchase costs and no gas surcharge or instrument with similar impact for the Consolidated Statement of Income. As the aforementioned tailored solution for Uniper is not yet specified it could not be considered in the Quarterly Statement as of September 30, 2022,.

The residual risk for Uniper is that the replacement purchase costs in future are higher than anticipated so far which still qualifies as major individual risk. The risk of non-delivery continues to exist under Uniper's other long term gas supply contracts but does not qualify as major individual risk. A continuation of the curtailments could also have follow-on implications, e.g. on the availability of Uniper's gas fired power plants and the physical gas deliveries to Uniper's customers. In addition, Uniper is exposed to two major individual chances. One in case Gazprom Export resumes gas deliveries to Uniper (e.g. via the Ukraine) or in case replacement purchase costs are lower than planned and one from the tailored solution which will replace the gas surcharge.

Following the reduced and ultimately stopped deliveries by Gazprom Export, Uniper Global Commodities (UGC) is pursuing requests for interim relief before the German courts and a set-off against receivables for August gas deliveries by Gazprom Export. In both cases this results in a major individual chance of being able to recover part of UGC's expenses for replacement purchases of gas.

Some of the curtailed gas volumes from Russia will need to be replaced by LNG deliveries. Due to this Uniper foresees a higher utilization of its existing long-term bookings of the Gate and Grain LNG regasification plants. This led to a reduction in the utilization risk. While residual uncertainty remains over the long booking horizon this risk is no longer assessed as major individual risk.

Rating downgrade, financing and interest rate risk

On July 29, 2022, S&P affirmed Uniper's BBB- rating with a negative outlook. This rating action resolved the CreditWatch negative which Uniper had been placed on by S&P on July 5, 2022. The rating action mainly came as a reaction to the publication of the stabilization package that was agreed between the German federal government, Uniper and Fortum on July 22, 2022.

On October 12, 2022, S&P again affirmed Uniper's long-term rating of BBB- with a negative outlook. The Research Update provides a revised view on Uniper's credit quality following the agreement on the amended stabilization package with the German federal government and Fortum on September 21, 2022, and the withdrawal of the planned gas surcharge on September 30, 2022. Uniper is regarded as a "government-related entity" by S&P. The strong support and significant increase of the German state's ownership stake to approximately 99% under the amended stabilization package have resulted in an affirmation of the BBB- rating despite S&P considering Uniper's stand-alone credit quality to have weakened further. The negative outlook reflects the fact that the agreed stabilization package is still subject to regulatory approval processes, including by the European Commission, as well as uncertainty around Uniper's future business prospects.

Overall S&P views Uniper as "entirely dependent" on government support and sees a revision of the outlook to stable as unlikely in the coming year 2023 because it expects Uniper to consistently require external support to sustain its operations at least until early 2024.

A downgrade could be triggered if S&P believed that the likelihood of the German government providing timely extraordinary support were to decrease or if the government did not step in to provide further support in case the current support package proves to be insufficient. Uniper continues to constantly monitor all rating-related developments and has regular exchanges with the rating agencies.

A downgrade of Uniper's current BBB- rating to sub-investment grade would trigger counterparties' rights to demand additional cash or non-cash collateral in material size which continues to be a major individual risk for Uniper's liquidity situation. A rating downgrade may also lead to banks freezing or cancelling financing instruments that Uniper is currently using, which would put a further strain on Uniper's liquidity situation and also continues to qualify as a major individual risk.

In addition, the planned capital increase that is part of the amended stabilization package will trigger a change of control provision in financing agreements with Uniper's core banking group of about €1.9 billion due to the German government taking over the majority of Uniper's shares. This will allow the participating commercial banks a special cancellation right due to which the probability for the financing risk to materialize has increased.

Uniper is increasingly reliant on KfW credit lines for its funding needs which are subject to variable interest rates. Currently it is uncertain what financing amounts Uniper will need from KfW and for how long, therefore the cash effective interest rate risk Uniper is exposed to has increased and now qualifies as a major individual risk.

Employee turnover risk
Due to the prolonged crisis Uniper faces a heightened employee turnover risk due to employees experiencing significant uncertainty based on the unclarity over the future company scope, governance and setup such that this risk now qualifies as major individual risk.

Dispute risk on price clauses of long-term contracts
The Uniper Group is exposed to legal risks regarding the interpretation and enforcement of price clauses in long-term contracts. For one sales contract for which this risk in the past had accumulated to a major individual risk driven by the increase in commodity prices a settlement could be achieved such that this risk no longer qualifies as major individual risk. Nevertheless, Uniper still faces a number of disputes around long-term contracts.

Unplanned asset unavailability and related insurance risk
During the third quarter of 2022 commodity prices continued their rise. As a result, the potential impact of unplanned unavailabilities of Uniper's Assets has increased across all technologies and now qualifies as major individual risk driving the assessment class of the Asset Operation Risk category to major. Triggers of unplanned unavailabilities can be e.g., technical breakdowns and supply chain problems with fuels or additives. Also due to the high price environment there is a risk that the current business interruption insurance cap is too low to cover longer term outage losses across the fleet which now qualifies as major individual risk.

Chances from the extension of coal fired power generation
To mitigate the gas curtailment risk, multiple European governments have announced their willingness to allow extended operation of coal-fired power plants to ensure security of supply. Specifically in Germany, a new law was issued on July 8, 2022 (Act on the Maintenance of Substitute Power Stations) which allows certain coal-fired power plants to participate in the power market on a voluntary basis for a limited period of time without changing the coal exit aspirations. Due to the continued commodity price increases during the third quarter this now qualifies as a major individual chance. Uniper is preparing its operations to support Europe's security of supply.

In addition to the above, the following risks and chances described in the risk and chances report of the 2021 Combined Management Report and the Half-Year Interim Report 2022 continue to qualify as major individual risks/chances: Credit Risk, IT Unavailability Risk, LNG Supply Risk, Unipro Deconsolidation Risk, Datteln 4 Permitting Risk, Sanction Risk, Commodity Price Risk/Chance, Margining Risk/Chance, Long Term Gas Contract Renegotiation Risk/Chance, Interest Rate Risk/Chance (non-cash), Nord Stream 2 Recovery Chance.

Assessment of the Overall Risk Situation

During the third quarter a big part of the gas curtailment risk materialized however, the impact can be considered as mitigated to a large extent by the amended stabilization package from the German federal government signed on September 21, 2022. Moreover, a tailored solution as announced on September 29, 2022 is meant to replace the originally planned gas surcharge. Both, the amended stabilization package together with the still to be specified tailored solution will improve the Risk Bearing Capacity of Uniper via additional instruments such as credit lines and equity. Those instruments aim to absorb the potential further impacts of gas curtailments and other risks to the Group's liquidity and equity situation and thereby ensure Uniper's financial stability and secure Uniper's investment grade rating. As a reaction to the publication of the amended stabilization package, S&P affirmed Uniper's investment grade rating at BBB- with negative outlook on October 12, 2022.

Therefore the Board of Management of Uniper SE is of the opinion that based on the signed amendment of the stabilization package and the announcements of the German government with regards to a tailored solution for Uniper to replace the gas surcharge, as of September 30, 2022 and in the succeeding period up to the date on which the Quarterly Statement as of September 30, 2022, are prepared and authorized by the Board of Management, no circumstances existed that, considered individually or in their entirety, could cast prevailing doubt on Uniper's ability to continue as a going concern (particularly the liquidity situation). The going-concern assumption therefore remains appropriate with prevailing probability for the current fiscal year 2022 and for the subsequent fiscal year 2023.

A material uncertainty exists with regards to the implementation of the tailored solution as well as individual conditions still to be fulfilled that are governed by the term sheet signed between the German federal government, Fortum, and Uniper and which are not entirely under the control of Uniper, or one of its governing bodies, or the Company's shareholders. This includes regulatory approvals in various jurisdictions, including state-aid and merger-control approvals from the European Commission. Conditions precedent under the control of Uniper, or one of its governing bodies, or the Company's shareholders include among others the withdrawal of the investment arbitration proceedings against the Netherlands under ECT, a dividend ban and the ban of variable compensation for Uniper's board of management as well as an adequate recomposition of Uniper's supervisory board.
The Board of Management of Uniper SE believes that it is highly probable that these conditions will be met and that the tailored solution will be implemented with a high probability.

Outlook Report

Earnings Outlook

Uniper withdrew its outlook for fiscal 2022 with regard to adjusted EBIT and adjusted net income on June 29, 2022, and communicated this in an ad-hoc announcement. Uniper also stated in that announcement that discussions on possible stabilization measures had been initiated with the German government.

Gazprom has reduced Russian gas deliveries since June 14, 2022. After a period of supply interruptions varying in extent, gas deliveries for Uniper were fully discontinued from the end of August 2022. Gazprom is thus in breach of the long-term gas supply contracts and has become an unreliable supplier for Uniper and the German gas market. Uniper currently procures replacement volumes at significantly higher market prices. Because Uniper fulfills its obligations under existing sales contracts and cannot pass on these additional costs to its contractual counterparties, this results in a significant negative impact on earnings and liquidity. There are also major uncertainties regarding the further development of the geopolitical situation, as well as the duration and scope of Russian gas supply curtailments. Against this backdrop, future gas price developments are also difficult to assess at present.

Uniper therefore expects significantly negative full-year adjusted EBIT and adjusted net income for 2022, at levels significantly below those of the previous year. Given the high degree of uncertainty regarding gas volumes actually received in the future and the relevant price levels for purchases of replacement volumes, a more precise earnings outlook cannot be provided at present and for the foreseeable future.

Outlook for Direct CO_2 Emissions (Scope 1)

The direct CO_2 emissions (Scope 1) are expected to be significantly above the prior-year level for both the Uniper Group and the European Generation segment in 2022. Security of supply measures in Europe and higher electricity demand in Russia are leading to a higher overall power plant utilization compared to the previous year. To meet requirements for security of supply and system stability in Germany, Heyden 4 was returned, and Scholven C will return as of November 1, 2022, to the market under the Act on the Maintenance of Substitute Power Stations. As a further measure, in UK, Ratcliffe Unit 1 was not decommissioned but listed as an NGESO-contracted asset. In addition, regulatory restrictions on the Dutch coal-fired power plant Maasvlakte were removed and therefore emissions are expected to further increase.

Other

On October 7, 2022, a further €5 billion increase of the KfW credit facility to a total of €18 billion was agreed with KfW. The facility is being utilized in accordance with Uniper's liquidity requirements.

On October 12, 2022, S&P Global Ratings released a new rating report on Uniper SE. Further details can be found in the "Changes in Ratings" section.

In October 2021, Uniper filed a complaint objecting to the non-admission of appeals against the judgments rendered by the Higher Administrative Court of North Rhine-Westphalia (OVG) on August 26, 2021. In three parallel proceedings initiated by the City of Waltrop, BUND NRW and four private individuals, the OVG had ruled invalid the City of Datteln's 2014 development plan for the Datteln 4 hard-coal power plant. The OVG had held that the City of Datteln's development plan was based on a deficient regional-planning assessment of potential alternative sites. The court had refused to admit appeals. Uniper is a joined party to the proceedings as the project owner and thus has the right to take legal action. The City of Datteln, as the direct defendant in the proceedings, also had already filed non-admission complaints. Citing the fundamental importance of the case, the German Federal Administrative Court in Leipzig admitted the appeals against the judgments of the OVG in rulings dated October 12, 2022.

On October 25, 2022, Uniper announced that the earnings development described in this Quarterly Statement also has a direct impact on Uniper's equity position under German GAAP, so that a loss in the amount of more than one-half of the Company's share capital has now occurred. Pursuant to its obligation under Section 92 of the German Stock Corporation Act (Aktiengesetz), Uniper's Board of Management will therefore shortly convene an Extraordinary General Meeting, to take place in the second half of December 2022, to report on the loss and explain the situation of the Company to the shareholders.

Non-Financial Information

Uniper discloses non-financial key performance indicators on a quarterly basis. The aim is to underscore Uniper's ongoing commitment to its most material sustainability topics and present information on how Uniper has performed in the reporting period.

Uniper's decarbonization strategy aims to enable the energy transition by providing a reliable and affordable supply of low-carbon energy. A key element of the strategy is for the entire Group's Scope 1 (direct emissions), 2 and 3 emissions (indirect emissions) to be carbon-neutral by 2050. The European Generation segment aims to be carbon-neutral for Scope 1 and 2 emissions by 2035. An interim target has been set for the European Generation segment to achieve a 50% reduction in carbon emissions for Scope 1 and 2 by 2030, using 2019 as the baseline.

Uniper's direct CO_2 emissions, from the combustion of fossil fuels for power and heat generation, totaled 41.2 million metric tons in the first nine months of 2022 (previous year period: 36.3 million metric tons), mainly due to increased emissions in the Russian Power Generation segment. To meet increasing energy consumption in Russia, there was a higher demand from the system operator on Unipro for power generation. This led to a significant rise in emissions in the first nine months of 2022, primarily from Berezovskaya power plant. Berezovskaya unit 3 was returned to commercial operation in May 2021. Due to the disposal of Schkopau lignite-fired power plant in October 2021, CO_2 emissions in the European Generation segment showed a slight overall decrease in the first nine months of 2022. An increase in Uniper Group CO_2 emissions is however forecasted for 2022 compared to 2021, as outlined below.

Direct Fuel-Derived Carbon Emissions by Country

January 1–September 30 **Million metric tons CO_2**	**2022**	**2021**
European Generation	19.0	19.8
Germany	*8.9*	*10.3*
United Kingdom	*6.1*	*6.0*
Netherlands	*3.1*	*2.8*
Hungary	*0.7*	*0.6*
Sweden	*0.1*	*0.05*
Russian Power Generation	22.1	16.5
United Arab Emirates[1]	< 0.1	–
Total	**41.2**	**36.3**

Uniper uses the operational-control approach. This means that Uniper counts 100% of the direct emissions of any generation assets over which it has operational control. With the exception of Russia and the United Kingdom, all data was calculated using the European Union Emissions Trading System rules. Rounding may result in minor deviations from the totals. Data for 2022 for the United Kingdom, Netherlands, Germany, Sweden and Russia contain estimates.

[1]Quarterly emissions from the United Arab Emirates disclosed for the first time in 2022. Uniper's business in the UAE is Uniper Energy DMCC. Uniper Energy DMCC owns and operates a low-sulfur marine fuel oils production facility in Fujairah, supplying products from its storage facilities to local partners and large shipping companies. The direct carbon emissions result from the burning of diesel and naphtha for electricity generation in the production facility.

Uniper strives to be a safe workplace for the employees, contractors and service providers. Therefore, it aims to maintain certification or to certify all of its operating entities' health and safety management systems to ISO 45001. As of September 30, 2022, 100% of such systems were certified.

As already reported in the 2022 Interim Report, an employee of Unipro was severely injured on April 30, 2022 during inspection work at the Surgutskaya GRES-2 power plant, and passed away due to the injuries on May 10, 2022. Unipro's internal investigation was supported by a representative from Uniper SE and is now complete. The root causes were identified, and improvement actions were implemented to prevent reoccurrence. The results of the incident investigation were presented to various stakeholders across Uniper in order to ensure that the lessons learned are known and discussed in the relevant business areas. A discussion with the Uniper Board of Management on the findings and recommendations is planned for the fourth quarter.

At the beginning of 2022 Uniper implemented the severity rate of recordable safety incidents as a non-financial performance indicator to measure safety performance. The severity rate is defined as the number of lost time days divided by the number of Total Recordable Injuries (TRI), which are the sum of fatalities, lost time injuries, restricted work cases and medical treatment cases. The severity rate represents the average number of days that a person is absent from work due to any kind of recordable injury, taking into account all Uniper Group's employees and those of external companies working on Uniper sites. The indicator allows Uniper to understand how often accidents occur, and how severe they are on average. In this way, safety performance can be evaluated better and more comprehensively. Uniper's target is to reach a severity rate of 14.0 days or below by year-end 2022. The severity rate as of September 30, 2022, was 19.86 days, mainly due to two severe incidents, one of which was the fatal accident in Surgutskaya GRES-2.

A second safety metric used at Uniper is the combined Total Recordable Incident Frequency (TRIF). The combined TRIF measures the TRIs sustained both by the Uniper Group's employees and by those of external companies working on Uniper sites – per million hours of work. Uniper is aiming to reach a combined TRIF at or below 1.0 by 2025. The combined TRIF for the first nine months of 2022 was 1.58 (previous year period 1.48). The comparative increase is a result of a higher number of recordable incidents primarily in the decommissioning area of Nuclear Sweden. In order to improve safety performance in Nuclear Sweden, existing safety action plans were reviewed against findings from incident investigations. Across Uniper, safety action plans continue to be monitored to identify further improvement potential. Consistent implementation of action plans across the business areas, effective learning from previous incidents and promotion of best practice is key to improving Uniper's safety performance overall.

Uniper's functional units and subsidiaries have a responsibility to implement annual improvement measures to help meet the Group's overall HSSE & Sustainability objectives. The key performance indicator for managing Uniper's group-wide HSSE & Sustainability performance is the degree of implementation of its comprehensive HSSE & Sustainability Improvement Plan. Uniper's 2022 HSSE & Sustainability Improvement Plan focuses on strengthening Uniper's health culture through networking and best-practice sharing, as well as the commitment of Uniper's leaders to comprehensive safety training and the development of improved health and safety action plans.

In evaluating the target achievement of the Improvement Plan, three different levels of achievement are possible: below 100%, 100%, and above 100%. Participation in the Health Networking & Best-Practice Sharing session and the delivery of health action plans were above expectation in the third quarter. Participation in the Safety Leadership Workshops with Fortum and Uniper leaders was also high. The evaluation of Safety Action Plans will be completed in the fourth quarter due to the postponement of a number of Safety Leadership Workshops. Nonetheless, as of September 30, 2022, the degree of implementation of the Improvement Plan 2022 was assessed to be above the target level.

Uniper aims to prevent incidents at its operations that could have adverse impacts on the environment. It has therefore committed to maintaining 100% ISO 14001 certification for its operational assets. As of September 30, 2022, 100% of Uniper assets maintained their certification. As in the first nine months of 2021, there were no severe environmental incidents during the first nine months of 2022.

Providing a reliable and affordable supply of energy is a key element of Uniper's strategy. There are two kinds of plant outages: planned outages for maintenance and unplanned outages due to technical faults. During the first nine months of 2022, the average availability factor of Uniper's gas- and coal-fired power plants in Europe was 70.3%. Due to the current situation in Russia, the Russian operational data required to calculate and disclose asset availability was not provided and therefore it is not possible to report the asset availability figure for the entire Uniper Group.

Consolidated Financial Statements

Uniper Consolidated Statement of Income

€ in millions	July 1–Sept. 30 2022	July 1–Sept. 30 2021	January 1–September 30 2022	January 1–September 30 2021
Sales including electricity and energy taxes	94,016	37,111	213,470	78,697
Electricity and energy taxes	-49	-60	-168	-199
Sales	**93,967**	**37,050**	**213,303**	**78,498**
Changes in inventories (finished goods and work in progress)	-50	22	2	54
Own work capitalized	22	18	56	55
Other operating income	86,599	76,428	212,294	111,141
Cost of materials	-96,166	-35,497	-212,975	-75,329
Personnel costs	-197	-242	-682	-752
Depreciation, amortization and impairment charges	-397	-352	-3,133	-701
Other operating expenses	-115,476	-83,674	-254,208	-119,490
Income from companies accounted for under the equity method	17	9	39	35
Income/Loss before financial results and taxes	**-31,680**	**-6,238**	**-45,303**	**-6,489**
Financial results	-70	3	-1,063	159
Net income/loss from equity investments	*4*	*2*	*3*	*10*
Interest and similar income	*101*	*25*	*377*	*130*
Interest and similar expenses	*-123*	*-30*	*-230*	*-74*
Other financial results	*-52*	*6*	*-1,213*	*93*
Income taxes	3,794	1,486	5,992	1,562
Net income/loss	**-27,956**	**-4,748**	**-40,374**	**-4,768**
Attributable to shareholders of Uniper SE	*-27,962*	*-4,762*	*-40,307*	*-4,829*
Attributable to non-controlling interests	*6*	*14*	*-67*	*61*
€				
Earnings per share (attributable to shareholders of Uniper SE) – basic and diluted				
From continuing operations	-76.41	-13.01	-110.14	-13.20
From net income/loss	**-76.41**	**-13.01**	**-110.14**	**-13.20**

Uniper Consolidated Statement of Recognized Income and Expenses

€ in millions	July 1–Sept. 30 2022	July 1–Sept. 30 2021	Jan. 1–Sept. 30 2022	Jan. 1–Sept. 30 2021
Net income/loss	**-27,956**	**-4,748**	**-40,374**	**-4,768**
Remeasurements of equity investments	499	44	731	134
Remeasurements of defined benefit plans	-89	45	530	379
Remeasurements of defined benefit plans of companies accounted for under the equity method	–	–	2	–
Income taxes	23	-14	-166	-110
Items that will not be reclassified subsequently to the income statement	**433**	**75**	**1,096**	**403**
Cash flow hedges	605	-1	195	-3
Unrealized changes	*85*	–	*-616*	*-1*
Reclassification adjustments recognized in income	*520*	*-1*	*811*	*-2*
Currency translation adjustments	127	55	907	201
Unrealized changes	*127*	*55*	*907*	*201*
Reclassification adjustments recognized in income	–	–	–	–
Companies accounted for under the equity method	-1	–	-3	-1
Unrealized changes	*-1*	–	*-3*	*2*
Reclassification adjustments recognized in income	–	–	–	*-2*
Income taxes	-187	1	-61	2
Items that might be reclassified subsequently to the income statement	**544**	**55**	**1,037**	**200**
Total income and expenses recognized directly in equity	**977**	**130**	**2,133**	**603**
Total recognized income and expenses (total comprehensive income)	**-26,979**	**-4,618**	**-38,241**	**-4,165**
Attributable to shareholders of Uniper SE	*-26,984*	*-4,644*	*-38,296*	*-4,257*
Attributable to non-controlling interests	*5*	*26*	*55*	*92*

Uniper Consolidated Balance Sheet

€ in millions	Sept. 30, 2022	Dec. 31, 2021
Assets		
Goodwill	–	1,783
Intangible assets	703	708
Property, plant and equipment and right-of-use assets	10,262	10,055
Companies accounted for under the equity method	335	322
Other financial assets	1,545	859
Equity investments	*1,453*	*747*
Non-current securities	*91*	*111*
Financial receivables and other financial assets	2,680	4,065
Receivables from derivative financial instruments	93,174	16,913
Other operating assets and contract assets	250	247
Deferred tax assets	7,910	2,121
Non-current assets	**116,858**	**37,074**
Inventories	6,260	1,849
Financial receivables and other financial assets	10,148	8,131
Trade receivables	10,260	11,629
Receivables from derivative financial instruments	104,656	64,732
Other operating assets and contract assets	1,847	1,875
Income tax assets	99	33
Liquid funds[1]	2,248	2,966
Assets held for sale	24	108
Current assets	**135,542**	**91,323**
Total assets	**252,400**	**128,397**

[1] Payment transactions with the Russian Federation are subject to general restrictions as of September 30, 2022. Accordingly, the cash and cash equivalents held within the Russian Federation by PAO Unipro in the amount of €341 million are not available to the other Group companies. There had been no restrictions as of December 31, 2021.

Uniper Consolidated Balance Sheet

€ in millions	Sept. 30, 2022	Dec. 31, 2021
Equity and liabilities		
Capital stock	622	622
Additional paid-in capital	10,825	10,825
Retained earnings	-40,624	-1,388
Accumulated other comprehensive income	-2,841	-3,756
Equity attributable to shareholders of Uniper SE (deficit)	**-32,018**	**6,303**
Equity attributable to non-controlling interests	533	485
Equity (deficit)	**-31,485**	**6,788**
Financial liabilities and liabilities from leases	14,977	1,655
Liabilities from derivative financial instruments	99,647	16,336
Other operating liabilities and contract liabilities	361	260
Provisions for pensions and similar obligations	516	1,065
Miscellaneous provisions	17,719	6,346
Deferred tax liabilities	502	433
Non-current liabilities	**133,722**	**26,094**
Financial liabilities and liabilities from leases	6,370	7,320
Trade payables	10,392	11,568
Liabilities from derivative financial instruments	116,200	70,397
Other operating liabilities and contract liabilities	1,014	1,443
Income taxes	182	425
Miscellaneous provisions	16,005	4,361
Current liabilities	**150,162**	**95,514**
Total equity and liabilities	**252,400**	**128,397**

Uniper Consolidated Statement of Cash Flows

January 1–September 30 € in millions	2022	2021
Net income/loss	**-40,374**	**-4,768**
Depreciation, amortization and impairment of intangible assets, of property, plant and equipment, and of right-of-use assets	3,133	701
Changes in provisions	23,315	2,191
Changes in deferred taxes	-6,038	-1,739
Other non-cash income and expenses	515	-194
Gain/Loss on disposal of intangible assets, property, plant and equipment, equity investments and securities (> 3 months)	-79	-14
Changes in operating assets and liabilities and in income taxes	8,651	6,069
Inventories	*-4,388*	*-1,396*
Trade receivables	*1,437*	*-574*
Other operating receivables and income tax assets	*-116,020*	*-94,121*
Trade payables	*543*	*821*
Other operating liabilities and income taxes	*127,079*	*101,339*
Cash provided by operating activities (operating cash flow)	**-10,877**	**2,244**
Proceeds from disposal of	124	56
Intangible assets and property, plant and equipment	*89*	*16*
Equity investments	*35*	*40*
Purchases of investments in	-392	-523
Intangible assets and property, plant and equipment	*-380*	*-519*
Equity investments	*-12*	*-4*
Proceeds from disposal of securities (> 3 months) and of financial receivables and fixed-term deposits	237	380
Purchases of securities (> 3 months) and of financial receivables and fixed-term deposits	-2,186	-4,784
Cash provided by investing activities	**-2,217**	**-4,871**
Cash proceeds/payments arising from changes in capital structure[1]	-6	-2
Cash dividends paid to shareholders of Uniper SE	-26	-501
Cash dividends paid to other shareholders	-	-15
Proceeds from new financial liabilities	14,193	4,951
Repayments of financial liabilities and reduction of outstanding lease liabilities	-1,918	-308
Cash provided by financing activities	**12,243**	**4,125**
Net increase/decrease in cash and cash equivalents	**-850**	**1,499**
Effect of foreign exchange rates on cash and cash equivalents	115	10
Cash and cash equivalents at the beginning of the reporting period[2]	2,919	243
Cash and cash equivalents at the end of the reporting period[2]	**2,184**	**1,752**
Supplementary information on cash flows from operating activities		
Income tax payments	-342	-107
Interest paid	-144	-44
Interest received	47	33
Dividends received	24	29

[1]No material netting has taken place in either of the periods presented here.

[2]The difference between the amounts reported here for cash and cash equivalents and the amount reported under “Liquid funds” on the balance sheet arises from short-term securities (> 3 months) and bank deposits (> 3 months), which are reported as liquid funds on the balance sheet.

Additional Indicators

Achieved and Hedged Prices and Hedged Ratios for Outright Power Generation

	Year	Hedged price as of Sept. 30, 2022 (€/MWh)	Hedged ratio as of Sept. 30, 2022 (%)
Achieved prices, Germany, as of September 30[1 4]	2022	-13	
Hedged prices and hedged ratios, Germany[1 3 4]	2022	-57	85
	2023	20	95
	2024	28	90
Achieved prices, Nordics, as of September 30[1]	2022	22	
Hedged prices and hedged ratios, Nordics[1 2 3]	2022	12	85
	2023	30	55
	2024	29	20

[1]Calculations are based on the Uniper Group's legally attributable generation capacity (the capacity that reflects Uniper's ownership interest in the power plants).
[2]The prices shown include region-specific premiums and discounts, as well as guarantees of origin.
[3]Figures for 2022 reflect forward months, i.e., excluding the realized period.
[4]Negative hedged prices as a result of buybacks of volumes at unfavourable market prices already hedged in advance.

Generation Capacity

in MW[1]		Sept. 30, 2022	Dec. 31, 2021
Gas	Russia	7,156	7,139
	United Kingdom	4,193	4,180
	Germany	2,912	2,912
	Netherlands	525	525
	Hungary	428	428
Hard coal	Germany	3,197	3,197
	United Kingdom	2,000	2,000
	Netherlands	1,070	1,070
Lignite	Russia	1,895	1,895
Hydro	Germany	1,919	1,918
	Sweden	1,771	1,771
Nuclear	Sweden	1,737	1,737
Other	Germany	1,418	1,418
	Sweden	1,175	1,175
	United Kingdom	221	221
Total		**31,617**	**31,587**

[1]Legally attributable generation capacity (the capacity that reflects Uniper's ownership interest in the power plants).

Electricity Generation Volumes

in TWh[1]		January 1–Sept. 30 2022	2021
Gas	Russia[2]	30.2	28.6
	United Kingdom	8.3	9.2
	Germany	3.1	2.8
	Netherlands	0.7	0.7
	Hungary	2.1	1.6
	Sweden	0.1	0.0
Hard coal	Germany	7.5	5.5
	United Kingdom	3.2	2.7
	Netherlands	2.5	2.6
Lignite	Russia[2]	7.8	2.7
	Germany[3]	0.0	1.7
Hydro	Germany[4]	3.1	3.8
	Sweden	6.3	5.4
Nuclear	Sweden	9.3	9.2
Biomass	Netherlands	1.1	0.8
Total		**85.4**	**77.4**

[1]Legally attributable generation capacity (the capacity that reflects Uniper's ownership interest in the power plants): net generation production volumes = owned generation – own-use losses – sales to minority owners + purchases from minorities.

[2]Gross production (own use is not considered).

[3]Effective October 1, 2021, Uniper transferred its stake in the Schkopau lignite-fired power plant and has completely withdrawn from lignite-fired power generation in Europe.

[4]Germany's net sales of hydroelectric power generation also include pumped-storage-related water flows and pipeline losses from pumping operations.

Financial Calendar

February 17, 2023
Annual Report 2022

Further Information

Media Relations
press@uniper.energy

Investor Relations
ir@uniper.energy

Creditor Relations
creditor-relations@uniper.energy

Uniper SE
Holzstr. 6
40221 Düsseldorf
Germany
www.uniper.energy