uniper

Annual Report 2021

Financial Results

Performance Indicators at a Glance

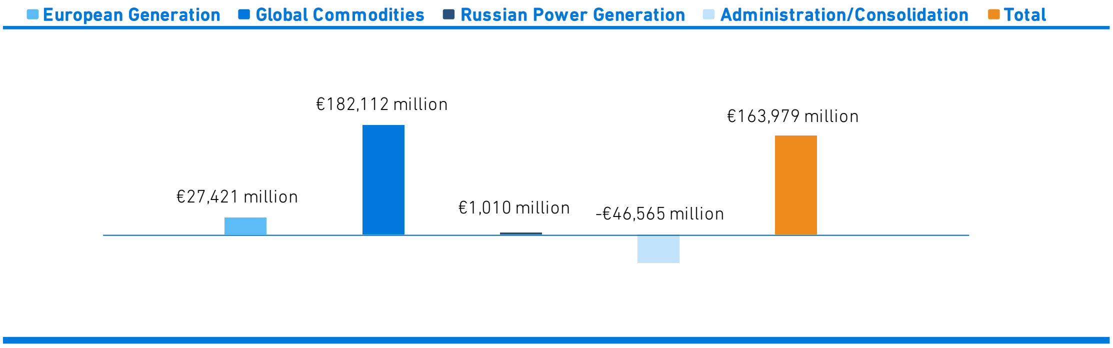
Financial and Non-Financial Indicators for the Uniper Group[1]

	Unit	2021	2020	2019	2018	2017
Power purchases and owned generation	Billion kWh	467.9	558.0	616.8	709.0	728.2
Electricity sales	Billion kWh	465.3	552.9	612.7	707.0	725.9
Gas volume sold	Billion kWh	2,258.5	2,205.9	2,179.3	2,019.3	1,944.8
Direct fuel-derived carbon emissions	Million t CO_2	50.9	42.6	47.0	59.5	63.3
Carbon intensity[2]	g/kWh	454	453	445	499	506
Sales	€ in millions	163,979	50,968	65,804	91,813	72,238
Adjusted EBIT[3]	€ in millions	1,187	998	863	865	1,114
For informational purposes: Adjusted EBITDA[3]	€ in millions	1,856	1,657	1,561	1,543	1,741
Net income/loss	€ in millions	-4,106	402	644	-442	-538
Earnings per share[4,5]	€	-11.39	1.08	1.67	-1.10	-1.79
Dividend proposal / Dividend per share[4]	€	0.07	1.37	1.15	0.90	0.74
Cash provided by operating activities (operating cash flow)	€ in millions	3,621	1,241	932	1,241	1,385
Adjusted net income[3,6]	€ in millions	906	774	614	N/A	N/A
Investments	€ in millions	720	743	657	642	843
Growth	*€ in millions*	*329*	*406*	*297*	*325*	*451*
Maintenance and replacement	*€ in millions*	*392*	*336*	*361*	*317*	*392*
Economic net debt[7]	€ in millions	324	3,050	2,650	2,509	2,445
Employees as of the reporting date		11,494	11,751	11,532	11,780	12,180
Proportion of female employees	*%*	*25.4*	*25.2*	*24.6*	*24.2*	*23.9*
Average age	*Years*	*45*	*45*	*45*	*44*	*44*
Employee turnover rate	%	4.4	3.7	4.5	4.7	5.0

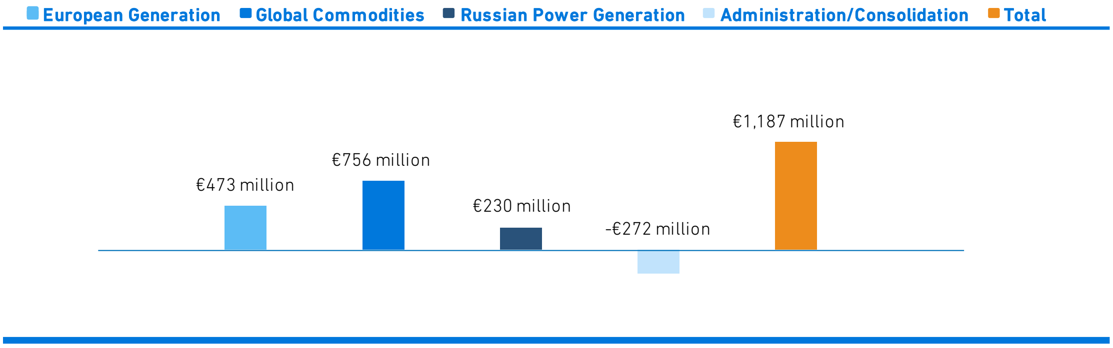
[1]Comparative disclosures are not restated when the scope of consolidation changes.
[2]Uniper's carbon intensity is defined as the ratio between direct fossil-fuel-derived CO_2 emissions from electricity and heat generation from Uniper's fully consolidated stationary facilities (financial control approach) and Uniper's generation volume. This indicator does not include facilities that produce only heat and/or steam.
[3]Adjusted for non-operating effects.
[4]Basis: outstanding shares as of reporting date.
[5]For the respective fiscal year.
[6]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.
[7]The line item "Margining receivables" contains additional securities beginning on June 30, 2021. Economic net debt as of December 31, 2020, has been adjusted for consistency. Additional information on this topic can be found in the Financial Condition section of the Annual Report.

Selected Financial Performance Indicators by Segment

External Sales Revenues



Adjusted EBIT



Only the German version of this Annual Report is legally binding.

This Annual Report, 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 and chances specifically described in the Risk and Chances Report. Uniper SE does not intend, and specifically disclaims any obligation, to update such forward-looking statements or to revise them in line with future events or developments.

Content

Report of the Supervisory Board

Dear Shareholders,

Uniper had yet another successful year in 2021 in a challenging market environment. The course for the Company's Group's transformation towards a greener future was continued by accelerating especially the coal phase-out in Germany with decisions on early power plant closures. At the same time, the cooperation with Fortum, the majority shareholder, was intensified and made concrete in form of three strategic cooperations in the fields of Hydrogen, Renewables and Nordic Hydro & Optimization

There were several personnel changes in the Supervisory Board and the Board of Management in 2021. After the resignations of Andreas Schierenbeck and Sascha Bibert in March 2021, the Supervisory Board decided to temporarily delegate Prof. Dr. Klaus-Dieter Maubach and Tiina Tuomela from the Supervisory Board to the Board of Management as CEO and CFO, and subsequent to the Annual General Meeting also appointed them to the Board of Management. At the same time, Markus Rauramo took over as Chairman of the Supervisory Board with Dr. Bernhard Günther as new Vice Chairman. Further changes are described below in detail.

The fiscal year was impacted by the Covid-19 pandemic, which presented both Uniper and the entire economy and society with major challenges. Uniper was able to respond appropriately to the situation and successfully ensured the Company's continuous business operations. Increasing digitalization within the Group ensured that numerous business processes could also be successfully managed remotely and that a large proportion of employees, particularly in administration, could work from their home offices.

In the 2021 fiscal year, the Supervisory Board of Uniper SE carefully performed all its duties and obligations under law, the Company's Articles of Association, and its own rules of procedure. It thoroughly examined the Company's situation and discussed in depth the consequences of its continually changing energy policy and economic environment.

The Supervisory Board advised the Board of Management regularly about the Company's management and continually monitored the Board of Management activities. The Supervisory Board assured itself that the Group's management was legal, purposeful, and orderly. The Supervisory Board was closely involved in all business transactions of key importance to the Company and discussed these transactions thoroughly based on the Board of Management reports, among other things.

The Board of Management regularly provided the Supervisory Board with timely and comprehensive information in both written and oral form. At its plenary meetings and in its committees, the Supervisory Board had sufficient opportunity to actively discuss the Board of Management reports, motions, and proposed resolutions. Where required by law, the Group's Articles of Association, or the rules of procedure, the Supervisory Board decided on the resolutions proposed by the Board of Management after thoroughly examining and discussing them.

The Supervisory Board dealt with issues of relevance to the Group and, where necessary, adopted resolutions on these issues in five ordinary and six extraordinary meetings. A detailed list of meetings and the corresponding individual meeting attendance can be found on page 6 of the Annual Report.

Key Topics of the Supervisory Board's Discussions

With respect to the Group's operating business, the Supervisory Board discussed in detail the – partially extreme – price movements in the national and international energy markets and the business situation of the Group, about which the Board of Management provided continuous information. More specifically, the Supervisory Board discussed Uniper's and the Uniper Group's current assets, financial condition and earnings, as well as workforce developments and the earnings opportunities and risks for the Group. At regular intervals, the Supervisory Board also discussed the development of currencies relevant for Uniper. Further to that, margining requirements and the liquidity situation were monitored closely and discussed intensely in order to cope with the highly volatile market price developments, in particular towards the end of the fiscal year 2021. Further financing measures, which were necessary in this context, including a large credit facility from Fortum, were presented to and approved by the Supervisory Board in December 2021.

The Supervisory Board was also provided information on a regular basis about the Company's health, (occupational) safety, and environmental and sustainability performance. This included reports on progress in the implementation of the Company-wide HSSE & S (Health, Safety, Security, Environment and Sustainability) improvement plan and the development of accident figures and greenhouse gas emissions. Other focal points in the area of sustainability were the topics of diversity in the Company and dialog with non-governmental organizations. Further to that, the Board of Management reported about the implementation of the voluntary disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as well as on emissions requirements (Scope 1-3) and EU taxonomy aspects. In this context, the Supervisory Board elected Prof. Dr. Werner Brinker as spokesperson of the Supervisory Board for climate and sustainability-related topics.

Other central topics of the discussions included developments in European and German energy policy, the ongoing development of the regulatory environment, and the macroeconomic and economic-policy situation in the countries in which Uniper is active, especially as regards their impact on each of Uniper's various business areas. In particular, the Supervisory Board dealt with Uniper's position on the coal phase-out in Germany, which is of considerable importance for Uniper's business model. Uniper was further successful in the German Federal Network Agency's tender process to reduce the generation of electricity from hard-coal-fired plants and small-scale lignite-fired plants with awards of contracts to close earlier its units Staudinger 5, Scholven C and Wilhelmshaven. In the UK, Uniper decided to close one of its four units of the Ratcliffe hard-coal-fired power plant earlier, as well.

The Board of Management reported in detail to the Supervisory Board on the status of strategy implementation and necessary adjustments to the strategy. A particular focus was on Uniper's transformation, with its market entry into the renewable energies business and the expansion of the hydrogen business.

Current developments in Uniper's business activities were thoroughly discussed. The Board of Management informed the Supervisory Board in detail about generation activities. The Supervisory Board intensely followed legal proceedings related to Datteln 4 and potential resulting risks. Furthermore, the Supervisory Board was continuously informed by the Board of Management about the reconstruction of the Russian Berezovskaya 3 power plant, which was successfully put into operation in May 2021.

Regarding the global trading business, the Supervisory Board was informed in detail about new procurement and sales contracts as well as price renegotiation requests from major gas suppliers. Reports were also provided on an ongoing basis on Uniper's involvement in the Nord Stream 2 pipeline project – particularly in light of the political environment and possible sanction and permitting risks.

The Board of Management discussed the Uniper Group's financing requirements with the Supervisory Board in detail and continuously discussed the Company's current and future rating situation in depth. In addition, the Supervisory Board was continuously informed about the performance of the Uniper share on the market and analysts' ratings.

The Supervisory Board discussed in detail with the Board of Management the Uniper Group's medium-term planning for the years 2022 to 2024 based on updated assumptions regarding the long-term development of energy and commodity prices, capacity market premiums, and seasonal price differences, and approved the budget for 2022 following in-depth discussions.

Throughout the reporting year, the Supervisory Board dealt in particular with the intensified cooperation with Fortum in the so-called de facto Group, which in autumn 2021 eventually marked the start of the implementation of the joint cooperation activities in the fields of Hydrogen, Renewables and Nordic Hydro & Optimization.

The Supervisory Board also dealt with the summarized separate non-financial report as of December 31, 2021 prepared by the Board of Management. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, conducted an audit ("limited assurance") and issued an unqualified opinion on an audit to obtain limited assurance on the combined non-financial report. Following its examination, the Supervisory Board had no objections.

The Supervisory Board also approved the report of the Supervisory Board and the compensation report.

Finally, the Supervisory Board also discussed the activity reports of the Supervisory Board's committees.

Report on Relationships with Affiliated Companies 2021

The Board of Management of Uniper SE prepared a report on Uniper SE's relationships to affiliated companies for the period from January 1, 2021 to December 31, 2021 in accordance with Section 312 AktG and immediately submitted it to the Supervisory Board.

The auditor has issued the following opinion on the report on relationships with affiliated companies:

"In accordance with our mandate, we have audited the report of the Board of Management pursuant to Section 312 AktG on relationships with affiliated companies pursuant to Section 313 AktG for the reporting period from January 1, 2021 to December 31, 2021. Since the results of our audit did not give rise to any objections, we are issuing the following audit report in accordance with Section 313 (3) sentence 1 AktG:

On the basis of our proper audit and judgment we confirm that

1. the factual disclosures provided in the report are correct,

2. the Company's consideration concerning legal transactions referred to in the report was not unduly high.

3. there are no circumstances that would justify a materially different assessment of the measures listed in the report than that made by the Board of Management."

The Supervisory Board has examined the report of the Board of Management on relationships with affiliated companies. It discussed the report in detail with the Board of Management at its meeting on February 22, 2022; the auditor attended this meeting and reported on the key findings of its audit.

On the basis of its examination, the Supervisory Board has come to the conclusion that the report of the Board of Management on relationships with affiliated companies complies with the legal requirements. Following the final result of the Supervisory Board's examination, there are no objections raised to the declaration of the Board of Management at the end of the report on relationships with affiliated companies.

Corporate Governance

In January 2022, the Supervisory Board dealt in detail with the German Corporate Governance Code and, on this basis, jointly with the Board of Management issued the annual declaration of compliance with the German Corporate Governance Code (GCGC) pursuant to section 161 of the German Stock Corporation Act (AktG) for Uniper SE. Since then, this has been publicly accessible on Uniper SE's website. Further information on corporate governance is available in the Corporate Governance Declaration.

Committee Work

To fulfill its duties carefully and efficiently, the Supervisory Board has created the committees described in detail below. Information about the committees' composition and responsibilities can also be found in the Corporate Governance Declaration. Within the scope permissible by law, the Supervisory Board has transferred to the committees the authority to adopt resolutions on certain matters. Committee chairs reported the agenda and results of their respective committee's meetings to the full Supervisory Board on a regular basis, typically at the Supervisory Board meeting subsequent to their committee meeting.

- The Executive Committee of the Supervisory Board met a total of four times in the 2021 fiscal year. All members of the committee attended each of these meetings. This committee mainly prepared the meetings of the full Supervisory Board. It also prepared the appointment of new members to individual Board of Management positions and approved the corresponding adjustment to the allocation of responsibilities of the Board of Management. In addition, the Executive Committee prepared the Supervisory Board's resolutions to determine that the Board of Management met its targets for 2021 and to set the targets for 2022. Furthermore, it discussed Board of Management compensation and did comprehensive preparatory work for the Supervisory Board's resolutions on these matters.

- The Audit and Risk Committee met five times in the 2021 fiscal year. All members attended each of these meetings. In an in-depth examination – taking into account the auditor's reports and in discussion with the auditor – the committee dealt in particular with the annual financial statements and consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) for the 2021 fiscal year and, each quarter, the interim reports of Uniper SE in 2021, including the quarterly statements. The committee discussed the proposal for the appointment of the auditor and gave instructions for its audit services, defined the focal points and costs of the audit as well as reviewed the quality of the audit, the auditor's qualification and its independence in accordance with the requirements of the German Corporate Governance Code. The committee also discussed in detail the Combined Management Report and the proposal for the appropriation of profits, prepared the corresponding recommendations to the Supervisory Board and reported to the Supervisory Board. The Audit and Risk Committee also intensively addressed market conditions, especially market changes, as well as regulatory and political developments and the resulting impairment consequences for Uniper's activities.

Extensive discussions were also held on issues relating to accounting, the internal control system (ICS) and the audit of risk management, the Company's risk-bearing capacity and quality assurance of the risk management system. This examination was based on consultations with the independent auditor and, among other things, reports from the Company's Risk Committee. On the basis of the quarterly risk reports, the committee determined that no risks were identifiable in each case that could jeopardize the continued existence of the Group or individual segments. Further to that, intense discussions on the margining and liquidity situation were held. The committee also addressed in detail the work performed by internal audit, including the audits conducted in 2021, and dealt with audit planning and the determination of audit priorities. Furthermore, the committee discussed the compliance reports and the compliance system, as well as other issues related to auditing. The Board of Management also reported on ongoing proceedings and on legal and regulatory risks for the Uniper Group's business. The Committee regularly discussed the current status and development of Uniper's rating.

The Chairman of the Audit Committee also maintained a dialog with the auditors and the Board of Management outside the meetings.

- The Nomination Committee met twice in the 2021 fiscal year in connection with the personnel changes in the Supervisory Board. All members attended each of these meetings.

The following overview shows the individual participation of the members of the Supervisory Board in the meetings of the Supervisory Board and its committees; in each case as the participation of that member in the meetings of the Supervisory Board during the term of office or committee activity of the respective member:

Overview of the Attendance of Supervisory Board Members at Meetings of the Supervisory Board and Its Committees

Supervisory Board member	Supervisory Board meetings	Executive Committee	Audit and Risk Committee	Nomination Committee
Markus Rauramo	11/11	4/4	–	2/2
Prof. Dr. Klaus-Dieter Maubach	3/3	2/2	–	2/2
Ingrid Marie Åsander	6/6	–	–	–
Oliver Biniek	11/11	–	5/5	–
Prof. Dr. Werner Brinker	11/11	4/4	–	2/2
Judith Buss	5/5	–	3/3	–
Dr. Bernhard Günther	11/11	2/2	5/5	–
Esa Hyärinen	5/5	–	–	–
Barbara Jagodzinski	11/11	4/4	–	–
Victoria Kulambi	5/5	–	–	–
André Muilwijk	11/11	–	5/5	–
Immo Schlepper	11/11	4/4	–	–
Harald Seegatz	11/11	4/4	–	–
Sirpa-Helena Sormunen	4/4	–	–	–
Nora Steiner-Forsberg	5/5	–	–	–
Tiina Tuomela	3/3	–	1/1	–

Examination and Approval of the Annual Financial Statements, Approval of the Consolidated Financial Statements, Proposal for Profit Appropriation for the Year Ended December 31, 2021

PricewaterhouseCoopers Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Düsseldorf, the independent auditor chosen by the Annual General Meeting and appointed by the Supervisory Board, audited and submitted an unqualified opinion on the annual financial statements of Uniper SE and the Combined Management Report for the year ended December 31, 2021.

Furthermore, the auditor examined Uniper SE's early-warning system regarding risks. This examination revealed that the Board of Management has taken appropriate measures to meet the requirements of risk monitoring and that the early-warning system regarding risks is fulfilling its tasks.

At the meeting of the Supervisory Board on February 22, 2022, the Supervisory Board thoroughly discussed – in the presence of the independent auditor and with knowledge of, and reference to, the Independent Auditor's Report and the results of the preliminary review by the Audit and Risk Committee – Uniper SE's Annual Financial Statements, Consolidated Financial Statements, Combined Management Report, and the Board of Management proposal for profit appropriation. The independent auditor was available for supplementary questions and answers. After concluding its own examination, the Supervisory Board determined that there are no objections to the findings and, therefore, acknowledged and approved the Independent Auditor's Report.

The Supervisory Board approved the Annual Financial Statements of Uniper SE prepared by the Board of Management and the Consolidated Financial Statements. The Annual Financial Statements are thus adopted. The Supervisory Board agrees with the Combined Management Report and, in particular, with its statements concerning the Company's future development.

The Supervisory Board examined the Board of Management proposal for profit appropriation, which includes a cash dividend of €0.07 per ordinary share, also taking into consideration the Company's liquidity and the financing and investment planning. The proposal is in the Company's interest with due consideration for the shareholders' interests. After examining and weighing all arguments, the Supervisory Board agrees with the Board of Management proposal for profit appropriation.

Personnel Changes on the Supervisory Board and Its Committees

On March 29, 2021, Andreas Schierenbeck resigned as CEO and Sascha Bibert as CFO of Uniper SE. As a consequence, on March 29, 2021 the Supervisory Board temporarily delegated Prof. Dr. Klaus-Dieter Maubach to the Board of Management as CEO and Tiina Tuomela as CFO. Further to that, on March 29, 2021, the Supervisory Board elected Markus Rauramo as new Chairman of the Supervisory Board and Dr. Bernhard Günther as new Vice Chairman of the Supervisory Board.

As of April 30, 2021, Sirpa-Helena Sormunen resigned from the Supervisory Board.

On May 19, 2021, Prof. Dr. Klaus-Dieter Maubach and Tiina Tuomela resigned from the Supervisory Board as of the end of the Annual General Meeting.

Further to that, on May 19, 2021, the Annual General Meeting of Uniper SE elected Judith Buss, Esa Hyvärinen and Nora Steiner-Forsberg as ordinary members of the Supervisory Board. Also effective May 19, 2021, Dr. Bernhard Günther was elected member of the Nomination Committee; he further stepped down as Chairman of the Audit and Risk Committee, yet remained a member of this committee. On the same day, Judith Buss was elected as new Chairperson of the Audit and Risk Committee. Likewise, Ingrid Åsander resigned from the Supervisory Board as of the end of the Annual General Meeting and was succeeded the same day by Victoria Kulambi as pre-elected new employee representative in the Supervisory Board.

On the same day after the Annual General Meeting, the newly composed Supervisory Board appointed Prof. Dr. Klaus-Dieter Maubach as CEO and Tiina Tuomela as CFO of Uniper SE.

The Supervisory Board sincerely thanks the members of the Board of Management and of the Works Councils, as well as all the employees of the Uniper Group, for their dedication and hard work in the 2021 fiscal year.

Düsseldorf, February 22, 2022

The Supervisory Board

Sincerely,

Markus Rauramo
Chairman

Uniper Stock

- Uniper share among the winners in the European energy utilities sector in 2021
- Share price reaches new high at year-end 2021
- Dividend proposal of €25.6 million (€0.07 per share)

Upswing on the Stock Market in 2021

In 2021, the international stock markets benefited strongly from the global economic upturn and the improving economic situation. Significant economic stimulus programs and the international central banks' expansionary monetary policy made positive contributions to stock market sentiment.

However, economic momentum slowed somewhat from the third quarter of 2021 with the emergence of variants of the Covid-19 virus. Authorities responded to local outbreaks, particularly in Asia, with temporary, extensive quarantine measures. Among other factors, the resulting disruption in global supply chains led to increasing shortages of intermediate products, which delayed the global recovery of the industrial economy. The negative impact on industrial production was met with unabated high demand, pushing prices upward. However, the prevailing expectation is that global supply bottlenecks will slowly ease as the Covid-19 pandemic subsides.

Utilities Sector Underperforms European Market

The European stock markets ended 2021 with a positive total return in all sectors. In 2021, the European stock market thus continued on the recovery path it embarked on in March 2020. In addition to the recovery in earnings seen in many cases, the extraordinarily low level of interest rates proved to be an important factor for the equities asset class.

The overall market (STOXX Europe 600) recorded an impressive 26% return. The economic recovery mainly gave a boost to cyclical sectors. After four years of above-average share price performance, the European energy utilities sector brought up the rear in 2021 with an average total return of just 10%.

Among the positive factors in the energy utilities sector in 2021 were the favorable political conditions aimed at driving forward the decarbonization of energy supply: As part of the European Green Deal, the EU has set itself the binding target of achieving climate neutrality by 2050. As an intermediate step on the road to climate neutrality, an agreement was reached establishing the goal of reducing greenhouse gas emissions in the EU by at least 55% from 1990 levels by 2030. The concrete framework for action for EU members will be set as part of the "Fit for 55" package, under which members will adapt their climate, energy and transport-related legislation, as well as a number of new initiatives.

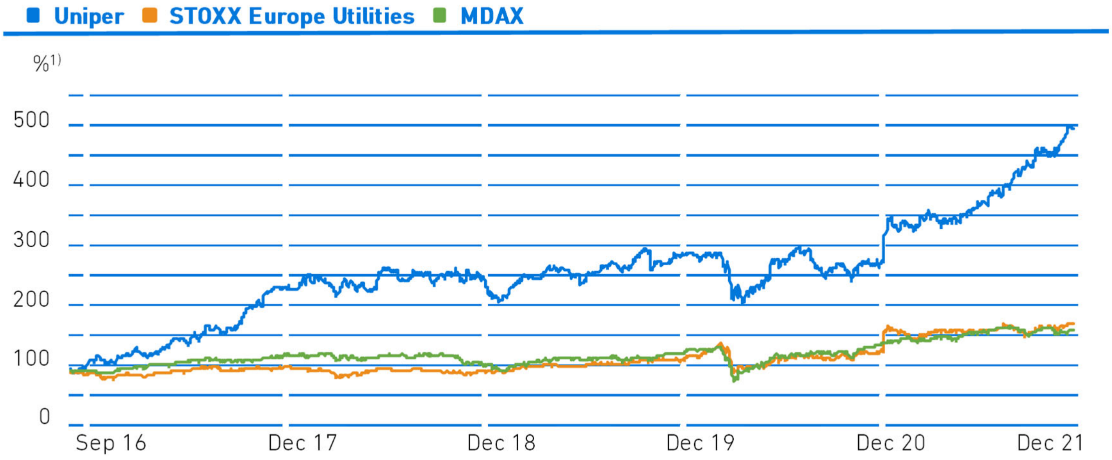
In addition to the political conditions, there has been further improvement in the positive long-term growth prospects for energy utilities in the European markets. However, there were some short-term interruptions to this development, which has had a sustained impact on the sector. In the Renewable Energies sector in particular, intense competition and the significant rise in production costs for wind and solar power facilities created uncertainty with regard to the further development of margins.

As a result, the share prices of the individual European energy utility companies varied significantly: The losers included the companies focused exclusively on renewable energies, which had posted very strong share price gains in the two previous years, while the winners in the sector in 2021 included in particular companies, Uniper among them, whose earnings prospects are positively influenced by developments on the commodity markets.

Uniper Share Price Outperforms the Overall European Market and Energy Utilities Sector

After moving sideways in the first months of 2021, the Uniper share price moved steadily and significantly upward from the end of May 2021 and recorded a new all-time high in the last week of December 2021.

Performance of Uniper Stock Since Initial Listing September 12, 2016, through December 2021

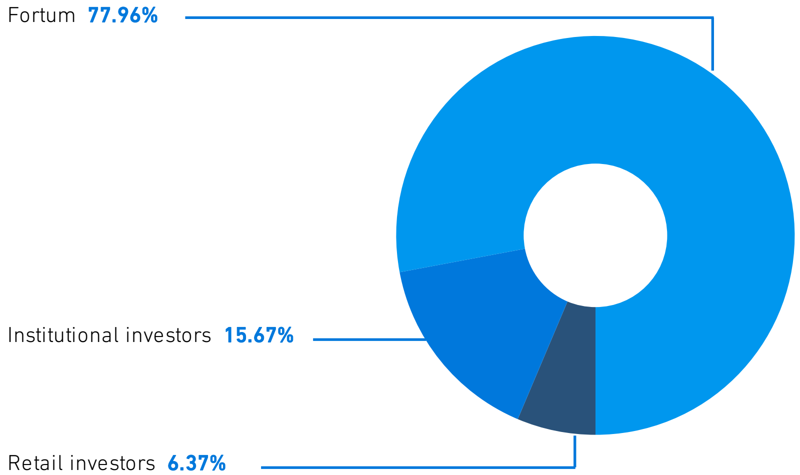


[1] Total return of Uniper stock and of the MDAX and STOXX Europe Utilities; indexed, 100 = Xetra closing price on September 12, 2016.
Source: Bloomberg

A commodity market environment that was favorable for Uniper's business model provided significant support for the share price. Operating earnings were significantly above expectations in 2021. Uniper raised its earnings guidance twice in the 2021 fiscal year, communicated to the capital market through ad hoc announcements on April 27, 2021 and October 21, 2021. Overall, the share significantly outperformed the two benchmark indices STOXX Europe Utilities and MDAX in 2021.

Uniper's shareholder base remained largely stable in 2021. Fortum, the main shareholder, exceeded the threshold of 75% on August 17, 2020, and held a 76.06% stake in Uniper at year-end 2020. This shareholding was slightly increased during 2021. According to the information available to Uniper, Fortum had a shareholding of 77.96% as of the balance sheet date on December 31, 2021.

Shareholder Structure of Uniper SE by Investor Group



Sources: Uniper-share register, IHS Markit as of December 31, 2021.

Uniper's dividend proposal prioritizes financial stability

Uniper's dividend policy is centred around the right balance between dividend pay-outs, growth investments and financial stability. The latter involves both ensuring liquidity as well as maintaining a comfortable investment-grade rating. Given the high volatility on the energy markets, the geopolitical situation and the increasing momentum of the European energy transition, Uniper is placing an even stronger focus on liquidity and investment capability. This is reflected in this year's dividend proposal.

After alignment with the major shareholder Fortum, Uniper plans a total dividend distribution of €25.6 million for the fiscal year 2021. This amounts to €0.07 per share and reflects a 4% return on the capital stock in accordance with § 254 (1) AktG. The Board of Management and the Supervisory Board of Uniper will forward this proposal to the Annual General Meeting taking place on May 18, 2022.

Facts and Figures on Uniper Stock

	Unit	2021	2020	2019	2018	2017
Year-end closing price[1]	€	41.80	28.24	29.51	22.60	26.00
High for the year[1]	€	42.11	30.70	30.64	27.74	26.00
Low for the year[1]	€	28.78	21.54	22.30	21.55	12.31
Number of shares	Millions	365.96	365.96	365.96	365.96	365.96
Market capitalization[2]	€ in billions	15.3	10.3	10.8	8.27	9.51
Dividend	€	0.07[3]	1.37	1.15	0.90	0.74
Total distribution	€ in millions	25.6[3]	501.4	420.9	329.4	270.8
Dividend yield[3]	%	0.2	4.9	3.9	4.0	2.8

[1]Xetra prices.

[2]Based on the year-end price.

[3]Proposal to Uniper shareholders for Annual General Meeting on May 18, 2022.

Strategy and Targets

Strategic Priorities

Climate change is one of the world's biggest challenges. To overcome them and to reach the goals of the Paris Agreement, significant emissions reductions are targeted. Globally, 189 countries ratified or otherwise joined the agreement. In early 2020, the European Parliament approved a resolution increasing the EU's climate ambition and aiming to reduce carbon emissions by 55% by 2030 compared to the base year 1990 and reach climate neutrality by 2050.

Uniper contributes to a more sustainable and decarbonized world and to empower energy evolution while contributing to security of supply. In 2020, Uniper announced a strategy which foresees a gradual transformation into a greener, more sustainable company, while continuing to earn healthy profits and create value for its shareholders and other stakeholders.

Uniper committed to become carbon neutral by 2050. The transition path is embedded in each of its reporting segments – European Generation, Global Commodities, and Russian Power Generation – all striving to implement the defined strategy.

To achieve this ambitious transformation, Uniper focuses on growing existing green businesses and establishing new green businesses. Two recently established green businesses are hydrogen and renewables generation.

As a hydrogen player, Uniper has already gained long-term experience in operating hydrogen facilities, as it was one of the first European energy utilities to produce green hydrogen based on electrolysis processes. Some of its recent hydrogen projects, such as Bad Lauchstädt Energy Park, which received funding as a real laboratory for energy transition, the infrastructure project at Wilhelmshaven for importing and producing climate friendly hydrogen for Germany or the Project Air in Sweden, which targets the production of climate-friendly methanol from green hydrogen together with Fortum and the chemical group Perstorp, outline Uniper's bandwidth of hydrogen-related activity. In addition, Uniper develops projects in the Netherlands (e.g. Maasvlakte/Rotterdam) and the UK (e.g. Humber area).

Uniper has developed a vast pipeline of projects both targeting the production of low-carbon hydrogen in Europe and the importing and trading of hydrogen and its derivatives such as ammonia, methanol and sustainable fuels. In the coming years Uniper will focus its efforts on realization of its project pipeline, aiming to deliver the low-carbon hydrogen needed in Germany and Europe for a successful energy transition.

With its existing gas and storage infrastructure and long-term experience in origination, optimization, trading and risk management, Uniper is very well positioned in the emerging hydrogen sector as well as in the dynamically developing biomethane market.

In the area of renewable power generation, Uniper and Fortum have established a joint organization for European onshore wind and solar, which bundles competences in solar and wind development, asset operations and management. The Renewables business area will be functionally managed by Uniper. The legal responsibility for the management of the participating entities, including the decision on all material management and investment decisions, shall remain with the respective legally responsible body of these entities. Legal responsibility shall be made on the basis of a territorial allocation: Fortum shall assume project responsibility for projects in the Nordic region (i.e. Finland, Norway and Sweden). Uniper, on the other hand, is to assume project responsibility for the European markets outside Nordics. In addition to operational responsibility for the existing Nordic wind assets, new growth is targeted via both a develop and sell-business model and investments on the balance sheet. The ambition is to develop and build on the balance sheet 1.5-2 GW new capacity by 2025 and to grow the Renewables business into a meaningful earnings contributor for the overall Fortum/Uniper Group over time. The joint team of Fortum and Uniper for wind and solar businesses in Europe has launched its first project. A first investment decision has been made by Fortum to start the construction of the 380-megawatt Pjelax-Böle and Kristinestad Norr wind parks in Närpes and in Kristinestad, Finland in partnership with the Finnish energy company Helen Ltd. The wind parks are expected to be fully operational at the latest in the second quarter of 2024. In line with the above described concept, the investment will be consolidated on Fortum's balance sheet.

European Generation

In the European Generation segment, Uniper is self-committed to reduce emissions by at least 50% by 2030 compared to 2019. Furthermore, Uniper aims to reach carbon neutrality in the European Generation by 2035. A total of 5 GW of carbon-free generation, consisting of hydro generation in Germany and Sweden as well as nuclear generation in Sweden, represent the backbone of Uniper's future generation portfolio. As part of the strategic cooperation with Fortum in the Nordic hydro and physical trading optimization area, Fortum will from the beginning of 2022 become operationally responsible for Uniper's hydro asset management and operations in Sweden and physical trading and optimization activities in the Nordics. The ownership of the hydro assets will stay with Uniper. This strategic cooperation allows both companies to create more value than in two separately managed and optimised portfolios for example through sharing resources, optimization and risk management.

The path to reach the decarbonization goals comprises mainly a clearly defined coal phase-out strategy and decarbonization of the gas-fired generation fleet.

Uniper currently still owns and operates around 6 GW of coal-fired capacity in Europe. In Germany, Uniper is actively managing the coal phase-out. In early 2020, Uniper presented an ambitious shutdown plan for its hard-coal-fired power plants, which will save up to 18 million tons of carbon per year. The decision to submit a bid for the Heyden 4 hard-coal-fired power plant (875 MW) in the first coal generation shutdown tender was the first step taken. In line with the positive auction outcome, the plant already ceased commercial electricity production at the end of 2020. In June 2021, the Federal Network Agency announced that the facility will still be needed to serve as a reserve power plant in order to ensure the safe and secure operation of the power supply system. This means that Heyden 4 will be put to use solely at the request of the grid operator TenneT, in particular when needed to guarantee a secure supply of electricity to the grid. The plant has been in reserve status since the beginning of the year and has been put into operation several times in order to stabilize the grid.

The shutdown plan also outlined the intention to cease the commercial operation of the hard-coal-fired plants of Scholven (760 MW), Wilhelmshaven (757 MW) and Staudinger 5 (510 MW) by 2025 at the latest. As a result of the coal exit auctions held by the Federal Network Agency, Wilhelmshaven ceased operations in December 2021, Scholven C will be closed in October 2022, and Staudinger 5 will cease commercial operations in May 2023 - all ahead of schedule. In 2020, Uniper signed an agreement to transfer its 58% stake in the Schkopau lignite-fired power plant (900 MW). The transaction was closed as planned in October 2021. Uniper's last coal-fired plant in Germany will be Datteln 4. Due to its modern and efficient technology, it will also remain one of the last hard-coal-fired power plants in operation. The current legal framework foresees a coal exit until 2038.

In the UK and the Netherlands, Uniper will follow the national coal phase-out plans. In the UK, one unit of Ratcliffe (500 MW) will cease operations in September 2022, while the remaining units (in total 1,500 MW) will be closed by the end of September 2024 at the latest – ahead of the previously defined schedule. During that time, the plant will continue to fulfil its commitments under the capacity market. In the Netherlands, Maasvlakte 3 (1,070 MW) will be closed by the end of 2029.

In gas-fired generation, Uniper owns and operates power plants in Germany, the Netherlands, the UK and Hungary with a total capacity of approximately 8 GW. To reach the 2035 carbon-neutrality target as well as the 2030 interim target of at least 50% reduction in carbon emissions (Scope 1 and 2) compared to 2019, Uniper is working with General Electric and Siemens Energy on alternatives to reduce the carbon footprint of its assets. With this collaboration, Uniper evaluates the current hydrogen capabilities of its assets and their upgrade potential and it is exploring co-firing pilot opportunities to support development towards 100% hydrogen gas-turbines. The joint work includes, for example, feasibility assessments of using hydrogen in gas turbines and compressors.

Besides that, Uniper is assessing the feasibility of carbon capture and storage (CCS) and carbon capture and utilization (CCU) as potential contributors to reaching the 2035 target.

In response to market demand, Uniper continues to develop its sites and assets. This includes transforming the power plant locations. For example, Uniper's project of site conversion from coal-fired to gas-fired generation at Scholven is in full swing. Ratcliffe is another example, where Uniper is closely working with stakeholders from across the region to understand how the Ratcliffe site can be part of continued economic growth in the East Midlands. Other examples include development of sites to provide data center hubs. With these solutions, Uniper aims to support industrial customers in reducing their own carbon footprint whilst creating new opportunities in the respective regions.

Uniper has always been a reliable partner in providing security of supply to individual customers and broader energy systems and, by consequence, an enabler of the European renewables build-out. Due to the increasing share of intermittent renewable energy, transmission system operators (TSO) face challenges to maintain the balance in the electricity grid. Uniper helps TSOs to address these challenges and contribute to the security of supply. In response to the TSO demand for grid services in Germany, Uniper is constructing a new gas-fired power plant, Irsching 6 (300 MW), which is expected to be commissioned in the fourth quarter of 2022. In the UK, Uniper was awarded four six-year contracts to deliver innovative grid stability services in Killingholme and Grain, which started in 2021.

Furthermore, Uniper contributes to decarbonizing the infrastructure required for security of supply of its customers. More specifically, Uniper provides green industrial customer solutions, which enable its customers to decarbonize their own processes and products.

Finally, Uniper started a solution for grid stability in Sweden based on large-scale batteries at hydroelectric power plants, helping the Swedish TSO to control frequency deviations in the system. The first hydro battery projects have been implemented at the hydroelectric power plants of Edsele and Lövön with a total installed capacity of approximately 21 MW. Two new systems will additionally be installed at the Bodum and Fjällsjö power plants, with a total capacity of approximately 12 MW. Together with Fortum's installations in Forshuvudforsen and Landaforsen with a total capacity of 6 MW, Uniper and Fortum become leading players in innovative hybrid systems with the combination of batteries and hydropower.

Global Commodities

In December 2021 Uniper committed to reduce indirect carbon emissions (Scope 3) by 35% until 2035, compared to 2021, and be climate neutral by 2050. Even though this is a group-wide target, the majority of Scope 3 emissions result primarily from business activities in the Global Commodities segment. In the first period until 2035, natural gas in particular will be an essentially important part of European security of supply. Uniper will jointly work with its suppliers and customers on measures to reduce indirect emissions. One concrete measure is the membership of Uniper's storage business in the Oil & Gas Methane Partnership (2.0), which seeks to reduce methane leakage across the entire gas value chain.

Uniper also aims to continue maximizing value with its global trading activities. Besides its position as one of Europe's leading gas midstream players, Uniper continues to develop and expand its LNG business to benefit from the growing global trading activity. LNG is considered to be an effective way to reduce carbon emissions in power generation systems outside Europe that are today still dominated by coal-fired power plants. Uniper has successfully built up a sizable LNG portfolio, with the key focus region being Asia. In parallel, Uniper aims to actively reduce carbon emissions of natural gas-based businesses by exploring ways to decarbonize related up- and downstream emissions. For example, Uniper seeks to actively manage environmental impacts such as methane leakage of its LNG business across the full value chain.

In addition to the established helium business, Uniper aims to apply its position as a leading gas player to implement the decarbonization agenda by adding new hydrogen and hydrogen-related commodities to its global business portfolio. For example, Germany put forward a plan to achieve 5 GW green hydrogen capacity by 2030, translating into approx. 14 TWh production. At the same time, Germany's hydrogen demand in 2030 is expected to be 90-100 TWh. Accordingly, Uniper expects a significant gap and the resulting need for hydrogen imports. Uniper is continuously working on innovative business ideas to supply the import needs identified by Germany's hydrogen strategy.

Besides the gas trading activities, Uniper trades green power. Uniper continues to grow the already well established long-term solar and wind power purchase agreements (PPA) portfolio, reaching 5 TWh per annum by 2023. In the first half of 2021, Uniper announced significant progress in that regard with its North American business when signing a 15-year PPA for up to 219,000 MWh per year of wind energy in New Mexico. These long-term PPAs help renewables developers to realize their projects and enable Uniper to grow its renewables portfolio based on long-term contracts.

As described in more detail above, Uniper defined hydrogen and renewables as its two key sustainable business areas; in this context, Uniper's expertise in traded power and gas markets will play an increasingly important role.

Moreover, as most of Uniper's customers strive to transform their businesses as well, the growing renewables portfolio is one building block of the wholesale sales activities to support industrial companies and municipalities in their decarbonization roadmaps. Structuring volatile power generation from renewable sources like wind and solar to the needs of industrial and commercial customers is one core competence of Uniper's trading and wholesale sales business. Green gases are for many of the customers part of their decarbonization measures as well. Uniper is going to help their clients on this journey with several initiatives and products on green gases like hydrogen, biomethane and ammonia.

Russian Power Generation

Uniper aims at actively reducing the environmental impact of its Russian Power Generation segment where feasible. In 2021, Unipro, Uniper's subsidiary in Russia, established a sustainable development committee in the Board of Directors, whose key mission is to take part in planning the strategic targets aimed at the long-term sustainable development of Unipro including environmental, social, and governance aspects, ESG controlling, and providing the Board of Directors with sustainability recommendations.

Furthermore, Unipro is actively pursuing ways to modernize its portfolio. The transformation towards a more sustainable business is already under way. Unipro will make significant investments in the modernization of five large units at the Surgutskaya-2 power plant totaling 4 GW. These investments will improve the environmental footprint through lower specific emissions of the produced power.

As the market framework in Russia becomes more conducive for renewable energy sources, Unipro explores options to develop renewables.

Combined Management Report

- Adjusted EBIT and adjusted net income significantly higher year over year
- Significantly lower economic net debt mainly from high operating cashflow and lower pension provisions
- Net loss due to IFRS-related inconsistency in the fair value measurement of hedging transactions and hedged items
- Dividend proposal of €25.6 million (€0.07 per share)
- Outlook for 2022:
  Adjusted EBIT between €1.0 billion and €1.3 billion;
  Adjusted net income between €0.8 billion and €1.1 billion expected

Corporate Profile

Business Model

Uniper is a parent-owned international energy company with operations in more than 40 countries and with 11,494 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, with a direct and indirect interest of 77.96%, 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 statements. 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 the MDAX and various MSCI equity indices.

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.

Management System

Uniper uses adjusted EBIT and adjusted net income for the financial management of the Uniper Group.

Adjusted EBIT

Unadjusted earnings before interest and taxes (unadjusted EBIT) represents the Uniper Group's income/loss before financial results and taxes in accordance with IFRS with net income/loss from equity investments added back. Unadjusted EBIT is adjusted for certain non-operating effects (see table) in order to increase its meaningfulness as an indicator of the operating performance of Uniper's business.

Adjusted EBIT

Adjustment	Explanation	Income statement items
Certain book gains/losses	Sum of book gains and losses from disposals	Other operating income and expenses
Gains and losses from the fair value measurement of derivative financial instruments used in hedges, if the underlying transaction does not affect EBIT in the current period	• Hedges entered into as part of the energy trading business • no impact on adjusted EBIT until realization	Other operating income and expenses
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	• According to IFRS IC, physically settled forward purchases or sales must be realized at the market price applicable at the time of physical settlement, i.e. they must be accounted for like physical spot contracts with a financial hedge and the hedged margin must be realized in EBIT before physical settlement • As a result, revenues and cost of materials are not measured at the contractually agreed prices • Adjustment of EBIT by 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	Revenues/cost of materials
Expenses for (and income from) restructuring and cost-management programs	• Additional expenses and income that are not directly attributable to the operating business	Various income statement items
Impairment charges/reversals in the context of impairment tests	Based on: • Non-current assets • Companies accounted for under the equity method • Other financial assets • Goodwill	Various income statement items
Other contributions to non-operating earnings	• Unique or rare in nature • Depending on the particular case, such income and expenses may affect different line items in the income statement	Various income statement items

Adjusted Net Income

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

Additional Performance Indicators

Alongside those most important management indicators, Uniper also presents additional financial and non-financial performance indicators in the Combined Management Report to highlight developments in the operating business and in the context of responsibility to all stakeholders – its employees, customers, shareholders and creditors, as well as the Uniper companies. The Group's financial condition, for example, is monitored using the additional financial performance indicators operating cash flow before interest and taxes, economic net debt and net financial position, as well as cash-effective investments, which are also included among the financial performance targets that govern long-term compensation.

Indicators of non-financial performance used by Uniper include the proportion of women in leadership positions within the Uniper Group, direct CO_2 emissions and the HSSE & Sustainability Improvement Plan.
The Non-Financial Performance Indicators section contains explanatory information about these performance indicators.

Business Report

Macroeconomic and Industry Environment

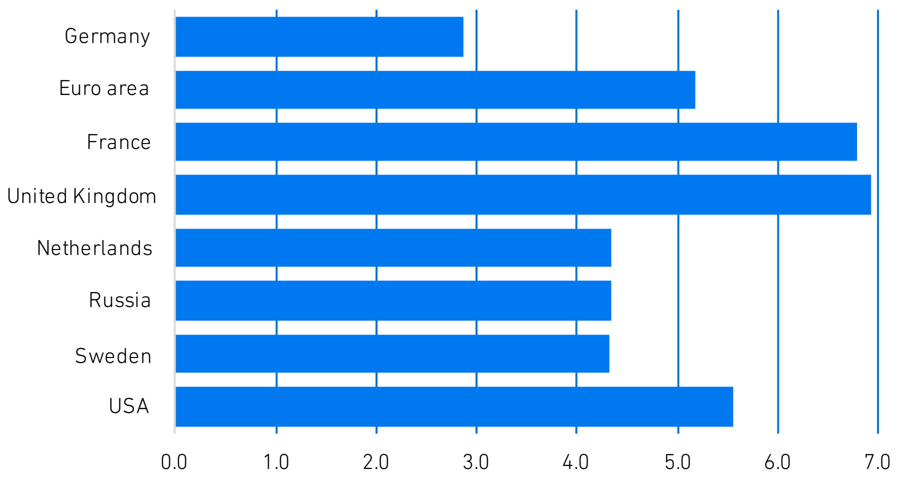
Macroeconomic Environment

The consequences of the Covid-19 pandemic remain the main factor in the development of the global economy. After the deep recession in 2020, when the global economy slumped by more than 3%, there was a strong recovery in 2021. The Organisation for Economic Co-operation and Development (OECD) estimates that global gross domestic product will probably have increased by around 5.5% in 2021. With the rapid recovery in global demand for goods, however, supply bottlenecks have occurred in numerous sectors, which in turn has led to massive price increases, especially for raw materials and fossil fuels but also for intermediate products such as semiconductors. As a result, consumer price inflation in many places has increased to its highest level in decades. In addition, outbreaks of new Covid-19 variants are occurring repeatedly in much of the world, prolonging some supply shortages and creating new ones. According to survey indicators, supplier delivery times in many advanced economies have risen to very high levels, and inventories in many sectors have fallen significantly.

In the euro area, the strong economic recovery in 2021 was also boosted by favorable financing conditions resulting from the monetary policy of the European Central Bank (ECB). The ECB expanded its bond purchases via its Pandemic Emergency Purchase Program. The term was most recently extended to March 2022. Despite currently high inflation rates, interest rate hikes by the ECB are not expected for the time being, especially as inflation expectations are still below the ECB's 2% target. By contrast, in view of even higher inflation rates, the US Federal Reserve has not only decided to scale back its bond purchases, but at the same time it is expected to raise interest rates in 2022. This has strengthened the US dollar, which has appreciated steadily against the euro in 2021. At the beginning of the year, the British pound benefited from a successful vaccination campaign in the United Kingdom and the currency also gained against the euro. The ruble benefited in particular from the recovery in oil prices, but remained volatile due to geopolitical tensions, especially in the Ukraine conflict.

2021 GDP Growth in Real Terms

Annual change in percent



Source: OECD (December 2021)

Energy Policy and Regulatory Environment

European Union

In an effort to achieve a climate-neutral economy by 2050, the European Commission has set a target in the European Climate Change Act of reducing greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. The aim of the "Fit for 55" package published in July 2021 is to align EU climate, energy, transportation and tax policies accordingly in order to achieve this goal. The package consists of several legislative proposals, including revisions to the EU Emissions Trading Scheme (EU ETS), the Renewable Energy Directive (RED), the Energy Taxation Directive and a proposal for a Carbon Border Adjustment Mechanism (CBAM). These proposals are currently the subject of discussions between the European Parliament and the Council. Under the normal co-decision procedure, these legislative acts are not expected to be finally adopted before the end of 2022/beginning of 2023.

On December 15, 2021, the "Fit for 55" package was complemented by the publication of the "Hydrogen and Decarbonized Gas Market" legislative package, which contains rules for an open and competitive market for renewable and low-carbon gases, including hydrogen. The legislative proposals included in this package – the revision of the Gas Directive, the Gas Regulation (including provisions to amend the Security of Supply Regulation) and a newly proposed Methane Emissions Regulation – will be discussed by the co-legislators before their final adoption, which is expected to take place in 2023.

Energy prices and security of supply were at the center of the political debate in the EU in 2021. Prompted by the sharp rise in energy prices, the European Commission published a (non-legislative) communication on October 13, 2021, outlining the reasons for high energy prices and reminding Member States of the measures available to mitigate the impact without compromising the functioning of the internal energy market. The European Commission mandated the European Union Agency for the Cooperation of Energy Regulators (ACER) to conduct a study on the design of the wholesale electricity market by April 2022. The ESMA (European Securities and Markets Authority) was also mandated by several Member States to investigate possible anti-competitive practices.

The EU Taxonomy Regulation, which came into force in June 2020, aims to create a uniform EU classification system that identifies economic activities that companies and investors may consider environmentally sustainable. On April 21, 2021, the European Commission approved a delegated act under the Taxonomy Regulation establishing screening criteria for the contribution of specific economic activities to the objectives of the European Green Deal. This delegated act initially refers to activities that contribute to the two environmental objectives – climate change mitigation and climate change adaptation. While the act included hydrogen and hydroelectric power activities, the assessment of nuclear and natural gas activities was delayed, due to the political sensitivity of including these technologies in the taxonomy. A delegated act on the climate complementary to the EU taxonomy was not published in 2021 but on February 2, 2022, and it will become applicable by 2023 if adopted by Parliament and Council. This act is intended to allow both natural gas and nuclear activities to be classified as sustainable in the sense of the taxonomy if they meet the relevant technical screening criteria. As a result, natural gas and nuclear activities are not included in the reporting for the 2021 fiscal year. Further delegated acts on other environmental objectives, such as water use or biodiversity, are expected to follow in the first quarter of 2022.

Germany

Following the Federal Constitutional Court's decision of March 24, 2021 on the Climate Protection Act, which the court ruled unconstitutional in that it did not provide for a sufficiently regulated greenhouse gas reduction pathway, an amended version was adopted in late June 2021. Among other things, the amended law sets a date for achieving greenhouse gas neutrality in 2045, as well as more stringent reduction targets for sectors of Germany's economy by 2030.

On June 1, 2021, the German Federal Network Agency classified the Heyden power plant as essential. The plant had been scheduled to be decommissioned on July 8, 2021, in line with the outcome of the first auction for the decommissioning of coal-fired power plants. It will therefore be used as a reserve power plant at the request of the responsible transmission system operator until September 30, 2022.

Furthermore, on June 24, 2021, the German parliament (Bundestag) adopted a legal framework for hydrogen transport networks with the reform of the Energy Industry Act. The Bundestag also adopted an amendment to the Renewable Energy Sources Act that, among other things, provides for higher bid volumes for additional power generation from renewable energies for 2022.

Following the Bundestag elections on September 26, 2021, a new federal government was formed on December 8, 2021. The coalition agreement of the three parties involved in the government sets a high priority for the new legislative period on achieving the climate protection targets in 2030 by, among other things, significantly raising the expansion targets for electricity generation from renewable energies and more strongly expanding hydrogen generation and application. The use of natural gas is considered indispensable for a transitional period. According to the coalition agreement, the coal phase-out should "ideally" be brought forward from 2038 to 2030. The legislative procedures for this are still pending. A new electricity market design will also examine capacity mechanisms for new gas-fired power plants to run on hydrogen. These policy plans are to be translated into legislative proposals starting in 2022.

The Netherlands

The year 2021 was marked by the resignation of the cabinet on January 15, 2021, the parliamentary elections in March and a very lengthy coalition forming process. Before the coalition was formed, it was nearly impossible to implement new policies because there was an interim government. A coalition agreement was reached in December 2021, and the new cabinet was sworn in in January 2022. The law to restrict the use of coal (implementation of the Urgenda ruling), which was passed by the Dutch Senate in July 2021, has entered into force. The law provides for a restriction on coal use by setting a 35% cap on carbon emissions resulting from the use of coal to generate electricity. This cap entered into force on January 1, 2022 and will remain in effect up to and including December 31, 2024. The legal regulation for this cap provides for a right to compensation. The Order in Council (Algemene Maatregel van Bestuur) stipulates how to file a request for compensation, the methodology for calculation and execution of compensation.

Russia

In Russia, the competitive capacity auction mechanism for thermal power plant modernization (KOMMod) was introduced by government decree on January 25, 2019. The current auction dates for 2027 were April 30, 2021 for COM 2027 (including COM 2027-2029 for innovative combined cycle projects) and November 15, 2021 for COM 2027 (auction for power plants without specific capacity contracts). Government Decree N 1793-p, of July 1, 2021, established the list of modernization assets for 2027 (including innovative CCGT projects) whose capacity is delivered under the modernization agreements. In March 2021, the Russian government adopted the rules for the support of renewable energy projects on the wholesale market from 2021. The amount of support for renewable energy through 2035 currently totals 360 billion rubles. An auction for renewable energy projects was held in September 2021. Bids were solicited for 775 MW of solar power projects (for the years 2023 and 2024), 1,851 MW of wind power projects (for the years 2025 to 2027) and 96 MW of hydroelectric power projects (for the years 2027 and 2028). Unipro did not participate in this auction because the equipment manufacturers did not submit a commercial bid, so it was not possible to evaluate the capital expenditures and prepare a price bid.

Sweden

In the final months of 2021, Sweden's first female prime minister, Magdalena Andersson, was elected, forming a single-party minority consisting only of Social Democrats. Annika Strandhäll, who was appointed Sweden's new climate and environment minister at the end of November 2021, announced at the end of January 2022 that the Swedish government has approved to go forward with the next steps for the final repository for spent nuclear fuel rods. In addition, the Swedish Energy Agency has presented a proposal for a national hydrogen strategy that includes an ambitious agenda for hydrogen development. The proposal states that Sweden should focus primarily on producing refined hydrogen products. The government's current plans to develop an electrification strategy for the transportation and mobility sector have been delayed and were not submitted in the 2021 fiscal year. The ongoing debate about electricity shortages in southern Sweden and the need to build a balanced electricity system continues and has even intensified due to the overall high energy prices in Sweden.

United Kingdom

On October 19, 2021, the UK government published its Carbon Emissions Net Zero Strategy, which sets out a long-term plan to achieve net zero by 2050, and specifically how the UK will achieve the sixth carbon budget to reduce emissions by 78% from 1990 levels by 2035. Key policies in the plan include: All electricity is to come from low-carbon sources by 2035, with the caveat of maintaining security of supply while meeting 40-60% growth in demand; the power system is to be underpinned by flexibility, including gas with CCUS (Carbon Capture, Usage and Storage) and hydrogen; and a Dispatchable Power Agreement implementation plan to support deployment of the first CCUS plant(s) in the mid-2020s, in line with the Energy White Paper commitment of one CCUS power plant by 2030. The government's ambitions and policy direction were set out in the Hydrogen Strategy and the proposal for a net-zero hydrogen fund to support the development of hydrogen production facilities, as well as proposals for a contract-for-difference business model framework. On June 30, 2021, the UK government confirmed its plans to bring forward the coal phase-out to October 1, 2024. In line with the government's aim to have four CCUS clusters and at least one operational CCUS power plant by 2030, the CCUS cluster sequencing process was launched in the UK in May 2021. In October 2021, the government announced that Hynet and the East Coast clusters would be included in the mid-2020s negotiations as successful track 1 clusters. Expressions of interest for carbon capture projects related to the clusters were solicited with a deadline of January 21, 2022. The government is currently consulting on a potential redesign of the UK capacity market and will consult in 2022 on bringing the UK emissions trading system into line with the legally binding net-zero target by 2050.

Summary of Energy and Climate Policy Developments and Their Impact on Uniper

A significant reduction in emissions is being pursued worldwide in order to meet the challenges of climate change and to achieve the goals of the Paris Agreement. Uniper's strategy actively contributes to a more climate-friendly, low-carbon world with improved security of supply. Uniper has committed to becoming climate neutral across the Group in terms of Scope 1 to 3 emissions by 2050 with an intermediate step to reduce Scope 3 by 35% by 2035 compared to 2021. In the European Generation segment, plans already call for Scope 1 and 2 emissions to be reduced by at least 50% by 2030 compared to 2019. In addition, Uniper aims to achieve climate neutrality (Scope 1 and 2 emissions) in the European Generation segment by 2035. Uniper is actively managing the coal phase-out in Germany and presented an ambitious shutdown plan for its hard coal-fired power plants, which will save up to 18 million tons of carbon per year. At the same time, Uniper will close one of the four 500 MW units at the Ratcliffe hard-coal-fired power station as early as the end of September 2022 – two years ahead of the coal phase-out deadline announced by the UK government – in order to accelerate the phase-out of coal-fired power generation in the UK electricity system wherever possible.

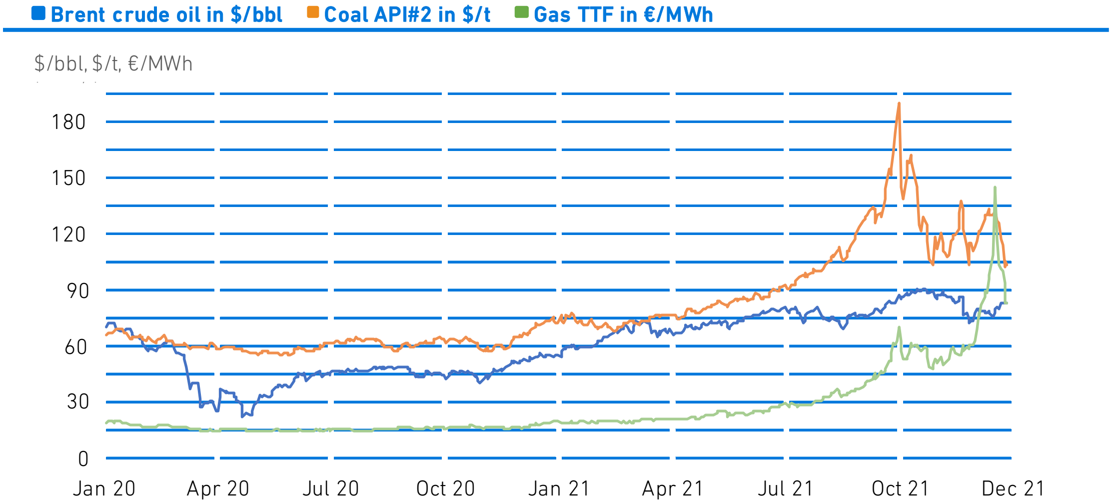
In the Russian power generation segment, Uniper has also set itself the goal of actively reducing the environmental impact resulting from the use of fossil fuels. All of these measures have implications for Uniper's fossil generation fleet. To achieve this ambitious transformation to a climate-neutral company, Uniper is focusing on growing existing green businesses and establishing new green businesses. Two of the most important business segments recently established in this context are: hydrogen and renewable energy generation.

Energy Prices

The energy markets in Europe were influenced by four main factors in the 2021 calendar year:

- the strong rise in international energy prices, especially for oil, gas, coal, and emission-allowance prices,
- the general macroeconomic and sector developments, which in turn continued to be shaped by the Covid-19 pandemic,
- the cooler, sometimes extreme weather conditions,
- the reduced availability of wind energy and the resulting return to a greater use of conventional energy sources, especially coal, which in turn was one reason for the upward trend in emission-allowance prices.

Energy Price Movements for Oil, Coal and Gas in Uniper's Core Markets



Coal and gas: front-year contracts, Brent crude: front-month contracts

Global growth in demand for oil is estimated to total 5.7 million barrels per day in calendar year 2021 compared to the prior year. This increase, which occurred despite the resurgence of Covid-19 cases and the associated containment measures, is largely due to a steady upturn in economic activity and higher transportation fuel consumption. The development of oil demand was extremely volatile – a historic drop in demand of 8.8% in the prior year was followed by growth of just under 6% in calendar year 2021. However, demand remained below pre-Covid-19 pandemic levels. In addition, OPEC, in tandem with Russia ("OPEC+"), controlled the supply. This artificial tightening of supply, combined with increased demand, has led to an increase in oil prices of more than 40% since the beginning of the year. At the end of 2021, the Omicron variant of the Covid-19 virus put significant pressure on the oil market at times.

The European coal market was relatively unchanged at the beginning of calendar year 2021. The standard API#2 front year product showed low volatility in the first quarter of 2021 at a price level of $65 per ton. It was not until the second quarter of 2021 that there were signs of a slow but steady increase in demand, influenced by rising natural gas prices and the rapid rise in Chinese demand for coal imports. Both coal demand and coal prices increased steadily over the summer, with the prices reaching a temporary peak in October 2021 at an all-time high of $183 per ton (API#2 front year). Only the Chinese government's vigorous efforts to boost domestic coal production and its active intervention in the pricing of Chinese coal helped ease pressure on the international coal market. Nevertheless, coal demand – both in Europe and internationally and significantly influenced by gas prices – remained high into December 2021. The coal price did ultimately decline in the fourth quarter –- but still closed calendar year 2021 at $100 per ton.

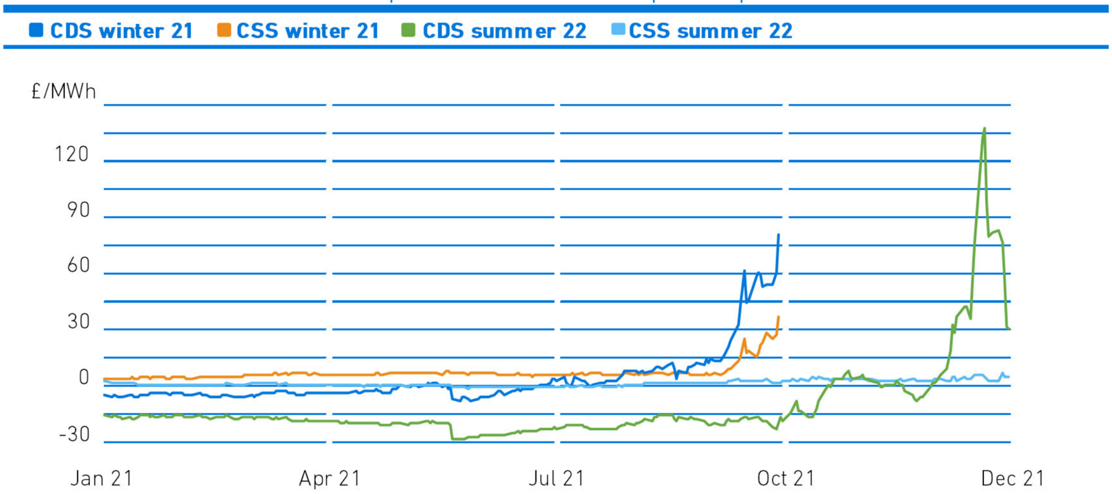
The high price premium in East Asian gas markets, which led to the diversion of LNG supplies to Asia and thus a reduction in gas supply in Europe, had a major impact on wholesale gas prices in Europe in January 2021.
LNG shipments to Europe were down 29% year-on-year in the first quarter of 2021. This resulted in a price increase at the TTF and other European gas hubs. In addition, production in the EU also continued to fall in the first quarter of 2021, resulting in a significant reduction in storage levels, which reached a level of just 30% towards the end of March.
The TTF spot gas price started the 2021 calendar year around €19/MWh, but then increased to €70- 75/MWh by the end of September. An increase in demand for LNG in Asia was one reason for the rise in gas prices, and extensive maintenance work on LNG infrastructure facilities due to catch-up effects from the previous year in Europe also played a not insignificant role. In addition, wholesale prices were also impacted by low gas storage levels and a 19% increase in demand in the second quarter of 2021 compared to the second quarter of 2020. On average, gas storage facilities in the EU were just 47% full at the end of June 2021. At the end of the summer period, lower gas deliveries by Russia via the Yamal pipeline led to a further reduction in supply. Despite very high gas production, Russia had numerous gas supply obligations to fulfill at home. Russia met its long-term supply obligations to Europe, but its short-term sales were reduced and its own storage facilities in Europe were not refilled to the same extent as in previous years.
Gas prices again increased significantly towards the end of the fourth quarter of 2021. This was the result of two factors: lower Russian transit bookings and resulting reduced physical gas flows through the Yamal pipeline to Europe, and cold weather conditions in Eastern Europe, which in turn strengthened gas consumption in Russia.

European Union Allowance Price Movements

Price in €/t for front-year contracts

The price of emissions allowances rose significantly during the calendar year, reaching its highest level since the introduction of the European Emissions Trading Scheme (EU-ETS). The upward trend started in November 2020, pushing the price to a new high of more than €34/t at the beginning of calendar year 2021. Interrupted only by brief correction phases, the price then hit new highs in rapid succession over the course of the year, reaching over €90/t on December 8 and 9, 2021. At the end of the year, the price varied in the range of €70 to €90/t, with high volatility. A major factor in the sharp price increase was the severe supply shortage compared with the prior year. In addition to a significantly reduced auction volume, the switch to the new trading period also meant that, unlike in previous years, the allowances issued from January onwards could not be used for the previous year's submission obligations due at the end of April. The drastic rise in gas prices during the calendar year also made low-emission electricity generation with natural gas uneconomical compared to coal-based generation, resulting in additional demand for allowances from the power generation sector.´

Movement of Clean Dark Spreads and Clean Spark Spreads in the UK



Electricity and gas: winter/summer contracts, coal: quarterly contracts, carbon: annual contracts incl. UK Carbon Price Support

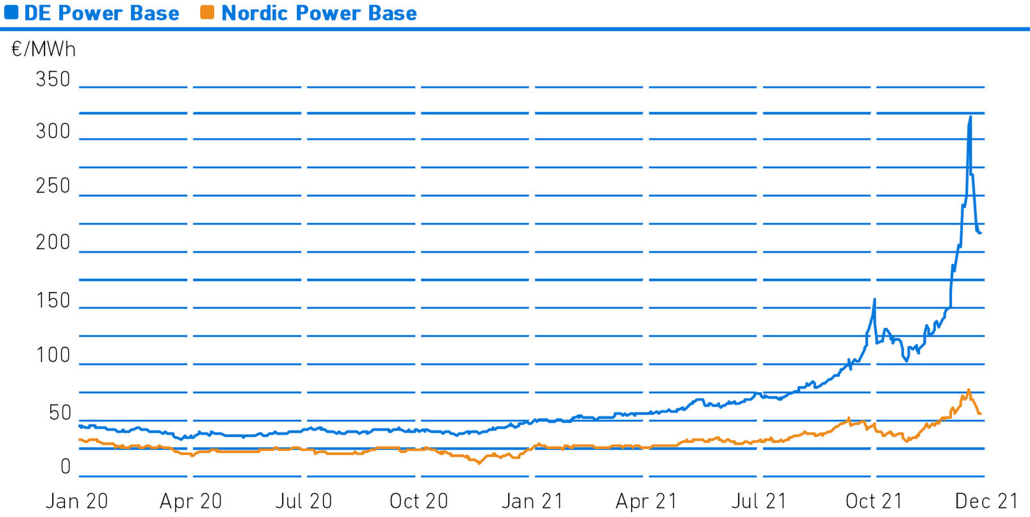
CDS: Clean Dark Spread (efficiency 36.5%, emission factor: 0.33 t/MWh_{th})

CSS: Clean Spark Spread (efficiency 49.13%, emission factor: 0.195 t/MWh_{th})

In calendar year 2021, the UK electricity market recovered from the drastic effects of the Covid-19 pandemic experienced in 2020 and recorded a 4% increase in electricity demand to a total of 274 TWh. Demand in the second quarter of 2021 in particular showed a significant increase of 11% compared with the same quarter of 2020. This shows that despite improved conditions, the electricity market was still being influenced by the Covid-19 pandemic.

In contrast to the recovery in electricity demand, the impact of renewables on the British electricity mix stagnated in calendar year 2021. From nearly 40% in the previous year, the share of wind, photovoltaics, biomass, and hydroelectric fell to 36% in calendar year 2021, with the decline primarily the result of lower year-over-year electricity generation from wind (down 7%) and photovoltaics (down 5%). In contrast, the share of electricity imports increased from 7% in calendar year 2020 to around 10% in calendar year 2021, particularly boosted by the commissioning of the IFA2 (France-UK) high-voltage cable in January and NorthSeaLink (Norway-UK) in October 2021. The share of conventional power generation from gas, coal and nuclear energy remained constant year-on-year at 54%. The increase in demand for electricity, together with the slight decline in renewables in the electricity mix, but above all the extreme rise in the price of fossil fuels and emission allowances to new record highs, also led to higher prices in the UK electricity market. The annual average price rose to a high of £105.86/MWh, a threefold increase on the prior year 2020. At the end of calendar year 2021, the British electricity market also saw a reversal of the trend in clean dark spreads and clean spark spreads, i.e. the price difference between the market price and the respective variable costs of electricity generation. This was primarily due to the sharp rise in gas prices, which ultimately made power generation from coal-fired power plants more profitable than from gas-fired power plants.

Electricity Price Movements in Uniper's Core Markets

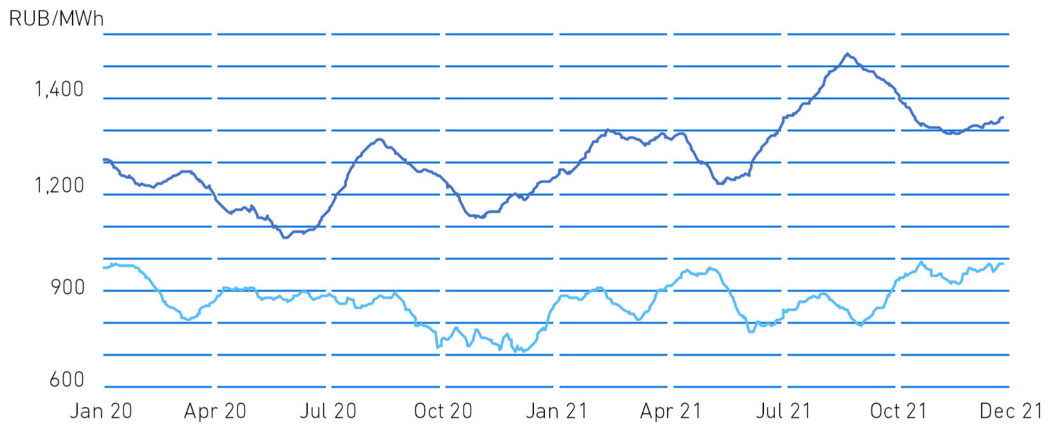


Prices in €/MWh for front-year-contracts

After power prices in Germany largely hit lows in calendar year 2020, they rose over the course of calendar year 2021 to reach new highs at the end of calendar year 2021: Shortly before Christmas, the front-year contract for base load (Cal-22 Base) in Germany traded at a price of over €300/MWh, an increase of 600% compared to around €50/MWh at the start of the year. This increase is mainly explained by the peaks in the coal, emission allowance and natural gas markets. In addition, significantly less generation capacity will be available to the German electricity market in calendar year 2022, as three of the remaining six nuclear power plants with a capacity of around 4 GW were decommissioned as of December 31, 2021. Three lignite-fired units with a total of around 0.9 GW were also shut down at the end of 2021 as part of the agreed coal phase-out. Three hard-coal-fired power plants with a capacity of 1.5 GW had already been decommissioned at the beginning of December 2021 based on the corresponding tender, with a further 2.1 GW to follow in mid-2022. There was also a significant price increase on the spot market over the course of the year: the average spot price in December 2021 was well over €200/MWh, whereas the average spot price in the previous year was only around €30/MWh. The power generation mix in Germany in calendar year 2021 was characterized by weak wind output, which was about 10% below the previous year's level. In connection with high electricity generation costs for gas-fired power plants, this led to an 18% increase in lignite-fired generation and a 27% increase in hard-coal-fired generation.

In Scandinavia, calendar year 2021 started with well above-average reservoir levels, carried over from calendar year 2020. The period of cold that started at the beginning of 2021 led to high demand for several weeks, to which the spot market immediately reacted with a price jump to €40-45/MWh. This price level was roughly maintained in the first half of 2021. Reservoir levels dropped to intermediate levels within a short period of time due to high demand. This, in combination with the moderate spring snowmelt, allowed for controlled hydroelectric power generation. In addition, spot prices in Germany also showed almost no weakness, so that electricity was continuously exported to Western Europe. The forward market was very steady in the first half of 2021 despite supportive spot prices. The products Cal-22, Cal-23 and Cal-24 increased in lockstep by about €3/MWh to around €30/MWh. In August and September 2021 in particular, there were prolonged periods of low precipitation, with the result that reservoir levels in mid-September were more than 20 TWh below normal. This also led to a significant increase in spot market prices in the winter quarters 2021/22 and the front year 2022, while the further front years 2023-2024 were not affected by this. This temporary high for the year reversed during a very rainy October. Low precipitation, high consumption, and strong export activity in the Norwegian regions caused the system price and the Q1-22, Q2-22, and Cal-22 front contracts to increase sharply in November and especially from December 2021. Later maturing products (Cal-23, Cal-24) were not affected by this development. In addition, calendar year 2021 was characterized by a strong addition of wind generation capacity, the commissioning of new interconnectors, the increased occurrence of internal grid congestion, and further progress of the new Finnish nuclear power plant "Olkiluoto 3", which has a capacity of 1,600 MW.

Price Movements in the Russian Power Market



Daily spot prices (30-day average)

In Russia, the average day-ahead electricity price in the European price zone through early December was 16% higher than the average price in the same period a year earlier, with most of the price increase in calendar 2021 due to the pandemic-related low base in calendar 2020.

After the lower electricity consumption in calendar year 2020 caused by the consequences of the Covid-19 pandemic, electricity demand in the European price zone fully recovered and even exceeded the pre-pandemic level of calendar year 2019. Electricity consumption increased by 7.1% from January to December 2021 compared to the corresponding periods of calendar year 2020, reaching 723 TWh. This was also accompanied by changes in the generation structure: the output of thermal power plants increased by 51.8 TWh or 12%, while hydroelectric power recorded a decline of 9.7 TWh or 14.4%. The regulated gas price increased by 3.3% year-on-year in 2021, following an increase of a similar magnitude in 2020.

By December 2021, the day-ahead power market in Siberia had also recovered. The average day-ahead electricity price in Siberia increased by 7.4% from the beginning of calendar year 2021 compared to calendar year 2020. This price increase was capped by historically high hydroelectric power generation in Siberia, which increased by 9.6% compared to calendar year 2020. Total electricity consumption in Siberia increased to 188.6 TWh or 4.5% from January to December 2021 compared to calendar year 2020.

Product Price Movements in Uniper's Core Markets

Product	Unit	Dec. 30, 2021	Jan. 4, 2021	Change	2021 high	2021 low
DE Power Base (Cal-22)	€/MWh	219.9	50.9	332%	324.6	48.5
Nordic Power Base (Cal-22)	€/MWh	56.0	28.3	98%	77.9	24.1
Brent Oil (front month)	$/bbl	79.3	51.1	55%	86.4	51.1
Coal API #2 (Cal-22)	$/metric ton	100.4	72.4	39%	183.7	64.2
Gas TTF (Cal-22)	€/MWh	79.1	16.1	391%	139.6	15.6
Carbon EUA (Dec-22)	€/metric ton	80.2	33.9	137%	89.4	31.8
British CDS Base (Sum-22)	£/MWh	31.0	17.3	279%	138.2	0.1
British CSS Peak (Sum-22)	£/MWh	4.4	0.9	406%	5.7	0.1

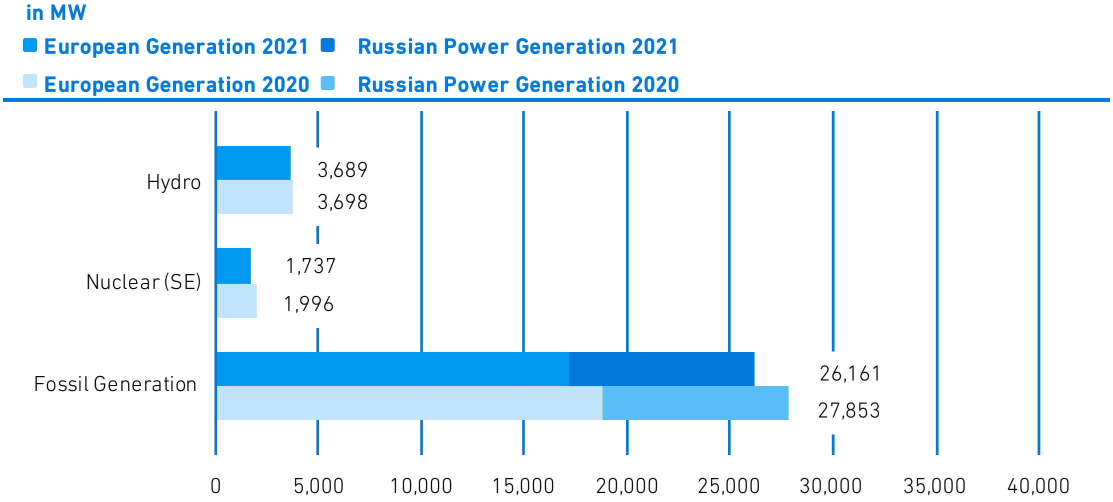
CDS: clean dark spread (efficiency: 36.5%, emission factor: 0.33 t/MWh_{th})

CSS: clean spark spread (efficiency: 49.1%, emission factor: 0.195 t/MWh_{th})

Generation Capacity

The Uniper Group's legally attributable generation capacity (the capacity that reflects Uniper's ownership interest in the power plants) decreased to 31,587 MW as of December 31, 2021, or 5.8% (1,961 MW) below that of the previous year (33,548 MW). The decrease in generation capacity was mainly due to the transfer of the ownership interest in the Schkopau power plant in Germany, the sale of the Öresundsverket power plant in Sweden, and the closure of the hard-coal unit in Wilhelmshaven as part of the coal phase-out. A small reduction in generation capacity additionally resulted from the disposal of the Oberberg and Kaupersberg hydroelectric power plants in Germany.

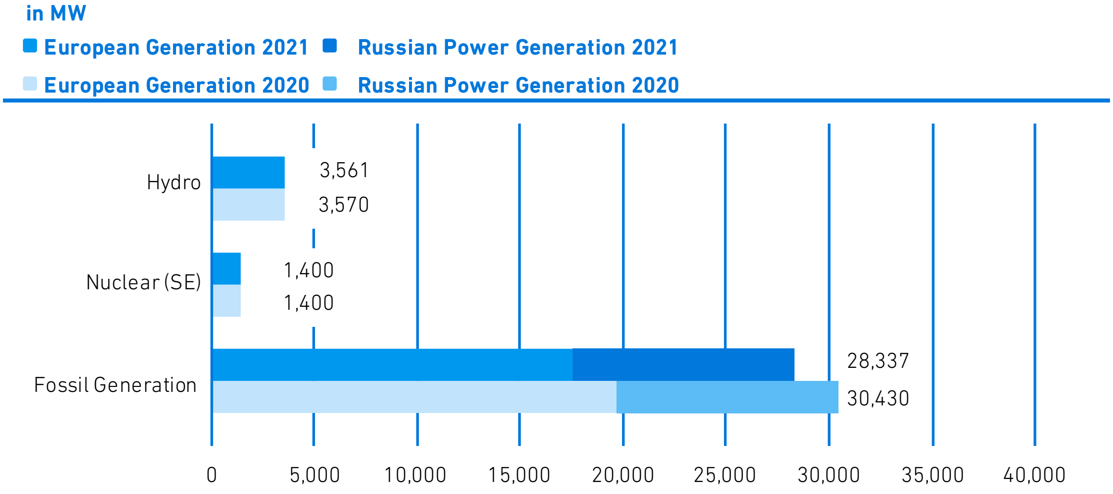
Uniper Group: Legally Attributable Generation Capacity[1]



[1]Any rounding differences between individual volumes and totals are accepted.

At 33,298 MW, fully consolidated power plant output was 5.9% (2,102 MW) below the previous year's level of 35,400 MW. Here, too, the decrease in capacity resulted from the disposals mentioned above and the closure of the hard-coal unit in Wilhelmshaven.

Uniper Group: Fully Consolidated Generation Capacity[1]



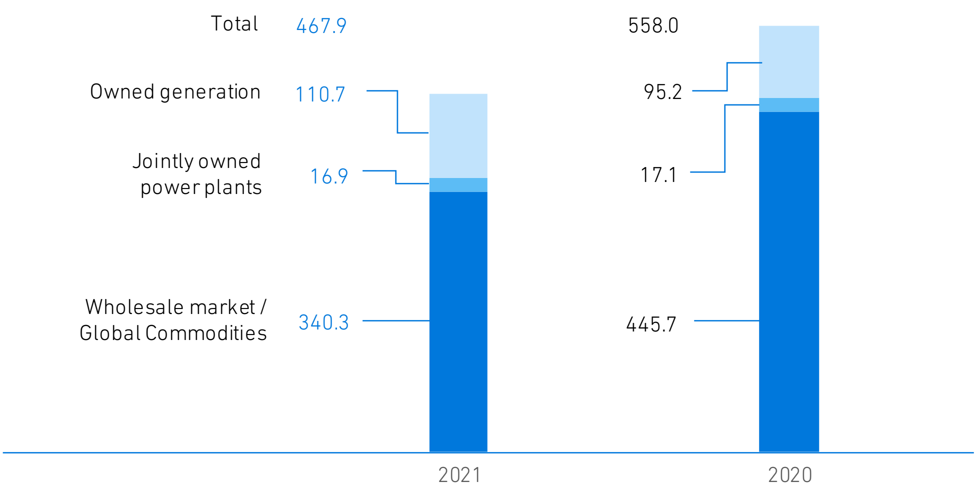
[1]Any rounding differences between individual volumes and totals are accepted.

Power Procurement and Owned Generation

In the 2021 fiscal year, the volume of power generated by our own power plants amounted to 110.7 billion kWh, a significant increase of 15.5 billion kWh (16.4%) from the prior year's figure of 95.2 billion kWh. Purchased power decreased significantly by 105.4 billion kWh, or 23.6%, from 445.7 billion kWh to 340.3 billion kWh.

Power Procurement and Owned Generation[1, 2]

Billion kWh



[1]Any rounding differences between individual volumes and totals are accepted.

[2]The consolidation approach used in financial control means that only fully consolidated power plants (shareholding of more than 50%) are included in the generation volume, regardless of who operates these power plants.

The European Generation segment's owned generation amounted to 65.6 billion kWh, a significant increase of 12.2 billion kWh (22.8%) from the prior year level of 53.4 billion kWh. With the development of the Covid-19 pandemic, demand recovered in 2021 compared with the prior year, improving market conditions for the use of Uniper's power plant portfolio. This resulted in higher uptimes in all the power plants in the fossil power plant fleet. Furthermore, the commissioning of the Datteln 4 power plant on May 30, 2020, and the return to commercial operation of the gas-fired power plant units 4 and 5 at the Irsching site in Germany in the last quarter of 2020 had a positive impact on generation volumes in 2021. Despite the improved market conditions, generation at the Maasvlakte 3 coal-fired power plant was only slightly above the prior-year level due to unplanned unavailability in 2021. Generation volumes from Swedish nuclear power recorded a significant increase, largely due to the Oskarshamn 3 nuclear power station, which was not used commercially for part of 2020 due to a planned overhaul to install new safety measures to comply with international regulations. The volume of electricity generated by hydroelectric power plants in Sweden declined significantly in 2021 following the exceptionally high prior-year figure.

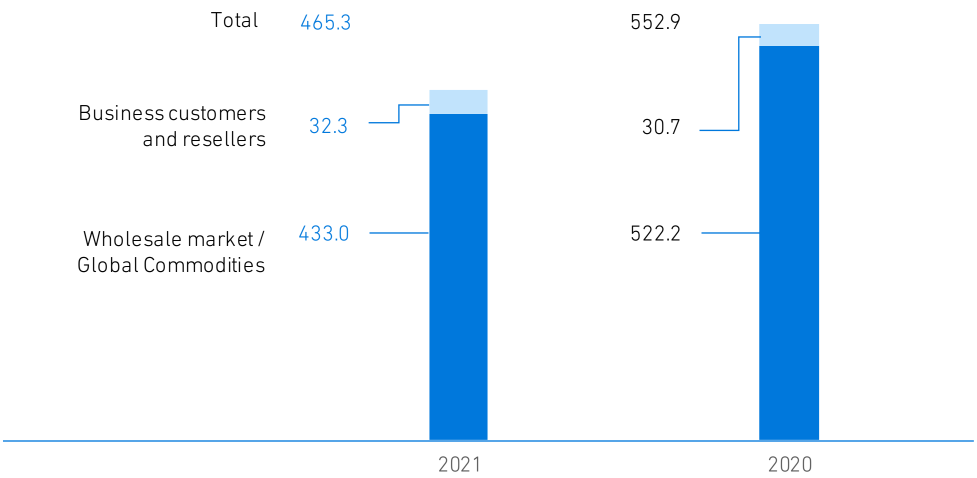
The Russian Power Generation segment's owned generation increased noticeably by 3.4 billion kWh (8.1%), from 41.7 billion kWh to 45.1 billion kWh. The increase in electricity generation in 2021 is due to the economic recovery after the Covid-19 pandemic-related crisis in 2020 and, consequently, higher electricity consumption and increased exports, especially in the European price zone.

Electricity Sales

In 2021, electricity sales of the Uniper Group stood at 465.3 billion kWh, a significant decrease of 15.8% below the prior year's sales of 552.9 billion kWh.

Electricity Sales[1, 2]

Billion kWh



[1]Difference from electricity procurement results from operating consumption and network losses.
[2]Any rounding differences between individual volumes and totals are accepted.

The significant reduction in electricity sales is primarily due to lower optimization and trading activities in the Global Commodities segment.

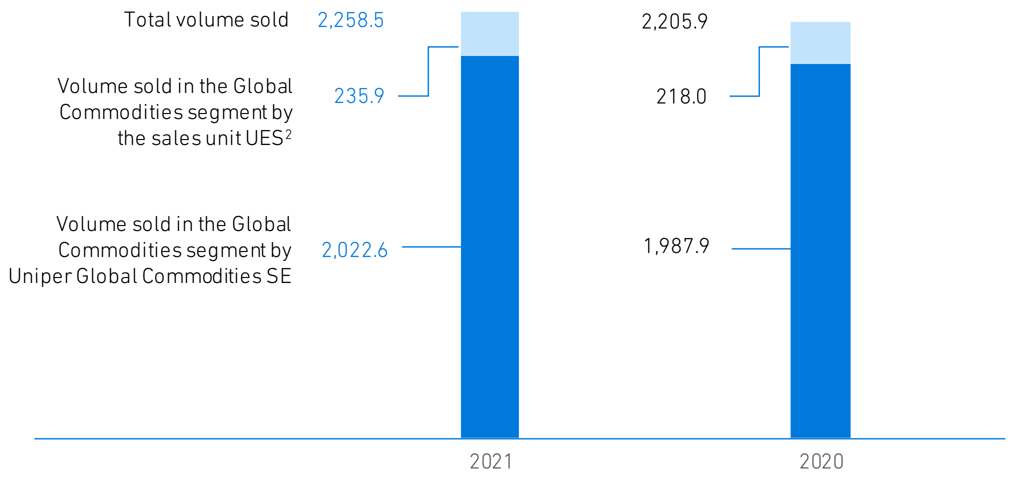
Alongside electricity trading in the energy markets, a portion of the Uniper Group's electricity sales to major customers such as municipal utilities and industrial customers in Germany and in Europe is transacted through an internal sales unit, Uniper Energy Sales GmbH (UES). In addition to sales, UES also handles marketing for the Uniper Group. It also offers its customers services in consulting, service and the electricity industry.

Electricity sales by UES in fiscal 2021 came to 26.4 billion kWh, which was at the prior-year level (26.6 billion kWh). Contracting was down from the prior year. However, there was no significant decline in sales volumes, as the Covid-19 pandemic and the associated lockdown measures in the previous year meant that contracted volumes for the 2020 fiscal year were ultimately not purchased in full.

Gas Business
The total volume of natural gas sold in fiscal 2021 was 2,258.5 billion kWh (2020: 2,205.9 billion kWh). During the same period, the Uniper Group acquired a total volume of natural gas of 2,245.0 billion kWh (2020: 2,213.9 billion kWh). The vast majority of the volumes moved result from transactions on domestic and foreign trading markets, which are carried out to manage the Group's own gas-fired power plants, to optimize booked natural gas storage or transport capacities, and to commercially exploit regional price differences, among other things.

Sales Business
Uniper sells natural gas to resellers (e.g. municipal utilities), large industrial customers and power plant operators through its internal sales unit Uniper Energy Sales GmbH (UES). The volume of gas sold by UES in fiscal 2021 came to 235.9 billion kWh, noticeably above the prior year's volume (218.0 billion kWh), which resulted from, among other factors, the significantly colder first half of 2021 compared with the prior year and the contracting of new customers. Within the Uniper power plant fleet, sales volumes increased primarily due to the Irsching 4 and 5 power plants, which returned to regular commercial operation in October 2020.

Gas Volume sold[1]
Billion kWh



[1] Any rounding differences between individual volumes and totals are accepted.
[2] Including intragroup volumes.

Long-Term Gas Supply Contracts
The procurement of natural gas is largely based on long-term contracts with suppliers from Germany, the Netherlands, Norway and Russia. In fiscal 2021, Uniper had long-term contracts amounting to 368 billion kWh (2020: 368 billion kWh).

Gas Storage Capacity
Uniper Energy Storage GmbH is responsible for the operation of gas storage for the Uniper Group. Its activities include technical and commercial development, the construction and operation of underground storage facilities for natural gas, the marketing of capacities, services and products on the European storage market and the development of new storage technologies. Uniper Energy Storage GmbH manages natural gas storage facilities in Germany and Austria. In addition, a British Uniper Group company operates a gas storage facility in England. In 2021, gas storage capacity stood at 7.4 billion m^3, a slight decline of 0.2 billion m^3 below the level of the previous year (7.6 billion m^3), due primarily to expiring storage contracts.

Technology and Innovation

Innovations and new technologies play a key role for Uniper in meeting its strategic goals in the areas of decarbonization, customer focus and supply security. Uniper views decarbonization as the key trend for the transformation of the energy landscape. The decentralization of the energy supply and generation and digitalization are the two other significant factors influencing the expected changes.

Uniper continuously analyzes technological developments and innovations for their potential for new, scalable business models. To achieve this objective, the company pursues a broad portfolio of technology and innovation projects. One focus is on leveraging existing capabilities and assets to realize competitive advantages and generate new value.

One of Uniper's areas of activity is the development of solutions with renewable molecules, which can decarbonize applications that are difficult to electrify and serve as energy storage. Initiatives and pilot projects are being developed with various technical options, for example in the area of synthetic fuels (e-fuels) or sustainable chemical raw materials. Part of the activities in this field of activity is also the commercial use of CO2 as a valuable raw material ("Carbon Capture and Usage" – CCU).

In another pilot project, the innovative use of a Digital Twin in the district heating market is being tested. A Digital Twin is a digital representation of a physical system/object and is used to optimize and predict processes. Together with an external partner, research was conducted in 2021 to determine how the trained artificial intelligence of the Digital Twin can support the use and operation of the available heat sources. Initial results show that in addition to monetary operational savings, CO2 reductions can also be achieved.

Uniper is also working on the further development of "power-to-gas technology" for the conversion and storage of electricity from renewable energies, i.e. the conversion of electricity into hydrogen. Uniper's efforts in this regard include involvement in the Energiepark Bad Lauchstädt living lab funding project in which the large-scale demonstration of sector coupling with hydrogen will take place. Uniper is also developing plants of this type for the environmentally friendly production of hydrogen in the Netherlands, the United Kingdom and Sweden. In addition, Uniper is pursuing some initiatives for the future import of hydrogen from regions with high availability of renewable energies. Among other things, Uniper has joined the H2Global foundation. In addition to the conversion and storage of electricity from renewable energies, Uniper is assessing other technologies for the production of climate-friendly blue and turquoise hydrogen.

Uniper is also focused on the flexible use of conventional power plants in order to increase their performance in the area of system services. For example, Uniper is working on the development of hybrid power plants by supplementing thermal and hydroelectric power plants with batteries. This increases the performance spectrum of the power plants and provides additional system support for the integration of renewable energies. One of the focal points is also the reduction of CO2 emissions from conventional power plants through various projects for technical improvements and optimization. To this end, the Making Net Zero Possible Project (MNZP) was launched in 2021 with the aim of decarbonizing conventional gas and oil-fired power plants.

Digitalization is a crucial factor in ensuring the competitiveness of Uniper's current and future operational activities. To accomplish this objective, the digital transformation program COO Digital Evolution (COODE) was launched in April 2021. COODE puts Uniper's employees at the center and aims to optimize today's operational processes and drive tomorrow's innovations through digital solutions and the more consistent use of data. In its first eight months, the COODE program has implemented more than 50 digital solutions and engaged more than 1,500 operational employees through change and communication activities.

Business Developments and Key Events in 2021

After Fortum and Uniper announced on May 10, 2021, that the initial planning phase for the three strategic cooperation areas of hydroelectric power and physical trading in Northern Europe, wind and solar energy development, and hydrogen had been completed, both partners signed the cooperation agreements in November 2021. As part of the cooperation agreement, Fortum will manage the operation of both groups'hydroelectric power plants in the Nordic countries. This strategic cooperation includes the joint operation of Fortum's and Uniper's hydroelectric power plants in Sweden and Finland. The strategic cooperation between the companies also includes physical trading activities and commercial optimization activities in the Nordic region, including the marketing of energy generated from Uniper's nuclear and thermal power plants in Sweden. Uniper, in turn, will be responsible for managing the wind and solar business, which includes, among other things, the development of solar activities and onshore wind activities, the planning, procurement and construction of solar and wind projects, and the operational, technical and commercial management of these activities. In addition, Uniper will manage the hydrogen business, which includes, among other things, executing the joint hydrogen strategy, managing the development of pilot projects and coordinating all hydrogen activities of the Fortum and Uniper Groups. Furthermore, Uniper and Fortum will cooperate in the area of nuclear decommissioning and dismantling. This cooperation includes both the internal program for the decommissioning and dismantling of units 1 and 2 at Oskarshamn and the Barsebäck plant and potential projects in the external market.

European Generation

Generation in the UK gas portfolio increased compared to the prior year due to lower wind generation and the normalization of demand. Developments in the 2021 fiscal year were characterized by the significant increase in gas and carbon prices and the associated significantly higher electricity prices, which resulted, among other things, in an increase in generation volumes at all the European hard-coal-fired power plants. Despite the improved market conditions, generation at the Dutch hard-coal-fired power plant Maasvlakte 3 was only slightly higher in 2021 than in 2020 due to unplanned unavailability. In the German portfolio, the return to service of the Irsching 4 and 5 gas-fired power plant units in the fourth quarter of 2020 and the commissioning of the Datteln 4 coal-fired power plant at the end of May 2020 led to higher generation volumes in the 2021 fiscal year, as the plants contributed fully to the 2021 results. In Sweden, the amount of electricity generated by hydroelectric power plants decreased significantly in 2021 compared to the exceptionally productive previous year, due to lower precipitation and inflow. Generation volumes at Sweden's nuclear power plants were higher than in the prior-year period due to improved availability, which was mainly attributable to outages at Ringhals and the extensive overhaul of the Oskarshamn 3 nuclear power plant in 2020 to install new safety measures to comply with international regulations.

On April 1 of this year, the BNetzA accepted the bid from the Wilhelmshaven power plant in the second round of auctions for decommissioning hard-coal-fired power plants. Commercial power generation at the plant ended in December 2021.

As the Dutch coal phase-out law does not provide adequate compensation for the coal phase-out by 2030, Uniper started in 2021 legal proceedings to clarify if the law is legitimate in its current form. Uniper also wants to convert the Maasvlakte site into an ecosystem for sustainable energy production.

On June 1, 2021, the BNetzA confirmed the systemic importance of the Heyden 4 hard-coal-fired power plant as a reserve power plant through the end of September 2022.

On July 14, 2021, Uniper's Scholven C power plant was accepted for closure by the BNetzA and will cease commercial electricity production at the site and decommission the plant as early as the end of October 2022. The review by the transmission system operator and the BNetzA regarding the possible systemic importance of the power plant is still ongoing.

On July 28, 2021, ground was broken for the new Irsching 6 gas-fired power plant. The 300 MW power plant will be built and later operated by Uniper. As a special grid-stabilization asset, it will serve exclusively as a security buffer for the power supply in emergency situations. The project was put out to tender by the transmission system operator TenneT, which will continue to requisition the plant as needed in the future. Uniper was awarded the contract for construction and operation in late 2018. Unit 6 is scheduled to be commissioned in the fourth quarter 2022.

On August 4, 2021, Uniper announced that it would close one of the four 500 MW units of the Ratcliffe hard-coal-fired power plant as early as the end of September 2022 – two years ahead of the date announced by the British government for the coal phase-out. Power generation at the remaining three units of the 2 GW power plant is scheduled to end completely by the end of September 2024 at the latest, after the power plant has fulfilled its obligations under the UK capacity market.

In August 2021, the Higher Administrative Court of North Rhine-Westphalia (OVG) declared in three parallel proceedings the city of Datteln's 2014 development plan for the Datteln 4 hard-coal-fired power plant as invalid at the request of the city of Waltrop, BUND NRW and four private individuals. Specifically, the OVG held that the city of Datteln's development plan is based on a deficient regional plan. The court did not admit an appeal. Uniper is a joint party to the proceedings as the permit owner and thus has the right to appeal. In October 2021, Uniper filed complaints against the non-admission of the appeal in relation to the judgments. The city of Datteln, as the direct defendant in the proceedings, has also filed non-admission complaints.

Effective October 1, 2021, Uniper transferred its stake in the Schkopau lignite-fired power plant to Saale Energie GmbH, a subsidiary of the Czech company Energetický a Průmyslový Holding. With the disposal of this stake, Uniper has completely withdrawn from lignite-fired power generation in Europe. The disposal follows the Uniper Group's strategic objective of accelerating the phase-out of coal-fired power generation and becoming climate-neutral in Europe by 2035.

Following a strategic review, Uniper announced plans in early October 2021 to fundamentally restructure its Engineering business, which has a total of about 1,100 employees mainly located in Germany and the United Kingdom. Under the plans, the Group's engineering competencies will in the future be solely focused on operating Uniper's own assets and on the growth priorities of decarbonization and green customer solutions. The service business for third parties in the conventional sector will be discontinued and limited to engineering services for operators who are decommissioning nuclear assets. All ongoing projects will be finalized and closed out as contractually agreed. The implementation of the plans will involve wide-ranging organizational changes and a significant reduction in headcount, including divestment of individual business activities. The resulting organizational changes will be worked out in detail in the coming months, in coordination with the competent co-determination bodies.

On December 15, 2021, Uniper announced that the Staudinger 5 power plant had been awarded a contract by the BNetzA and that it would therefore cease commercial power generation and decommission the power plant by the end of May 2023 at the latest. In the case of Staudinger 5, the transmission system operator and the Federal Network Agency are also examining the possible systemic importance of the power plant.

Global Commodities

After demand rose significantly as the impact of the Covid-19 pandemic receded during 2021, prices for gas and power climbed rapidly in the third quarter of 2021, with some reaching historic highs. The causes included, among other things, low storage levels market-wide at German and other Western European gas storage facilities and associated fears of supply shortages amid simultaneously declining imports, including LNG imports. With its broad, diversified portfolio of procurement, transportation and storage activities, and thanks to its existing long-term hedged positions, Uniper was able to operate successfully in this environment. This has made it possible to ensure both sales to customers and the filling of natural gas storage facilities to almost normal levels. In the gas business, profits were generated from existing, optimized positions in a volatile market environment.

Power sales to major customers continued to normalize, albeit at lower levels overall than before the Covid-19 pandemic.

The colder temperatures seen at times in the winter months of the first half of 2021 led to an increase in gas and electricity demand in various global regions, such as Asia, North America and Europe, which enabled Uniper to successfully optimize its international portfolio. This was achieved both through LNG deliveries to the Asian market and, in particular, through sales of gas and electricity at increased price levels in parts of the United States. In the fourth quarter of 2021, the LNG business was negatively impacted by losses from hedging transactions for future cargo deliveries that will revert in future periods.

On January 18, 2021, Uniper announced that Woodside Energy Trading Singapore Pte Ltd ("Woodside") and Uniper Global Commodities had increased the supply of LNG volumes under their binding long-term sale and purchase agreement. The volume of LNG to be supplied under the amended agreement has doubled. The initial supply volume commencing in 2021 is up to 1 million metric tons per annum, and is set to increase to approximately 2 million metric tons from 2026.

On December 22, 2021, Novatek and Uniper announced that they had signed a term sheet on the long-term supply of low-carbon ammonia. Up to 1.2 million metric tons are to be supplied to Uniper customers in Germany and northwestern Europe in the future. To this end, Novatek is currently developing a plant on the Yamal Peninsula in northwestern Siberia for the production of low-carbon ammonia, which captures and stores the carbon dioxide produced during the conversion of natural gas into hydrogen.

Russian Power Generation

The business of the Russian majority shareholding Unipro was mainly influenced by the expiration of long-term capacity payments for four units at the Shaturskaya, Surgutskaya and Yaivinskaya power plants and by the commissioning of the Berezovskaya 3 power plant, which was returned to service after some delays and has been receiving capacity payments since May 1, 2021. Furthermore, demand and exports recovered, leading to higher prices and generation volumes. However, negative foreign currency effects weighed on earnings.

Changes in Ratings

On January 21, 2021, rating agency S&P Global Ratings (S&P) reaffirmed Uniper's credit rating at BBB with a stable outlook. Uniper's BBB rating is capped by the BBB rating of its majority shareholder Fortum. The stable outlook on both Uniper and Fortum reflects S&P's expectation that both companies are able to maintain credit ratios which are in line with the current rating level of BBB.

Uniper is rated BBB+ with a stable outlook by Scope Ratings. The rating was last affirmed on May 21, 2021.

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

Earnings

Transfer Pricing System

The Uniper Group's electricity generation, with the exception of Russian Power Generation, has been marketed via a portfolio management system. The expected electricity generation of the power plant companies of the European Generation operating segment is hedged by the Global Commodities operating segment's trading unit through the conclusion of hedging transactions (physical and financial) on the basis of current market prices and a spot optimization is carried out. As a consequence, the results are directly reported in the European Generation operating segment and the power plant companies show the financial effect of the price hedging of their generation positions.

All energy-related contracts with Uniper Group companies are accounted for at market prices or market-price-based transfer prices. In forward transactions classified as own-use, transfer prices are derived from current forward prices for a specified time prior to delivery.

Sales Performance

Sales

€ in millions	2021	2020	+/- %
European Generation	27,421	7,688	256.7
Global Commodities	182,112	53,698	239.1
Russian Power Generation	1,010	909	11.1
Administration/Consolidation	-46,565	-11,327	-311.1
Total	**163,979**	**50,968**	**221.7**

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, slightly higher gas sales volumes and electricity generation volumes also had a positive impact on sales development, while electricity sales volumes in the optimization and trading business declined significantly. In addition, there are general macroeconomic, political and sectoral developments as well as sometimes extreme and cool weather conditions as described in detail in the chapter "Energy Prices".

European Generation

The significant sales increase in the European Generation segment compared with the prior year can be attributed to significantly higher prices and higher production volumes. The sharp price difference resulted from increased demand compared with the prior year, which was characterized by comparatively low spot prices partially due to the Covid-19 pandemic. In addition, a significant increase in carbon and fossil fuel prices in 2021 contributed further to the significant rise in electricity prices. The higher volumes can be attributed especially to the commissioning of the Datteln 4 coal-fired power plant in late May 2020 and to the return to regular commercial operation of the gas-fired power plant units 4 and 5 at Irsching in the fourth quarter of 2020. In addition, significantly higher power generation in the United Kingdom had a positive impact on sales compared with the prior year.

Global Commodities

External sales in the gas business rose substantially due to significantly higher realized prices. Having been adversely affected by the Covid-19 pandemic in the previous year, prices increased significantly during 2021 due to a stabilization of demand in large parts of the world. At the same time, sales volumes in the gas business remained at the prior-year level. The year-over-year increase in sales in the power business resulted from higher realized prices, while, at the same time, sales volumes declined significantly.

Russian Power Generation

The sales performance of the Russian Power Generation segment was negatively affected by foreign-exchange effects and by the expiration of the long-term capacity payments for four units at the Shaturskaya and Yaivinskaya power plants at the end of the 2020 fiscal year and at the Surgutskaya plant in the 2021 fiscal year. These effects, however, were more than offset by factors such as the positive dynamics of higher prices and volumes in the electricity market, positive regulatory developments and the improvement in payments from onerous contracts, as well as the commissioning of the Berezovskaya 3 power plant unit in May 2021 and the associated income from the capacity mechanism in May 2021.

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

€ in millions	2021	2020	+/- %
Electricity	44,446	18,709	137.6
Gas	104,377	25,692	306.3
Other	15,155	6,567	130.8
Total	**163,979**	**50,968**	**221.7**

Other Significant Earnings Trends

The net loss for the year is €4,106 million (2020: net income of €402 million). Income before financial results and taxes decreased to -€4,876 million (2020: €608 million).

The principal factors driving this earnings trend are presented below:

The cost of materials increased by €108,302 million in the 2021 fiscal year to €157,012 million (2020: €48,710 million). The sales trend described previously was a key factor in this development.

The personnel costs of the Uniper Group rose by €188 million in fiscal 2021 to €1,200 million (2020: €1,012 million). One reason for this is that, based on a strategic review, Uniper announced plans for the fundamental restructuring of the Engineering business at the beginning of October 2021, which are described in detail in the "Business Developments and Key Events in 2021" section, and recognized corresponding provisions. Additional causes for the increase relative to fiscal 2020 included negotiated pay adjustments and expenses incurred for the settlement of amounts still payable to former members of the Board of Management of Uniper SE. In addition, expenses for occupational retirement benefits were higher. At the same time, there were partially offsetting effects – compared with the prior-year– arising from lower net expenses for the implementation of Uniper's strategy, which includes a proactive coal exit plan in Europe and especially in Germany, and from the non-recurrence of the one-time expense from the revaluation and settlement of allocations under the long-term incentive (LTI) packages for the years 2018, 2019 and 2020 in connection with the occurrence of the change-of-control event that took place when Fortum Deutschland SE acquired over 75% of Uniper's shares.

Depreciation, amortization and impairment charges amounted to €1,306 million in the fiscal year 2021 (2020: €1,077 million). The increase of €229 million is primarily attributable to an increase in impairment charges on property, plant, and equipment by €212 million to €626 million (2020: €414 million), most of which was recognized in the fourth quarter of 2021. As in the prior year, impairments recognized in the 2021 fiscal year related primarily to the European Generation and Russian Power Generation segment. Reversals of impairments amounted to €595 million in the 2021 fiscal year (2020: €338 million) primarily related to the European Generation segment. The non-recurrence of regular depreciation on the Schkopau disposal group since the reclassification under IFRS 5 in the fourth quarter of 2020 was partially offset by regular depreciation recognized for the Datteln 4 power plant, which had commenced operation in late May 2020, and for Unit 3 of the Berezovskaya power plant, which returned to service in May of this year. Total regular depreciation and amortization was only marginally lower, having increased by €8 million year over year.

Other operating income increased to €130,817 million in the fiscal year 2021 (2020: €24,578 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 €129,571 million, having increased by €106,171 million year over year (2020: €23,400 million).

Other operating expenses increased to €140,288 million in the fiscal year 2021 (2020: €24,196 million). As it was for other operating income, the increase was primarily attributable to expenses from invoiced and open transactions and from related currency hedges, which rose by €116,161 million year over year to €139,143 million (2020: €22,981 million).

The main driver of this significant change in other operating income/expenses is the strong increase in commodity prices, as Uniper sells gas and power and buys carbon allowances and coal using forward transactions that are measured at fair value through profit or loss. During the fiscal year 2021, the negative changes in fair value of the sales forward contracts were higher than the positive changes in fair values 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 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 December 31, 2021, relates to both issues previously described, is only temporary and will resolve over time as the forward contracts are settled. Uniper neutralizes those effects within its key performance indicators, adjusted EBIT and adjusted net income in order to better reflect operational developments without these measurement effects.

Reconciliation of Income/Loss before Financial Results and Taxes

The reported net income before financial results and taxes of -€4,876 million (2020: €608 million) is adjusted for non-operating effects totaling €6,056 million (2020: €399 million) and, in addition, increased by net income from equity investments of €7 million (2020: €9 million reduction) to produce adjusted EBIT of €1,187 million (2020: €998 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 2021[1]

€ 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	164,259	–	–	-57,872	–	–	–	-57,872	–	106,387
Electricity and energy taxes	-281	–	–	–	–	–	–	0	–	-281
Sales	**163,979**	**–**	**–**	**-57,872**	**–**	**–**	**–**	**-57,872**	**–**	**106,106**
Changes in inventories (finished goods and work in progress)	-11	–	–	–	–	–	–	0	–	-11
Own work capitalized	100	–	–	–	–	–	–	0	–	100
Other operating income	130,817	-17	-117,779	–	–	-136	-594	-118,526	–	12,291
Cost of materials	-157,012	–	–	54,778	–	148	–	54,925	–	-102,087
Personnel costs	-1,200	–	–	–	159	-2	–	156	–	-1,044
Depreciation, amortization and impairment charges	-1,306	–	–	–	2	–	633	635	–	-671
Other operating expenses	-140,288	8	126,562	–	-3	129	40	126,735	–	-13,553
For informational purposes: Subtotal of adjusted EBIT components before income from equity-method accounting and from equity investments	N/A	–	–	–	–	–	–	0	–	1,132
Income from companies accounted for under the equity method	46	–	–	–	–	–	–	0	–	46
For calculation purposes: Income from equity investments[4]	N/A	–	–	–	–	–	2	2	7	9
Reconciliation of income/loss before financial results and taxes to adjusted EBIT (summarized)	**-4,876**	**-9**	**8,783**	**-3,095**	**158**	**137**	**81**	**6,056**	**7**	**1,187**

[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 note 32 to the annual 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 2021 fiscal year (2020: €5 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 2020[1]

€ 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	51,291	–	–	11,524	–	–	–	11,524	–	62,815
Electricity and energy taxes	-324	–	–	–	–	–	–	0	–	-324
Sales	**50,968**	**–**	**–**	**11,524**	**–**	**–**	**–**	**11,524**	**–**	**62,491**
Changes in inventories (finished goods and work in progress)	-83	–	–	–	–	–	–	0	–	-83
Own work capitalized	93	–	–	–	–	–	–	0	–	93
Other operating income	24,578	-8	-17,407	–	–	-295	-336	-18,047	–	6,531
Cost of materials	-48,710	–	–	-10,529	–	29	–	-10,500	–	-59,210
Personnel costs	-1,012	–	–	–	57	12	–	68	–	-944
Depreciation, amortization and impairment charges	-1,077	–	–	–	5	–	429	433	-16	-660
Other operating expenses	-24,196	18	16,837	–	4	62	–	16,921	-1	-7,277
For informational purposes: Subtotal of adjusted EBIT components before income from equity-method accounting and from equity investments	N/A	0	0	–	0	0	–	0	–	943
Income from companies accounted for under the equity method	48	–	–	–	–	–	–	0	–	48
For calculation purposes: Income from equity investments[4]	N/A	–	–	–	–	–	–	0	7	7
Reconciliation of income/loss before financial results and taxes to adjusted EBIT (summarized)	**608**	**10**	**-570**	**995**	**65**	**-192**	**92**	**399**	**-9**	**998**

[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 note 32 to the annual financial statements.
[2]Expenses for (and income from) restructuring and cost management in the Global Commodities segment included depreciation and amortization of €5 million in the 2020 fiscal year (2019: €11 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.

The net book gain in the reporting period of €9 million is primarily attributable to a land sale (2020: net book losses of €10 million, primarily attributable to disposals of property, plant and equipment, which were only partially offset by the gain on disposal of the stake in Gas-Union GmbH).

The fair value measurement of derivatives used to hedge the operating business against price fluctuations resulted in a net non-operating loss of €8,783 million in the 2021 fiscal year, due to changed market values in connection with increased commodity prices in all the forward markets relevant to Uniper (2020: net gain of €570 million). Whereas the derivatives are subject to "mark-to-market" (i.e., fair value) accounting, the corresponding appreciation of the hedged underlying assets (especially power plants and inventories) 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.

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 €3,095 million in fiscal 2021 (2020: net expense of €995 million).

In 2021, restructuring and cost-management expenses/income changed by €93 million year over year. The expense in the 2021 fiscal year amounted to €158 million (2020: expense of €65 million). The figure includes an expense of €130 million from the restructuring of the Engineering business and a further expense from restructuring of €28 million incurred in connection with the proactive phase-out plan for coal in Europe (2020: €57 million).

An expense of €137 million was recorded under miscellaneous other non-operating earnings in the 2021 fiscal year (2020: income of €192 million). The change resulted primarily from expenses for adjustments of provisions recognized for non-operating effects in the Global Commodities segment totaling €115 million (2020: income of €212 million) and from the increase of €55 million in an “other” provision for potential obligations in the context of the shutdown and administration of Swedish nuclear research facilities. Earnings of €89 million (2020: €39 million) in the European Generation segment associated with the proactive phase-out plan for coal had an offsetting effect. In the previous year, the change in the recognition status of one equity investment from an associated company to one of the other equity investments had resulted in a gain of €38 million.

A net loss of €81 million (2020: €92 million) from the aggregation of non-operating impairment charges and reversals was recognized in the 2021 fiscal year. As in the previous year, the impairments were primarily attributable to the European Generation and Russian Power Generation segments. Reversals of impairments recognized in previous years related primarily to the European Generation segment in fiscal 2021 (2020: European Generation and Global Commodities).

Adjusted EBIT

Adjusted EBIT

€ in millions	2021	2020	+/- %
European Generation	473	492	-3.8
Global Commodities	756	496	52.2
Russian Power Generation	230	226	1.9
Administration/Consolidation	-272	-216	-26.0
Total	**1,187**	**998**	**18.9**

The Uniper Group’s total adjusted EBIT rose 18.9% to €1,187 million, in line with the full-year guidance for 2021 updated in the quarterly statement as of September 30, 2021.

European Generation

Adjusted EBIT in the European Generation segment was slightly lower in 2021 than in the previous year. The slight decline in adjusted EBIT compared with fiscal 2020 is attributable especially to the non-recurrence of the positive earnings contributions from the optimization of the fossil fleet and the unavailability of Maasvlakte 3 hard-coal-fired power plant in the Netherlands in 2021. An additional negative impact on adjusted EBIT stemmed from the recognition of a higher addition to the provision for nuclear asset retirement obligations in Sweden in the fourth quarter of 2021. The addition was due to the rising rate of inflation in Sweden and to the delayed decision by the Swedish government concerning permanent storage, which has delayed the entire program. It was offset in part by the commissioning of the Datteln 4 coal-fired power plant in late May 2020 and by the return to regular commercial operation of the Irsching 4 and 5 gas-fired power plant units starting in the fourth quarter of 2020. Higher generation volumes from the nuclear power plants in Sweden due to improved availability, as well as additional revenues from the UK capacity market, also produced earnings contributions that were positive compared with the previous year, but they could not make up entirely for the previously mentioned negative effects. Adjusted EBIT is significantly lower than the guidance updated in the quarterly statement as of September 30, 2021, due in particular to lower earnings contributions from the fossil power plants and a higher provision for nuclear asset retirement obligations in Sweden.

Global Commodities

Adjusted EBIT in the Global Commodities segment rose significantly compared with fiscal 2020. The increase is attributable, among other things, to the higher earnings generated by the international portfolio, which benefited from unusual weather conditions in North America and in Asia. The contribution from the positive effects in Asia in the first three quarters of 2021 was diminished by hedging losses in the fourth quarter of 2021. Furthermore, the gas business also performed well, having again benefited from volatile, rising prices in fiscal 2021, following up on good earnings in the 2020 fiscal year. A lower contribution from power and carbon trading partly offset the overall positive development. Adjusted EBIT was slightly below expectations compared with the guidance updated in the quarterly statement as of September 30, 2021.

Russian Power Generation

The Russian Power Generation segment's adjusted EBIT came in at the prior-year level. The foreign currency effects and the expiration of long-term capacity payments for a total of four units at the Shaturskaya and Yaivinskaya power plants at the end of the 2020 fiscal year and at the Surgutskaya plant in the 2021 fiscal year had a negative impact on adjusted EBIT. However, these effects were offset by the commissioning of the Berezovskaya 3 power plant unit in May 2021 and the associated income from the capacity mechanism, as well as by the overall positive effects, compared with the previous year, of higher prices and volumes in the electricity market, positive regulatory developments and the improvement in payment terms for onerous contracts. Adjusted EBIT was significantly above expectations compared with the guidance updated in the quarterly statement as of September 30, 2021, due in particular to higher realized market prices and higher power plant availability.

Administration/Consolidation

Adjusted EBIT attributable to the Administration/Consolidation reconciliation item changed negatively compared with the previous year. The reconciliation of the operating segments' adjusted EBIT to the Group's adjusted EBIT with respect to the measurement of provisions for carbon emissions (remeasurement to cross-segment figures at Group level) had a negative impact.

Adjusted Net Income

Adjusted net income is composed of adjusted EBIT, net operating interest income and income taxes on operating earnings, less non-controlling interests in operating earnings (see the Management System section for a detailed definition). The following table shows the reconciliation of income/loss before financial results and taxes to adjusted net income:

Reconciliation to Adjusted Net Income

€ in millions	2021	2020
Income/Loss before financial results and taxes	**-4,876**	**608**
Net income/loss from equity investments	7	-9
EBIT	**-4,869**	**599**
Non-operating adjustments	6,056	399
Adjusted EBIT	**1,187**	**998**
Interest income/expense and other financial results	*256*	*-57*
Non-operating interest expense and negative other financial results (+) / interest income and positive other financial results (-)	*-185*	*97*
Operating interest income/expense and other financial results	71	39
Income taxes	*507*	*-139*
Expense (+) / Income (-) resulting from income taxes on non-operating earnings	*-829*	*-86*
Income taxes on operating earnings	-321	-226
Less non-controlling interests in operating earnings	-31	-37
Adjusted net income	**906**	**774**

Aside from other financial results, the adjustments for financial effects relate primarily to the time value of money effects of the provisions financed through the Swedish Nuclear Waste Fund ("Kärnavfallsfonden" or "KAF") in the European Generation segment and of other non-operating provisions in the Global Commodities segment. Income of €185 million was adjusted for in total (2020: €97 million expense).

In fiscal 2021, there was non-operating tax income, arising particularly from the measurement of derivative financial instruments, of €829 million (2020: €86 million tax income). The operating tax expense amounted to €321 million (2020: €226 million). This has resulted in an operating effective tax rate of 25.5% (2020: 21.7%).

Adjusted net income for the 2021 fiscal year amounted to €906 million. This represents a significant year-over-year increase of €132 million (2020: €774 million), placing it at the midpoint of expectations for 2021, which were raised most recently in the third quarter. Adjusted net income followed the trend of adjusted EBIT. Aside from the trend, the increase resulted especially from higher economic net interest income relative to fiscal 2020. This is attributable to higher interest rates relative to the previous year applicable for other non-current provisions for asset retirement obligations, primarily in Hydro. Lower capitalized construction-period interest due to the Datteln 4 power plant, now in operation since late May 2020, the Berezovskaya 3 power plant in Russia, which returned to service in the second quarter of 2021, and a lower interest rate applied for the capitalization of construction-period interest had an offsetting effect, as did the aforementioned tax effects.

Financial Condition

Uniper presents its financial condition using indicators such as economic net debt and operating cash flow before interest and taxes (OCFbiT), among others.

Finance Strategy

Uniper's finance strategy is geared towards a healthy balance between shareholder dividends, the Company's ability to make investments and balance sheet stability.

Uniper measures its balance sheet stability particularly in a solid investment-grade rating of BBB and by a corresponding debt factor. The debt factor is defined as the ratio of current economic net debt to adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA). The BBB target rating can be translated into a debt factor of less than or equal to 2.5. Based on adjusted EBITDA in fiscal 2021 of €1,856 million (2020: €1,657 million) and economic net debt of €324 million as of the balance sheet date (2020: €3,050 million), the debt factor was 0.2 (2020: 1.8).

The financial strategy is accompanied by Uniper's liquidity management which aims at ensuring the ability to pay at all times, the timely settlement of contractual payment obligations as well as the optimization of financing costs within the Uniper Group.

Financing Instruments

External funding represents an important source of financing for Uniper. Uniper primarily uses flexible financing instruments. These include a €1.8 billion Euro-Commercial Paper Program, a €1.8 billion revolving credit facility, a €8.0 billion credit facility agreement with Uniper and Fortum, which provides for shareholder loans and parental guarantees, as well as a €2.0 billion revolving credit facility with the German state-owned KfW bank since January 2022.

Uniper SE's syndicated bank financing is provided in the form of a revolving credit facility by a total of 16 banks. The revolving credit facility was refinanced in September 2018 in the amount of €1.8 billion. The maturity date is in September 2025. The revolving credit facility serves Uniper as a general liquidity reserve. As of December 31, 2021, Uniper had drawn €1.8 billion from the revolving credit facility (2020: no drawing).

Uniper's €1.8 billion Euro-Commercial-Paper Program is a flexible instrument for the issuance of short-term debt in the form of commercial paper notes that are compliant with the European STEP Market Convention. As of December 31, 2021, €1.48 billion in commercial paper were outstanding (2020: €65 million commercial paper outstanding).

In September 2021, Uniper established a credit facility with Fortum which was extended in December 2021 to a multi-tranche credit and guarantee facility with a total volume of €8.0 billion. As of December 31, 2021, the facility was utilized with €2.5 billion in cash drawings and €2.0 billion in guarantees. The credit facility agreement currently has a maturity date in January 2024.

In addition, in December 2021, the establishment of a credit facility with KfW Bank with a volume of €2.0 billion was initiated, which was signed on January 4, 2022. It ranks among the recent events after closing date and has a maturity on April 30, 2022.

The Debt Issuance Program (DIP) is a flexible instrument for issuing debt securities to investors in the context of public, syndicated and private placements. The volume, currencies and maturities of issued bonds depend on Uniper's financing requirements. The usable amount under the program is €2.0 billion. As in the previous year, there were no issues outstanding as of December 31, 2021.

Uniper additionally has access to further financing instruments, which were used flexibly in 2021. These include various promissory notes and bilateral credit lines with Uniper's financing banks. Uniper also uses guarantee facilities with several banks to cover guarantee requirements in its operations or for margin deposits.

Economic Net Debt

Economic net debt is used by Uniper to manage the Group's capital structure. The items in the table Economic Net Debt are being shown in a changed order since June 30, 2021, beginning with financial liabilities and liabilities from leases and subsequent netting items. All items are shown with their respective (+) or (-) sign in the summation. The new representation of the table is meant to increase transparency and highlight the calculation logic.

Economic Net Debt

€ in millions	Dec. 31, 2021	Dec. 31, 2020
(+) Financial liabilities and liabilities from leases	8,975	1,743
(+) Bonds	–	–
(+) Commercial paper	*1,480*	*65*
(+) Liabilities to banks	*2,964*	*259*
(+) Lease liabilities	*745*	*761*
(+) Margining liabilities	*783*	*193*
(+) Liabilities from shareholder loans towards Uniper shareholders and co-shareholders	*2,931*	*378*
(+) Other financing	*70*	*87*
(-) Cash and cash equivalents	2,919	243
(-) Current securities	47	46
(-) Non-current securities	111	98
(-) Margining receivables[1]	7,866	898
Net financial position	**-1,969**	**457**
(+) Provisions for pensions and similar obligations	1,065	1,371
(+) Provisions for asset retirement obligations	1,228	1,223
(+) Other asset retirement obligations	*853*	*802*
(+) Asset retirement obligations for Swedish nuclear power plants	*2,940*	*2,916*
(-) Receivables from the Swedish Nuclear Waste Fund recognized on the balance sheet	*2,565*	*2,495*
Economic net debt	**324**	**3,050**
(-) For informational purposes: Receivables from the Swedish Nuclear Waste Fund (KAF) ineligible for capitalization[2]	211	223
For informational purposes: Fundamental economic net debt	**113**	**2,827**

[1]The line item "Margining receivables" contains additional securities beginning on June 30, 2021. These are akin to other margining receivables and have so far been reported as other financial receivables, which are not part of economic net debt. Margining receivables, net financial position, economic net debt and fundamental economic net debt as of December 31, 2020, have been adjusted for consistency.

[2]Due to IFRS valuation rules (IFRIC 5), €211 million (December 31, 2020: €223 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.

Overall, financial liabilities and liabilities from leases increased by €7,232 million to €8,975 million as of December 31, 2021 (December 31, 2020: €1,743 million). As of December 31, 2021, Uniper SE had drawn a short-term loan from Fortum of €2,500 million, its liabilities to banks increased by €2,705 million and margining liabilities increased by €590 million.

In addition, commercial paper of €1,480 million were outstanding on December 31, 2021 (December 31, 2020: €65 million). As an offsetting effect approximately equal to that of the increase in financial liabilities, posted collateral of €7,866 million led to an increase of €6,968 million in margining receivables. The operating cash flow (€3,621 million) and divestment inflows (€65 million) significantly exceeded dividend payments (-€501 million) and investment spending (-€720 million) in financial year 2021, leading to an improved net financial position as of December 31, 2021, by -€2,426 million to -€1,969 million, which corresponds to net financial assets.

The decrease in economic net debt by €2,726 million even exceeded the decrease in the net financial position, mainly because provisions for pensions and similar obligations were reduced by €306 million to €1,065 million (December 31, 2020: €1,371 million). This development was mainly caused by an increase in interest rates in Germany and the UK during fiscal 2021 leading to a reduction of the present value of pension liabilities. The fair value of plan assets slightly improved compared with year-end 2020, leading to overall lower provisions for pensions and similar obligations during fiscal 2021. In contrast, the provisions for asset retirement obligations increased to €1,228 million as of December 31, 2021 (December 31, 2020: €1,223 million).

Investments

Investments

€ in millions	2021	2020
Investments		
European Generation	*520*	*555*
Global Commodities	*54*	*50*
Russian Power Generation	*131*	*121*
Administration/Consolidation	*16*	*16*
Total	**720**	**743**
Growth	*329*	*406*
Maintenance and replacement	*392*	*336*

The decrease in the Uniper Group's investment spending resulted mainly from lower growth investments, which were only partially offset by higher repair and maintenance investments. The investments break down by segment as follows:

The year-over-year decrease of €35 million in investments in the European Generation segment in fiscal year 2021 was primarily due to lower growth investments for the Datteln 4 coal-fired power plant, which was commissioned in late May 2020, and the absence of growth investments for gas turbines made in 2020. This was offset by higher growth investments for the Scholven 3 and Irsching 6 new construction projects and by investments in grid stabilization measures in the United Kingdom. In addition, higher maintenance investments were made, mainly in the Netherlands.

Investments in the Global Commodities segment were €4 million above the prior-year level, primarily due to higher IT maintenance investments. This was partly offset by lower growth investments.

Investments in the Russian Power Generation segment in fiscal year 2021 were up €10 million year over year and were primarily attributable to higher maintenance and replacement spending, especially for modernization work on the Surgutskaya power plant. This was partially offset by lower growth investment spending on the Berezovskaya 3 coal-fired power plant, which was commissioned in May 2021.

In the Administration/Consolidation segment, investments were at the prior-year level and related primarily to investments in IT projects.

Cash flow

Cash Flow

€ in millions	2021	2020
Cash provided by operating activities (operating cash flow)	**3,621**	**1,241**
Cash provided by investing activities	**-7,520**	**-1,128**
Cash provided by financing activities	**6,561**	**-679**

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

Cash provided by operating activities (operating cash flow) increased by €2,380 million to €3,621 million in 2021 (2020: €1,241 million). This resulted primarily from liquidity optimization measures for assets in the gas and emission rights business to cover temporary liquidity demand from hedges for commodity transactions, which also increased significantly due to the sharp rise in prices on 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

€ in millions	2021	2020	+/-
Operating cash flow	**3,621**	**1,241**	**2,380**
Interest payments and receipts	18	26	-8
Income tax payments (+) / refunds (-)	215	91	124
Operating cash flow before interest and taxes	**3,854**	**1,358**	**2,496**

Cash Flow from Investing Activities

Cash flows from investing activities decreased by €6,392 million from a cash outflow of €1,128 million in the prior year to a €7,520 million cash outflow in fiscal 2021. This development resulted primarily from changes in collateral to be provided by Uniper for futures and forward transactions (margining receivables), which changed by -€6,440 million in fiscal 2021. Where there had been a cash outflow of €524 million in the prior year, there was a cash outflow of €6,964 million in fiscal 2021. Compared with the prior year (€743 million), cash payments for investments in intangible assets, in property, plant and equipment, and in equity investments increased by €23 million, to €720 million. Cash proceeds from disposals declined by €18 million, from a cash inflow of €83 million in the prior year to a cash inflow of €65 million in fiscal 2021.

Cash Flow from Financing Activities

In 2021, cash flow from financing activities amounted to €6,561 million (2020: -€679 million). The increase in margin deposits received for futures and forward transactions led to a cash inflow of €586 million (2020: cash outflow of €305 million) and increased margining liabilities accordingly. The issuance of new commercial paper in fiscal 2021 produced a further cash inflow of €1,415 million (2020: cash inflow of €65 million), as did the increase of €2,705 million in financing from banks during the same period (2020: cash inflow of €138 million). This resulted primarily from drawing on a revolving credit line in the amount of €1,800 million and issuing promissory note loans in the amount of €630 million. Moreover, Uniper SE received a short-term loan from Fortum resulting in a cash inflow of €2,500 million, while the remaining liabilities from shareholder loans produced a cash inflow of €58 million (2020: cash outflow of €16 million). Repayments of lease liabilities in fiscal 2021 in the amount of €121 million (2020: €135 million) had an offsetting effect. The dividend paid to the shareholders of Uniper SE in the amount of €501 million (2020: €421 million) also led to a reduction in cash and cash equivalents.

Assets

Consolidated Assets, Liabilities and Equity

€ in millions	Dec. 31, 2021	Dec. 31, 2020
Non-current assets	37,074	21,572
Current assets	91,323	18,650
Total assets	**128,397**	**40,222**
Equity	6,788	11,188
Non-current liabilities	26,094	11,056
Current liabilities	95,514	17,977
Total equity and liabilities	**128,397**	**40,222**

The increase in non-current assets was caused in large part by the valuation-related increase of €14,191 million – due to the significantly increased commodity prices in all the markets relevant to the Uniper Group – in receivables from derivative financial instruments, which rose from €2,723 million to €16,913 million. Investments in property, plant and equipment during the reporting period of €658 million were largely offset by depreciation of property, plant and equipment of €605 million. Deferred tax assets rose by €1,060 million, from €1,061 million to €2,121 million.

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 €57,448 million, from €7,284 million to €64,732 million. At the same time, receivables from posted collateral for commodity forward transactions rose by €6,968 million to €7,866 million. Trade accounts receivable increased by €5,107 million to €11,629 million as a result of the above-mentioned rise in commodity prices. Owing to the positive cash flow, liquid funds rose by €2,677 million, from €289 million to €2,966 million.

Equity as of December 31, 2021, fell by €4,400 million from its level on December 31, 2020, due primarily to comprehensive income of -€3,859 million. In addition, a dividend of €501 million was paid to the shareholders of Uniper SE in May 2021. Comprehensive income includes a consolidated net loss of €4,106 million (of which a positive contribution of €63 million is attributable to non-controlling interests) and other comprehensive income of €247 million. The Group's net loss was heavily influenced by the unrealized negative change in the value of derivative financial instruments. The offsetting effect of the unrealized appreciation of the corresponding hedged items (especially power plants and inventories) is limited by IFRS rules to their cost. Other comprehensive income includes the remeasurement of defined benefit plans in the net amount of €269 million due to an increase in the discount rates applied compared with those used for the Consolidated Financial Statements as of December 31, 2020. Exchange-rate-related changes in assets and liabilities of €143 million net also had a positive effect. The change in fair value of cash flow hedges of -€121 million after taxes and the remeasurement of equity investments of -€69 million had an offsetting effect and contributed to a reduction in other comprehensive income.

Non-current liabilities as of December 31, 2021, were higher than at the end of the previous year, due predominantly to the valuation-related increase of €13,859 million in liabilities from derivative financial instruments, which rose from €2,477 million to €16,336 million. Non-current financial liabilities increased by €628 million, mainly due to the issue of promissory notes. In addition, provisions for onerous contracts, which are recognized mainly in the Global Commodities segment, increased by €529 million. This effect was partially offset by the reduction in provisions for pensions and similar obligations, which fell by €306 million to €1,065 million (December 31, 2020: €1,371 million), particularly as a result of increased interest rates as of December 31, 2021, compared with those at year-end 2020.

The increase in current liabilities is primarily attributable to the valuation-related increase in liabilities from derivative financial instruments, which rose by €62,847 million, from €7,550 million to €70,397 million. Current financial liabilities increased by €6,604 million, from €716 million to €7,320 million. This development is mainly attributable to loans. Financial liabilities mainly include commercial paper issued, which increased by €1,415 million to €1,480 million, as well as a short-term loan from Fortum of €2,500 million and the utilization of the revolving credit facility in the amount of €1,800 million (December 31, 2020: facility not utilized). The rise in commodity prices resulted in an increase of €4,764 million in trade payables, from €6,804 million to €11,568 million.

Earnings, Financial Condition and Net Assets of Uniper SE

The separate annual financial statements and the management report have been prepared in accordance with the provisions of the German Commercial Code (HGB), as amended by the German law implementing the EU Accounting Directive (BilRUG) and the EU Regulation on the Statute for a European Company (SE), in conjunction with the German Stock Corporation Act (AktG), and the German Electricity and Gas Supply Act (Energy Industry Act – EnWG).

Balance Sheet of Uniper SE (HGB)

	December 31	
€ in millions	**2021**	**2020**
Tangible assets	0.3	0.1
Financial assets	18,518.8	18,675.8
Fixed assets	**18,519.1**	**18,675.9**
Receivables and other assets	13,635.3	9,980.2
Securities	–	0.1
Bank balances	2,254.4	95.7
Current assets	**15,889.7**	**10,076.0**
Accrued expenses	**4.7**	**4.8**
Total assets	**34,413.5**	**28,756.7**
Capital stock	622.1	622.1
Additional paid-in capital	10,824.9	10,824.9
Retained earnings	58.2	58.2
Net income available for distribution	145.8	501.4
Equity	**11,651.0**	**12,006.6**
Provisions for pensions and similar obligations	33.3	24.5
Provisions for taxes	397.9	119.2
Other provisions	116.9	91.7
Provisions	**548.1**	**235.4**
Liabilities to banks	2,867.8	207.6
Liabilities to affiliated companies	17,817.7	16,232.8
Liabilities to entities in which an equity interest exists	0.2	–
Other liabilities	1,528.2	74.3
Liabilities	**22,213.9**	**16,514.7**
Deferred income	**0.5**	–
Total equity and liabilities	**34,413.5**	**28,756.7**

Because it is the parent company of the Uniper Group, the net assets of Uniper SE are characterized to a considerable degree by equity investments and by the financing function of the Group's activities. This is reflected both in the amount of financial assets and in receivables from, and liabilities to, affiliated companies.

Fixed assets, which essentially consist of shares in affiliated companies, make up 54% of total assets. The proportion of receivables from affiliated companies is 40% of total assets.

Bank balances increased by €2,158.7 million in the reporting year to €2,254.4 million. Liabilities increased by €5,699.2 million in the reporting year, mainly to banks. The significant increase in bank balances and liabilities is mainly due to the extraordinary liquidity requirements of the Group companies as a result of the price situation on the energy markets.

Provisions for pensions and similar expenses amounted to €33.3 million as of the end of the reporting year; 78% of pension obligations are covered by pension plan assets.

Income Statement of Uniper SE (HGB)

€ in millions	2021	2020
Other operating income	896.0	1,232.9
Personnel costs	-85.4	-75.0
Other operating expenses	-1,063.5	-1,372.3
Income from equity investments	196.7	141.0
Other interest and similar income	45.0	41.1
Write-downs of financial assets (extraordinary)	-157.0	–
Interest and similar expenses	38.3	50.8
Income from transfers of profits	755.8	532.6
Income taxes	-480.1	-45.7
Income after taxes	145.8	505.4
Net income for the year	**145.8**	**505.4**
Transfer to other retained earnings	–	4.0
Net income available for distribution	**145.8**	**501.4**

The earnings of Uniper SE as the Group's parent company are significantly influenced by its income from equity investments. Uniper SE's positive net income from equity investments of €952.5 million is attributable to the earnings contributed by its equity investments.

Other operating expenses and income resulted primarily from currency effects related to Group-wide currency hedging.

Earnings before income taxes amounted to €626.9 million. After taxes, Uniper SE generated net income for the year of €145.8 million (2020: €505.4 million), which represents the net income available for distribution.

At the Annual General Meeting on May 18, 2022, the Board of Management and the Supervisory Board will propose that the net income of available for distribution of €145,759,013.35 be used in part to distribute a dividend of €0.07 per share (365,960,000 shares) of the dividend-paying capital stock of €622.1 million. Furthermore, a proposal will be made to the Annual General Meeting that the remainder of the distributable net income be allocated to increase other retained earnings.

Non-Financial Performance Indicators

With the amendment of the German Commercial Code (HGB) resulting from the CSR Directive Implementation Act (CSR-RUG) adopted on April 19, 2017, the German legislature transposed the requirements of Directive 2014/95/EU (CSR Directive) of October 22, 2014, into national law. Large capital market-oriented companies with more than 500 employees must provide, at a minimum, information on environmental, labor, social, human rights, and anti-corruption issues as part of their management report or in a separate non-financial report.

Uniper has decided to publish a Combined Separate Non-Financial Report as a separate chapter of Uniper's Annual Report named "Combined Separate Non-Financial Report" and to not include it in the Combined Management Report. The Combined Separate Non-Financial Report addresses in detail all the requirements of non-financial Group reporting.

This chapter of the Combined Management Report discusses the Uniper Group's most important non-financial performance indicators: direct carbon emissions (Scope 1), Health, Safety, Security, Environment (HSSE) & Sustainability Improvement Plan, and proportion of female executives.

Direct Carbon Emissions (Scope 1)

Uniper's decarbonization strategy aims to enable the energy transition by providing a reliable and affordable supply of low-carbon energy. Looking further ahead, Uniper aims for the entire Group's Scope 1, 2 and 3 emissions to be carbon-neutral by 2050.

The European Generation segment aims to be carbon-neutral for Scopes 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 carbon emissions, from the combustion of fossil fuels for power and heat generation, totaled 50.9 million metric tons in the fiscal year 2021, compared to the previous year 2020 which was 42.6 million metric tons. 2021 emissions were therefore slightly above the updated forecasted volume which was communicated in the Interim Report 2021. The difference in emissions in 2021 is largely due to increased output from Uniper's coal-fired power plants, namely Ratcliffe in the UK, Datteln 4 in Germany and Shaturskaya's coal-fired unit in Russia. At the beginning of 2020 Datteln 4 was still in the test phase before becoming fully operational at the end of May 2020 and therefore had significantly shorter operating times than in 2021. In September 2021 Uniper transferred its stake in Schkopau, a lignite-fired power plant in Germany. Direct carbon emissions from Schkopau totaled 2.9 million metric tons for the period of January to September 2021. For the same period in 2020, emissions totaled 2.1 million metric tons. The difference is due to an increase in output.

Direct Fuel-Derived Carbon Emissions by Country

Million metric tons CO_2	**2021**	**2020**
European Generation	27.5	21.1
Germany	*13.6*	*11.9*
United Kingdom	*8.6*	*4.3*
Netherlands	*4.4*	*4.0*
Hungary	*0.8*	*0.8*
Czech Republic[1]	–	*0.1*
Sweden	*0.1*	*<0.02*
Russian Power Generation	23.4	21.5
United Arab Emirates[2]	0.05	–
Total	**50.9**	**42.6**

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, all data was calculated using the European Union Emissions Trading Scheme rules. Rounding may result in minor deviations from the totals.

[1]2020 emissions for Teplarna Tabor in the Czech Republic, which was divested in April 2020, reflect estimates based on actual 2019 data.

[2]Emissions for Uniper's consolidated affiliated company Uniper Energy DMCC in the United Arab Emirates are disclosed for the first time in 2021. Uniper Energy DMCC owns and operates a low-sulfur marine fuel oil 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.

HSSE & Sustainability Improvement Plan

Uniper's functional units and subsidiaries have a responsibility to implement annual improvement measures to help meet the Group's overall HSSE & Sustainability objectives.

Since January 1, 2020, the key performance indicator for managing Uniper's group-wide HSSE & Sustainability performance has been the degree of implementation of its comprehensive HSSE & Sustainability Improvement Plan. In evaluating the target achievement of the Improvement Plan, three different levels of achievement are possible: below 100%, 100% and above 100% degree of implementation.

The purpose of Uniper's 2021 HSSE & Sustainability Improvement Plan was on one hand to raise awareness among Uniper employees of the importance of sustainability at Uniper, and on the other hand to address the health challenges posed by the COVID-19 pandemic. Sustainability and health therefore became the key focus areas of the 2021 Plan.

For the purpose of raising employee awareness of sustainability, an e-learning course on the basics of sustainability at Uniper was developed and offered to all employees. Managers were asked to encourage their employees to participate and also to inform them about how their respective functions contribute to the strategy implementation at Uniper. In the area of health protection, the improvement plan stipulated that all functions should implement the specific measures planned for their area.

An initial evaluation of year-end progress reports on the improvement plan has indicated that the overall degree of implementation was 100% against the target level. The final evaluation and approval will be completed by the end of the first quarter of 2022. Participation in the sustainability e-learning course and communication of the contributions made by different teams on this topic were particularly successful. This is also related to the fact that sustainability issues are already integrated into day-to-day business in many areas. The company also met its expectations for health, as a range of measures were implemented to shield employees from the effects of the Covid-19 pandemic. In addition, the responsibility of the individual teams for health in their area was strengthened, as they each had to assess the need for measures themselves.

Proportion of Women in Leadership Positions within the Uniper Group

In accordance with the German "Law on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector", the Board of Management set an initial target for the period from July 1, 2017, through June 30, 2022, of 25% for the proportion of women in the first and second management level below the Board of Management to be achieved by June 30, 2022. As in the previous year, neither of the two targets were attained as of December 31, 2021.

More information on the implementation of Germany's Law on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector can be found in the Corporate Governance Declaration.

Other non-financial performance Indicators, such as number of employees and workforce composition, which are not used for management purposes, are also discussed below.

Workforce Figures

Employees[1]

	Dec. 31, 2021	Dec. 31, 2020	+/- %
European Generation	4,721	4,822	-2.1
Global Commodities	1,355	1,296	4.6
Russian Power Generation	4,267	4,522	-5.6
Administration/Consolidation	1,151	1,111	3.6
Total	**11,494**	**11,751**	**-2.2**

[1]Figures do not include members of the Board of Management, managing directors, apprentices, work-study students and interns.

On December 31, 2021, the Uniper Group had 11,494 employees, 179 apprentices and 142 work-study students and interns worldwide. The workforce thus decreased by 2.2% compared with December 31, 2020.

The number of employees in the European Generation segment decreased as of December 31, 2021 relative to December 31, 2020 due to the transfer of the stake in the Schkopau lignite-fired power plant in Saxony-Anhalt.

The number of employees in the Global Commodities segment was slightly above the previous year's level. The increase in the number of employees is the result of the expansion of new business areas.

The number of employees in the Russian Power Generation segment decreased noticeably due to the completion of repairs at unit 3 of the Russian Berezovskaya power plant.

The employee headcount in Administration/Consolidation is slightly above the previous year's level due to the expansion of support functions in connection with the Renewable Energies business area and in IT.

At 57.8% as of December 31, 2021, the proportion of employees working outside Germany, numbering 6,647, was at the previous year's level (58.5%).

Employees by Region[1]

	Headcount		FTE	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Germany	4,847	4,878	4,700.9	4,732.7
UK	992	971	977.5	959.1
Netherlands	324	336	320.0	332.0
Russia	4,275	4,531	4,273.4	4,529.8
Sweden	905	900	894.6	886.7
Other[2]	151	135	150.7	135.0
Total	**11,494**	**11,751**	**11,317.2**	**11,575.3**

[1]Figures do not include members of the Board of Management, managing directors, apprentices, work-study students and interns.
[2]Includes Hungary, USA, United Arab Emirates and other countries.

Gender and Age Profile, Part-Time Staff

The proportion of women in the workforce as of December 31, 2021, was 25.4%, the same level as in the prior year (2020: 25.2%).

Proportion of Female Employees

Percentage	Dec. 31, 2021	Dec. 31, 2020
European Generation	15.8	15.3
Global Commodities	32.5	32.3
Russian Power Generation	27.6	28.0
Administration/Consolidation	48.2	48.2
Uniper Group	**25.4**	**25.2**

The average age of the Uniper Group workforce was about 45 (2020: 45 years), and the average length of service was about 14 years (2020: 14 years).

Employees by Age

Percentage	Dec. 31, 2021	Dec. 31, 2020
30 and younger	11.1	11.6
31 to 50	53.0	53.0
51 and older	35.9	35.4

A total of 576 employees (2020: 571) of the Uniper Group worked on a part-time schedule at year-end. Of this total, 409 were women (71.0%; 2020: 419 women or 73.4%). The ratio of part-time employees was 5.0%, virtually unchanged from the prior year.

Part-Time Rates

Percentage	Dec. 31, 2021	Dec. 31, 2020
European Generation	5.8	5.9
Global Commodities	10.9	11.1
Russian Power Generation	0.1	0.1
Administration/Consolidation	12.9	12.5
Uniper Group	**5.0**	**4.9**

Employee turnover averaged 4.6% across the Group, an increase from the prior year (2020: 3.7%).

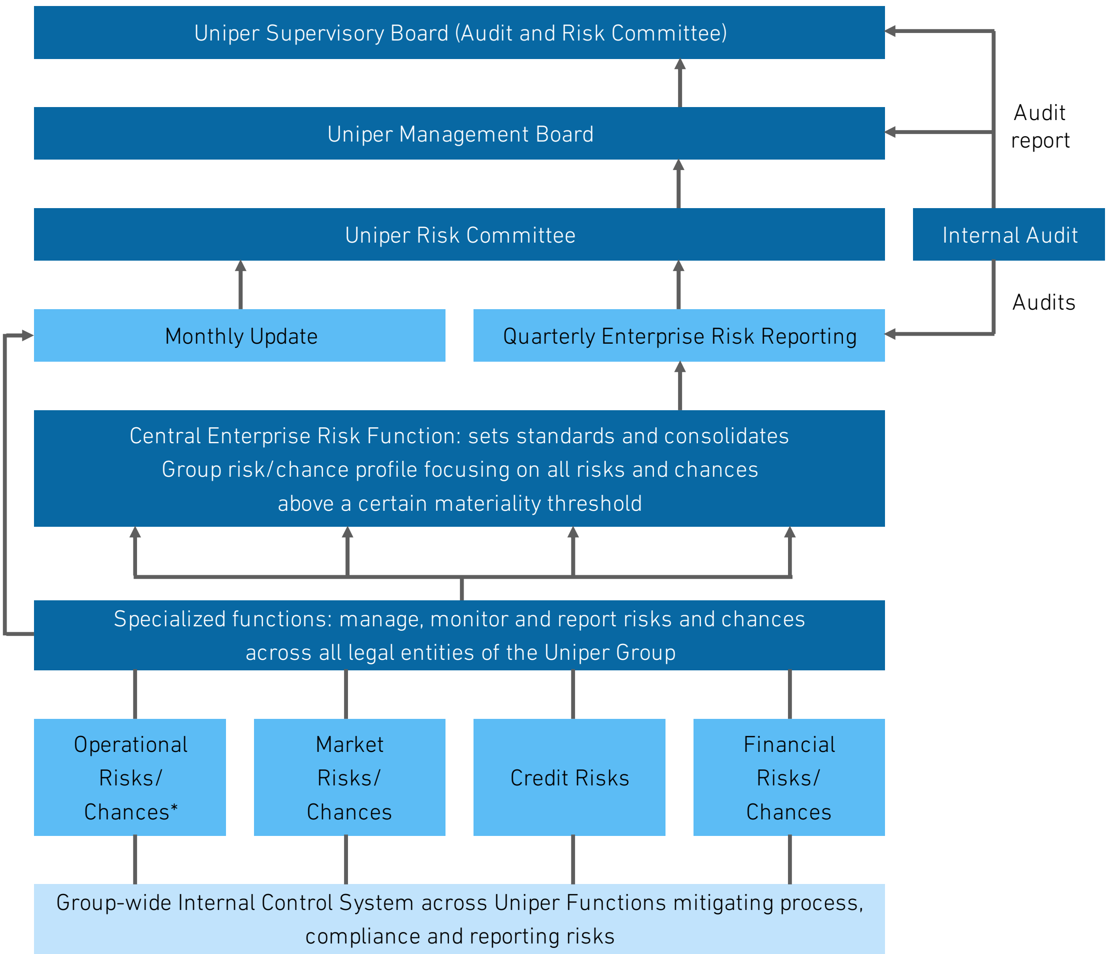
Employee Turnover Rates

Percentage	2021	2020
European Generation	2.5	2.7
Global Commodities	3.9	3.5
Russian Power Generation	6.9	4.6
Administration/Consolidation	5.5	4.9
Uniper Group	**4.6**	**3.7**

Risk and Chances Report

Risk Management System

The Uniper Group manages its risks and chances through an enterprise risk management system that takes into account all risk and chance categories.



* incl. Legal, Political and Regulatory Risks/Chances

The aims of this system are:

- to fulfill legal and regulatory requirements (e.g. the Act for Control and Transparency in the Corporate Sector, KonTraG),
- to ensure the continued existence of the Uniper Group by keeping the total risk exposure proportionate to the available financial resources,
- to protect and increase the Company's value through integrated active management of all risks and chances which may impact the commercial targets of the Uniper Group and
- to generate additional value by appropriately taking into consideration not only returns but also risks which relate to important decisions and processes, including investments, risk capital allocation and corporate planning.

Ultimate legal responsibility for establishing and monitoring the effectiveness of the Group-wide enterprise risk management system at Uniper Group lies with the Uniper SE Board of Management. Operationally, the Board of Management has delegated its risk-related tasks to the Risk Committee at the level of the Uniper Group. The Board of Management establishes the Uniper Group Risk Committee, sets the risk appetite for the Group as well as overall risk limits for individual risk (sub-)categories, which the Risk Committee then monitors.

The Uniper Group Risk Committee deals with all significant business risks relevant to the economic and financial management of the Uniper Group. It is composed of the Group Chief Financial Officer (CFO/Chairperson), the Group Chief Risk Officer (CRO/Deputy Chairperson), the Group Chief Commercial Officer (CCO), the Group Chief Operating Officer (COO) and the Executive Vice President Group Finance and Investor Relations, as well as the Group General Counsel/Chief Compliance Officer. The core responsibility of the Risk Committee is to establish a governance structure and infrastructure for risk management with which to manage business risks at all organizational levels.

The key components of the risk management system at the Uniper Group are the risk policies, the risk management organization and the risk management process.

Risk Policies

The Group Enterprise Risk Policy defines the principles and minimum requirements for Group-wide management of all types of risks and chances. This includes the definition of the central risk management process and the establishment of associated responsibilities. The defined process ensures that risks/chances throughout the Group are fully and promptly identified and are assessed and reported in a transparent manner that allows for comparison. Responsibilities are assigned to risk/chance managers who are responsible for actively managing and monitoring risks/chances. Below the enterprise risk policy for the Group, there are risk policies that define the principles and minimum requirements for Group-wide management of individual risk (sub-)categories. In addition to the risk policies, the Uniper Group documents its risk strategy, specifying the Group-wide principles, objectives and measures that Uniper uses to manage risks resulting from the pursuit of its business strategy.

Risk Management Organization

Organizationally, the risk management system at the Uniper Group is based on the functional organizational structure of the Group. The Risk Management function has the responsibility for the Group's central risk management system. This function is headed by the Group CRO, who reports directly to the Group CFO. The Risk Management function is responsible for the development, implementation, coordination and ongoing development of the central risk management process.

There is at least one risk representative for each function outside of Risk Management. This representative is responsible for the implementation of the Group Enterprise Risk Policy. The representative's task is to identify, assess, manage and report all risks/chances associated with their function across all corporate legal entities. Risk and chance management (i.e. acceptance, mitigation, transfer of risks) is carried out on the instructions of the head of the function, who is also the risk/chances manager, as far as is consistent with the risk appetite of the Group. The responsibility for risks/chances is assigned to the functional area that is best suited to manage it. There are dedicated teams for certain risk (sub-)categories (e.g. commodity price risks, credit risks, asset operation risks, etc.) that develop policies for the Group-wide management of each risk (sub-)category and ensure global compliance with these policies.

Risk Management Process

Each quarter, the risk officers of each function review the risks/chances they have identified with respect to completeness and current evaluation. Changes to the risk/chances situation are reported to the risk management function via a centralized IT tool, where they are evaluated for plausibility and subjected to quality control in cooperation with Accounting and Controlling. To manage risk, risk managers take measures to reduce the likelihood and/or impact of potential losses. For example, hedging transactions are concluded using financial instruments or insurance policies are taken out. Similarly, the managers responsible for chances take measures to increase their probability of occurrence and the advantages that can be gained from chances. Costs and benefits as well as the risk appetite of the Group are taken into account when choosing management instruments. The effectiveness of the measures taken gets reassessed and confirmed quarterly by the risk officers.

Based on this quarterly process, the Risk Committee, the Board of Management and the Audit and Risk Committee of the Supervisory Board of the Uniper Group are informed about the current risk/chance situation of the Uniper Group. Significant changes in individual risks are identified and addressed at any time, even during the quarter. Such changes are also discussed in the monthly Risk Committee where the main risks from the energy trading business are regularly monitored. The appropriateness of the risk early recognition system according to legal requirements is audited annually by the external auditor of the Uniper Group. For 2021 the audit was performed for the first time based on the new and significantly enhanced audit standard IDW 340.

Risk and Chances Management by Category

In the course of conducting its commercial activities, the Uniper Group is exposed to uncertainties that are inextricably linked to its business activities. These uncertainties are reflected in risks and chances. Uncertain events with a possible negative effect in the worst case on the currently planned adjusted EBIT, net income or cash flow in one year of the three-year medium-term planning time horizon are referred to as risks and events with a possible positive effect in the best case are referred to as chances.

Due to the large number of individual risks/chances, they are grouped into categories and subcategories in order to improve the clarity and management of concentrations by the Group Risk Committee.
The following section describes the risk/chance categories to which the Uniper Group is exposed and the approaches used to manage them.

Climate related Risks and Chances are identified, assessed and steered like any other risk/chance. Due to the variety of possible triggering events, climate related Risks and Chances are not summarized into a separate risk category but manifest themselves across the below described risk and chance categories.

Financial Risks and Chances

The Uniper Group is exposed to a financial risk/chance from margining requirements resulting from commodity trades on exchanges and under bilateral margining agreements. The size and direction of margin calls depends on the exposure of the Uniper Group in the trading channels subject to margining as well as the market price development. Another financial risk results from a potential downgrade of the Uniper SE long term credit rating. This would trigger counterparties' rights to demand additional collateral which would need to be provided through liquid assets or bank guarantees (contingent collateral risk). The amount of additional collateral depends on the value of claims against Uniper and thus market price developments. Both liquidity risks are measured, monitored and managed against separate limits. Limit breaches are escalated and managed in line with internal requirements.

Besides this there are tax related financial risks/ chances for example in connection with possible effects on current or deferred taxes arising from current or future tax audits, changes in legislation and the decisions by the various tax courts. Additional effects can result from the further development of national and international law through enactments and decrees of the respective tax authorities, as well as other financial management measures. Currently the planned rules for a global minimum taxation are to be mentioned. Conversely, changes in legislation or the decisions by the various tax courts may have a positive effect on the current or deferred tax liability. In order to reduce risks in this area, Uniper closely monitors the development of tax legislation and legal decisions.

Finally, there are also financial risks and chances arising from unforeseeable non-periodic results and possible write-downs of financial investments. In order to reduce risks in this area, Uniper carries out regular impairment tests on its investments.

Credit Risks

The Uniper Group is exposed to credit risks associated with business operations and trading activities. Credit risks arise from the non-payment or partial payment of outstanding receivables by counterparties and from replacement risks for outstanding transactions.

The Uniper Group applies appropriate measures to actively manage credit risks, including setting limits for individual counterparties and counterparty groups, securing collateral, structuring contracts, transferring credit risk to third parties (such as insurers) and diversifying the credit portfolio. Existing credit risks are continuously measured and monitored to ensure that the measures taken are appropriate and risks are within the defined limits. Limit breaches are escalated and managed in line with internal requirements.

As part of centralized credit risk management, the credit rating of business partners is systematically assessed and monitored on the basis of Group-wide minimum standards. If creditworthiness is inadequate, collateral is demanded (e.g. bank guarantees, guarantees from the parent company, letters of awareness, etc.).

To further reduce the credit risk from physical as well as financial transactions, these transactions are concluded through exchanges or bilaterally, generally on the basis of standard contracts, where an offset (netting) of all current transactions can, in principle, be agreed. In addition, bilateral margining agreements are concluded with selected business partners.

Liquid funds are invested with counterparties with an investment-grade rating.

Market Risks and Chances

Commodity Price Risks and Chances

The Uniper Group's operating activity, in particular the physical assets, long-term procurement contracts, and sales agreements with key customers, is exposed to considerable risks and chances due to the fluctuations in the price of commodities. For Uniper, market price risks arise in the following commodity areas: electricity, gas, coal, freight, oil, liquefied natural gas, as well as for emission allowances and weather products.

The Uniper Group manages the majority of its commodity price risks/chances through a central trading function. The aim of the trading function is to optimize the value of the Uniper Group's commodity portfolio while limiting and securing against associated potential losses. This involves the use of derivative financial instruments. The derivatives are also entered into for proprietary trading purposes. This takes place exclusively in compliance with tight internal and regulatory restrictions.

Risk management for commodity trading activities is based on general standards in the industry for trading transactions and also involves the segregation of duties, daily calculation and reporting of profit and loss as well as risk figures. The Board of Management decides on limits for commodity price risks on group level. Group-level limits are broken down and allocated to portfolios which are built based on internal organizational responsibilities and trading strategies. In general, there are value-at-risk limits and stop-loss limits which are supplemented by volume-based limits. Limit usages are monitored and limit breaches escalated and managed in line with internal requirements.

Foreign Exchange (FX)/Interest Rate (IR) Risks and Chances

Due to its participation in business activities outside the euro area, the Uniper Group is exposed to currency risks/chances. These risks/chances result mainly from the following activities being carried out in foreign currency and fluctuating currency exchange rates: physical and financial trading of commodities, existing and new investments, obligations, external financing and shareholder loans within the Uniper Group. Foreign currency exposures result mainly from activities in British pounds, U.S. dollars and Swedish kronor.

The Uniper Group companies are responsible for managing their FX risks/chances from commodity trading, goods and services provided and received, as well as investment activities. Uniper SE assumes responsibility for overall coordination of hedging measures by the companies and hedges the Group's net financial position per currency also making use of derivatives. Derivative financial instruments (mainly forward transactions) are used in the foreign exchange area exclusively to hedge existing foreign exchange risks, but not for proprietary trading.

Foreign currency risks are analyzed and monitored daily by a team of specialists applying the same standards as for commodity price risk. Responsible management is informed daily about profits and losses associated with foreign exchange activities and existing risks and limit utilizations.

The Uniper Group is exposed to risks associated with fluctuating interest rates as a result of short-/medium-term variable-rate borrowings as well as liabilities on the balance sheet such as pension provisions and asset retirement obligations. The Uniper Group primarily uses flexible financing instruments. These include a €1.8 billion Euro-Commercial Paper program, a €1.8 billion revolving credit facility, a €8.0 billion credit facility agreement with Fortum, which provides for shareholder loans and parental guarantees, a €2.0 billion revolving credit facility with German state-owned KfW bank since January 2022, various promissory notes and bilateral credit lines with Uniper's financing banks. In case of an increase in interest rates, the Uniper Group's financing costs will also increase. Changes in market interest rates and related discount factors will also impact the value of the Uniper Group's pension and asset retirement provisions.

Interest rate risk for the Uniper Group is centrally managed by the Finance function. Having access to financing instruments with different maturities and fixed or floating interest rates allows Uniper to manage its interest rate risk. Interest rate risks are analyzed and monitored regularly by a team of specialists.

Market Environment Risks and Chances

In addition to commodity price risks, the Uniper Group is exposed to the risks/chances of a general deterioration/improvement of the market environment. These include macroeconomic developments affecting the supply and demand of energy, changes in the competitive situation and radical changes in global energy markets (e.g. the decline in conventional power production in favor of renewable generation to reduce CO_2 emissions). Such developments could result in the Uniper Group's operating activities, such as the portfolio of physical investments, losing their market. In addition, this could trigger renegotiations of long-term supply and sales contracts leading to contract and price adjustments which are detrimental/beneficial for Uniper Group. Significant risks/chances in connection with the market environment are addressed in the strategy process.

Operational Risks and Chances

Asset Operation Risks and Chances

Technologically complex production, generation, storage, distribution and handling facilities are used in the generation of energy. In principle, there is the possibility that human error, technical malfunctions or other events resulting in damages (e.g. natural disasters, sabotage, terrorist attacks, strikes, etc.) may negatively affect the availability of facilities. In addition, the aforementioned events could necessitate major repairs and result in personal injury and damage to property and the environment. Moreover, as regards electricity generation, the Uniper Group is exposed to a production volume risk/chance from meteorological and hydrological fluctuations.

To limit these risks, facilities are regularly inspected and maintained using a risk-based approach. In addition, production processes and technologies are constantly being upgraded and optimized and staff trained accordingly. For losses that nevertheless occur, appropriate crisis-prevention measures and emergency plans have been set up and insurance coverage has been secured where economically appropriate.

Asset Project Risks and Chances

Part of Uniper Group's business activities involve the construction, expansion, renovation, conversion, or decommissioning of power plants or other energy industry facilities. This involves the risk that actual construction costs exceed planned costs, that construction delays may occur, e.g. as the result of the regulatory approval process or that construction could even be stopped. Risks relating to asset projects are addressed through a professional project management that recognizes that the identification of project-related risks is an integral part of project management whose purpose is to quickly identify and minimize such risks.

People and Process Risks and Chances

People risks include health and safety risks, risks due to the loss of special skills and risks due to errors on the part of employees who have not been sufficiently trained or who are not sufficiently qualified. In order to reduce people risks, the Uniper Group takes measures to ensure high health and safety standards and invests in the development and distribution of skills and succession planning. In addition, the existing compensation system for employees is regularly reviewed and adjusted. Furthermore, there is a risk that members of executive bodies or employees may conclude unauthorized or illegal transactions that could lead to legal proceedings being initiated against the Uniper Group or its employees, resulting in fines, loss of licenses or similar. The Uniper Group counters this risk with a comprehensive network of controls and a compliance risk management system.

Process risks include risks due to inadequate, inefficient or broken business processes. Such process risks and human error risks are reduced by a comprehensive, Group-wide internal control system which is regularly audited. There is an effective business continuity management system in place for cases where people or process risks arise.

Information Technology (IT) Risks and Chances

Operational and strategic management of the Uniper Group is highly dependent on complex information and communication technology. Technical malfunctions, improper operation by employees, virus attacks, data loss or outages of IT systems can have significant negative impacts on ongoing operations of individual segments of the Group or the Uniper Group as a whole and result in considerable costs and deterioration of reputation, which increase with the duration of the malfunction.

In addition, Uniper operates critical infrastructure in several European countries. This includes power stations and gas storage facilities. External hacker attacks could have a negative impact on the operation of the infrastructure, to the environment and/or could lead to legal consequences. To manage Uniper assets according to legal requirements Uniper has implemented an Information Security Management System based on ISO/IEC 27001 standards. External penetration testing and improving the critical IT and Operational Technology (OT) systems are parts of Uniper's Quality Management. Uniper has fully implemented the security catalogue from BNetzA for its German critical infrastructure sites. Starting January 1, 2022 the new regulation for critical infrastructures (KRITIS) will apply, with an implementation period of two years. Uniper has already started with the implementation for sites/systems becoming critical infrastructure under this regulation. Uniper strives to ensure compliance with international, regional and national regulations and best practices relevant to the industry. In addition Uniper has built a Cyber Defense Center and continues to strengthen its defense and response capabilities considering the changes of the threat landscape. Uniper is focusing on very robust Identity Management as foundation for modern IT solutions. This is part of Uniper's Zero-Trust approach for Applications and Infrastructure and enables new ways of collaboration between Uniper and its partners.

Uniper also focuses on the safe handling of personal data to avoid any breach of data-protection-relevant processes. Processes and relevant documentation related to personal data have been documented in a data protection management tool based on a best practice approach. Additional technical and organizational measures were implemented and assessed from a data protection point of view in alignment with Information Security, to avoid misuse of personal data or unauthorized access from outside. Uniper has developed and initiated the implementation of data deletion concepts. Misuse or inadvertent dissemination of confidential data by an employee could lead to the disclosure of commercial secrets or violate data protection policies and laws, resulting in fines for the whole Uniper Group.

Due to constant changes in the area of cyber threats, the Uniper Group keeps investing into information security and data privacy. Uniper is constantly improving the protection measures. Since 2020 Uniper is able to meet the rising requirements for IT security in regard to working from home through state-of-the-art cloud technologies.

Legal Risks and Chances

The Uniper Group's operations in a variety of jurisdictions expose the Group to various legal risks and chances. These mainly comprise risks/chances arising from threatened or pending legal proceedings with regard to contract and price adjustments in connection with long-term supply or sales contracts, energy law and regulatory issues, licensing matters, as well as supplier disputes and most recently potential climate litigations.

In order to minimize legal risks for Uniper, significant developments in the relevant jurisdictions are continuously monitored and actively communicated to the functions of the Uniper organization concerned. In addition, the legal department is involved at an early stage in contract negotiations and imminent legal proceedings in order to minimize risks and take advantage of chances by providing appropriate procedural support and assisting in the drafting of contracts inadvance.

Political and Regulatory Risks and Chances

Political and regulatory interventions present the Uniper Group's operations with various risks/chances. These include political reactions to geopolitical tensions like sanctions or the curtailment of physical commodity flows which could directly or indirectly impact Uniper or Unipro. Other risks arise from the introduction and modification of capacity markets, the phasing out of coal-fired power generation, tightening emission standards, strongly increased ambition in the reduction of greenhouse gas emissions and in the utilization of renewable energies and low-carbon gases. In addition, changes to existing energy regulation in the markets in which Uniper Group operates could lead to up- and downsides from higher/lower costs or revenues. The Uniper Group monitors regulatory developments continuously in order to ensure compliance with relevant requirements.

To limit political and regulatory risk, the Uniper Group maintains intensive dialogue with external stakeholders, such as government agencies, political parties, regulators and associations, in order to identify in a timely manner any potential adverse effects on the Uniper Group arising from changes in the political, regulatory and legislative environment and to reduce this risk through involvement in shaping the proposed measures.

Risk and Chances Situation of the Uniper Group

In the next paragraphs the risk and chances situation of the Uniper Group is described along the following structure.

- Assessment approach for individual risks/chances
- Aggregation approach for earnings related individual risks /chances to risk/ chances categories
- Quantification of the earnings impact of risk/ chances categories in the Worst Case/ Best Case (risk and chances profile)
- Information about major earnings and liquidity related individual risks/ chances
- Information about additional noteworthy risk and chance developments
- Assessment of the overall risk situation (risk bearing capacity) from earnings and liquidity perspective

Assessment Approach for Individual Risks and Chances

In the Uniper Group, individual risks and chances are generally quantified. A qualitative assessment is made only in the few exceptional cases for which quantification is not possible. Individual risks are considered on a net basis, i.e. including implemented and effective risk-reduction measures. In principle, the quantification of individual risks/chances is carried out by statistical modeling of the probability of occurrence and impact. The impact is modeled as potential impact on planned earnings (i.e. the currently planned adjusted EBIT and/or net income) and/or the cashflow for each year of the three-year medium-term planning time horizon of the Uniper Group.

Aggregation Approach for Risk-/Chances Categories

To assess the overall risk and chances profile in regard to Uniper's earnings situation, the Uniper Group uses a multistage process. In a first step, all quantified material individual risks and chances with a potential impact on planned adjusted EBIT and/or net income are allocated to the categories and subcategories described above. The materiality threshold for considering individual risks and chances is set to €20 million. This takes into account all quantified risks which, in the worst-case scenario (99% confidence interval), could cause losses of €20 million and more after risk mitigation measures in one year of the three-year medium-term planning time horizon. Similarly, all quantified chances are considered which, in the best-case scenario (1% confidence interval), could have a positive impact of at least €20 million in one year of the three-year medium-term planning time horizon.

In a second step, the risks/chances are aggregated in each category/subcategory. For this purpose, a Monte-Carlo-simulation is applied for each year of the three-year planning horizon to all the risks/chances assigned to a category/subcategory, which produces an aggregated distribution function for the potential deviations from the currently planned adjusted EBIT and/or net income per year.

In a third step the 1% (best case) and 99% (worst case) confidence intervals are gathered from these aggregated distribution functions per year and an average over the relevant three-year time horizon is calculated. Based on this average value, each category/subcategory is assigned an assessment class for the best and worst case in accordance with the following table.

Assessment Classes

Assessment class	Potential average impact on earnings per year (best case/worst case)
Insignificant	≤ €5 million
Low	> €5 million and ≤€20 million
Moderate	> €20 million and ≤€100 million
Significant	> €100 million and ≤€300 million
Major	> €300 million

For example, if a category/subcategory is rated as "moderate", this means that in the worst case any loss in earnings from this category/subcategory is only with a probability of 1% expected to be higher than on average €20 to €100 million per year. In the best case a positive effect on earnings is only with a probability of 1% expected to be higher than on average €20 to €100 million per year.

Extreme risks and chances with a likelihood of occurrence <1% but a potentially very high impact, are not considered in the standard quantitative analysis. Those risks and chances are, however, monitored regularly.

Risk-and Chances Profile in the Worst Case Scenario

The following table provides an overview of the risk and chances profile in the worst-case scenario for the Uniper Group as of December 31, 2021,compared to the risk and chances profile as per December 31, 2020:

Potential Average Impact on Earnings (Worst Case)

		Potential average impact on earnings in a worst case (99%)	
Category	Subcategory	Dec. 31, 2021	Dec. 31, 2020
Financial Risks/Chances		Moderate	Moderate
Credit Risks		Major	Significant
Market Risks/Chances	Commodity Price Risks/Chances	*- none -*	Significant
	Foreign Currency and Interest Rates Risks/Chances	Major	Major
	Market Environment Risks/Chances	Significant	Significant
Operational Risks/Chances	Asset Operation Risks/Chances	Significant	Significant
	Asset Project Risks/Chances	Major	Major
	People and Process Risks/Chances	Significant	Significant
	Information Technology (IT) Risks/Chances	Moderate	Significant
	Legal Risks/Chances	Major	Major
	Political and Regulatory Risks/Chances	Moderate	Moderate

Key Changes in the Risk and Chances Profile (Worst Case) Compared to the Previous Year

- The potential average worst case loss from credit risk increased due to a higher credit risk exposure which was driven by the commodity price surge in 2021.
- The rising commodity prices during 2021 led to an increase in the value of Uniper's commodity portfolio which is currently well above the accompanying risk.
- The worst case assessment of IT risks reduced after completion of the technical separation between the legacy Uniper and the E.ON network.

Risk-and Chances Profile in the Best Case Scenario

The following table provides an overview of the risk and chances profile in the best-case scenario for the Uniper Group as of December 31, 2021 compared to the risk and chances profile as per December 31, 2020:

Potential Average Impact on Earnings (Best Case)

		Potential average impact on earnings in a best case (1%)	
Category	**Subcategory**	**Dec. 31, 2021**	**Dec. 31, 2020**
Financial Risks/Chances		Moderate	Moderate
Credit Risks		*– none -*	*– none -*
Market Risks/Chances	Commodity Price Risks/Chances	Major	Significant
	Foreign Currency and Interest Rates Risks/Chances	Major	Major
	Market Environment Risks/Chances	Low	Moderate
Operational Risks/Chances	Asset Operation Risks/Chances	*– none -*	Insignificant
	Asset Project Risks/Chances	*– none -*	*– none -*
	People and Process Risks/Chances	*– none -*	*– none -*
	Information Technology (IT) Risks/Chances	*– none -*	*– none -*
	Legal Risks/Chances	Moderate	Significant
	Political and Regulatory Risks/Chances	*– none -*	Low

Key Changes in the Risk and Chances Profile (Best Case) Compared to the Previous Year

- The potential average best case gain from commodity price fluctuations increased driven by the commodity price surge during 2021.
- The potential upside in the Legal Risks/Chances category decreased in the best case scenario because chances either materialized or were pushed beyond the three year mid-term planning time horizon.
- The slight worsening in the Political and Regulatory Risks/Chances category is caused by reduced potential upside in the best case.

Major Individual Risks/Chances

An individual risk (chance) is considered major if its potential worst (best) case negative (positive) impact on the planned earnings or on cash flow is €300 million or more in any one year of the three-year planning horizon. The impact assessment of the individual risk/chance is based on a quantitative or qualitative approach as indicated. The classification "Major Financial Impact" shows if the major (i.e. >€300 million) impact of a risk/chance is on the Uniper Group's earnings or liquidity situation or both should it materialize. As far as the risks and chances in each category are quantified and earnings effective the potential impact is considered in the tables shown above (Assessment of the Risk and Chances Profile (Worst/Best Case Scenario)).

Major Individual Risks and Chances

Major individual risks and chances	Subcategory	Major financial impact	Assessment
	Legal risks/chances	Earnings and liquidity	quantitative
Dispute risk on price clauses in long-term sales contracts	The Uniper Group is exposed to legal risks regarding the interpretation and enforcement of price clauses in long-term sales contracts. For one contract this risk has accumulated to a major individual risk which is also driven by the recent increase in commodity prices. Legal proceedings have been initiated which are closely accompanied by Uniper's Legal department.		
	Market environment risks/chances	Earnings and liquidity	qualitative
Renegotiation of long-term gas contracts risk/chance	Long-term gas supply contracts generally include the possibility for the customer and the supplier to adapt contractual terms to changed market conditions. On the one hand, this entails the major risk for Uniper that suppliers will impose conditions that are detrimental to the Company. On the other hand, it can be a major chance as renegotiated conditions may be beneficial for Uniper. In order to limit the risk and realize the associated chance, intensive negotiations are conducted by the most experienced employees who have access to the entire expertise of the Uniper Group and, if necessary, even beyond.		
	Legal risks/chances	Earnings	quantitative
Datteln 4: permitting risk	Since May 30, 2020, the coal-fired power plant Datteln 4 is in commercial operation. Construction and operation are based on the immission control permit from the district government of Münster and the project-based development plan No. 105a by the city of Datteln. However, the project continues to be the subject of several lawsuits. On August 26, 2021, the Higher Administrative Court of North Rhine-Westphalia declared the development plan No. 105a -Kraftwerk- by the city of Datteln as invalid and did not allow for an appeal. The court decision is not yet legally binding. Uniper and the city of Datteln submitted a non-admission complaint to obtain the right to appeal. If, as a result of the pending legal proceedings, the permit is revoked there is the major individual risk that all investments made until then will have to be written off with their then remaining book value. The coal exit law which entered into force in August 2020 has not changed the potential for this permitting risk.		
	Asset project risks/chances	Earnings	quantitative
Nord Stream 2: project failure risk	The Uniper Group is involved in financing the Nord Stream 2 project. As part of this financing, there is a default risk for receivables from Nord Stream 2 AG, particularly in the event that the project cannot be completed successfully. The main risk for the completion of the project are actual and potential future US sanctions. So far US sanctions were issued against Russian-related entities involved in the project without impacting the completion of the pipeline construction. US sanctions were also issued to NS2 AG and its management directly but simultaneously waived by President Biden. On July 21, 2021, the US and Germany have come to an agreement on Nord Stream 2, Ukraine, and climate protection. The construction of both pipelines is completed, they are filled with gas and the regulated part of the pipelines is awaiting certification under the third energy package of the EU. Nord Stream 2 AG confirmed repeatedly that they are working to obtain the Independent Transmission System Operator certification from Bundesnetzagentur and complete the project.		
	Political and regulatory risks/chances	Earnings and liquidity	qualitative
US sanctions risk	Due to the ongoing political tensions between the US and Russia and the unpredictable nature of the threat of sanctions, US sanctions present a major individual risk for the Uniper Group. The Uniper Group's Russian and global trading business, as well as the Uniper Group's financing of the Nord Stream 2 project, are the main sources of potential US sanctions risk. The Uniper Group continues to act fully in line with applicable sanction laws. It continues to actively monitor the situation, including the increasing political tensions between EU, UK, NATO, and Russia, and takes all required actions to ensure compliance with prevailing rules, as well as consult with relevant stakeholders.		

The ranking of the risks is discretionary and has no particular meaning.

Major Individual Risks and Chances

Major individual risks and chances	Subcategory	Major financial impact	Assessment
	Market environment risks/chances	**Earnings**	**quantitative**
Provisioning regasification capacities risk	A deterioration in the economic situation or upheavals in the market for LNG could lead to a lower than planned utilization of the long-term capacity booked in the regasification plants in the LNG business and make it necessary to set up provisions for onerous contracts over the entire remaining booking period. The Uniper Group strives to further increase the utilization of this booked capacity and thus improve the revenue situation.		
	Commodity price risks/chances	**Earnings and liquidity**	**quantitative**
Commodity price risk/chance	The Uniper Group's operating activity, in particular the physical assets, long-term procurement contracts, and sales agreements with key customers, is exposed to considerable risks and chances due to the fluctuations in the price of commodities. Due to the commodity price surge in 2021 the potential worst- and best-case impact of this risk has significantly increased such that it now qualifies as a major individual risk/chance for the Uniper Group. Commodity risk is monitored and managed as outlined in the chapter "Risk and Chances Management by Category."		
	Financial risks/chances	**Liquidity**	**quantitative**
Margining risk/chance	The Uniper Group regularly concludes transactions on exchanges or – with selected counterparties – over the counter under bilateral margining agreements. These trading channels require collaterals such as cash or guarantees (margins) to be provided to secure counterparty credit risk and will be returned after delivery. The size and direction of potential margin calls are dependent on the exposure of the Uniper Group in the trading channels subject to margining as well as the market price development. Due to the commodity price surge in 2021 the worst-/best-case impact of this risk/chance has significantly increased such that the Uniper Group currently is exposed to a major liquidity risk or chance from margining. The margining-related liquidity risk is measured, monitored, and managed against a given limit and considered in the liquidity plan. Limit breaches are escalated and managed in line with internal requirements. To cope with the risk increase and to ensure its financial flexibility the Uniper Group has implemented a comprehensive set of countermeasures. These included, inter alia, (1) the utilization of existing and newly established financing instruments with banks as well as an intra-group credit facility agreement with Fortum (2) risk management strategies to reduce the sensitivity of Uniper's net margin requirements to changes in the prices of the underlying products, as well as (3) operational measures.		
	Financial risks/chances	**Liquidity**	**quantitative**
Rating downgrade risk	The Uniper Group is exposed to a liquidity risk which is contingent on a downgrade of its long-term credit rating. A potential downgrade from the current BBB investment grade rating with stable outlook to BBB- or below would trigger counterparties' – particularly those in the trading business – right to demand additional collateral which would need to be provided via liquid assets or bank guarantees. The related risk is measured, monitored, and managed against a given limit. Limit breaches are escalated and managed in line with internal requirements. Due to the commodity price surge in 2021 the worst-case impact of this risk has significantly increased. In June/July 2021 S&P, Moody's, and Fitch all raised their outlooks from negative to stable on their BBB/Baa2 long-term credit ratings of Fortum and S&P on Uniper's BBB rating, while Scope confirmed Uniper's BBB+ rating with a stable outlook in May. The BBB ratings of Fortum and Uniper were affirmed by S&P in September 2021 and in January 2022. Uniper strives to maintain a stable investment grade rating of BBB, is constantly monitoring all rating-related developments, and has regular exchanges with the rating agencies. In addition, the Uniper Group has identified concrete actions to be implemented to mitigate and manage the implications of a potential downgrade.		

The ranking of the risks is discretionary and has no particular meaning.

Major Individual Risks and Chances

Major individual risks and chances	Subcategory	Major financial impact	Assessment
	Credit risk	**Earnings and liquidity**	**quantitative**
Credit risk	The Uniper Group is exposed to credit risk from the non-payment or partial payment of outstanding receivables by counterparties and from replacement risks for open transactions. Due to the commodity price surge in 2021 the worst-case impact of this risk has significantly increased such that it now qualifies as a major individual risk for the Uniper Group. The main credit risk contributors are Uniper's long-term supply contracts as well as contracts to hedge the Uniper Group's assets, energy sales, and energy procurement. Credit risk is monitored and managed as outlined in the chapter "Risk and Chances Management by Category."		
	Interest rate risks/chances	**Earnings**	**quantitative**
Interest rate risk/ chance	Potential gains and losses from increases or decreases of interest rates used for discounting long-term obligations like pensions and asset retirement obligations are a major chance/risk for the Uniper Group.		

The ranking of the risks is discretionary and has no particular meaning.

Additional Risk/Chance Developments to Note

The following section provides information on risks and chances which do not qualify as major individual risk or chance but are worthy of note. As far as these risks and chances are quantified and could have an impact on Uniper's earnings situation they are considered in the tables shown above (Assessment of the Risk and Chances Profile (Worst/Best Case Scenario)).

Risks from Europe Exiting Coal-fired Power Generation

Following the coal exit law in Germany, which came into effect in August 2020, and the auctions executed by the BNetzA so far, the timeline and conditions for the phase-out of coal are now largely determined in the European countries where Uniper operates coal plants. Consequently, the financial uncertainty which existed for Uniper around such exits has reduced significantly. The residual risk in Germany stems from the coal exist law having agreed review points, which could result in the German government deciding to shorten the runtime of Datteln 4 including the associated financial conditions. The German government has announced that it will bring forward the review originally planned for 2026 to 2022. To what extent the wish to anticipate the coal exit to 2030 has an impact on Uniper's risk and chance situation cannot be assessed yet. In the Netherlands, the Dutch government has approved additional measures for coal-fired plants as a result of the Urgenda Verdict in order to achieve the national greenhouse gas reduction targets. These measures for coal-fired power production restrictions affect the Maasvlakte 3 plant during the years 2022 up to and including 2024 but entitle Uniper to a compensation from the Dutch government. The compensation mechanism has only recently been published and is still under investigation with regards to its impact on Uniper's risk and chances situation.

Assessment of Overall Risk Situation

The overall risk situation of the Uniper Group is assessed on the basis of its risk-bearing capacity concept. This concept assesses if the Group's risk-bearing capacity could absorb the materialization of an extreme risk scenario from an equity and liquidity perspective. For the equity perspective the risk-bearing capacity is defined as the book value of the Uniper Group's equity and for the liquidity perspective as the available financing sources from cash and cash equivalents and unutilized credit and guarantee facilities. An extreme risk scenario is defined as the potential worst case loss of income (99% confidence level) at Group level and as the potential worst case loss of cash (99% confidence level) at Group level for each year of the three-year planning horizon.

The potential loss of income and the potential loss of cash flow are calculated separately based on a Monte-Carlo-Simulation considering all quantified material (net worst-case/net best case impact >= €20 million in one year) individual earnings/cash flow relevant risks/chances respectively and considering correlations between the categories of risks/chances.

Based on the analysis described above, the overall risk situation of the Uniper Group and Uniper SE as of December 31, 2021 is not considered to be a threat to the Company's continued existence. However, the liquidity risk situation has been tense due to the extremely high commodity price level and the extraordinary margining payments Uniper was required to make for the commodity sales contracts that result from Uniper's ordinary portfolio hedging activities. In order to ensure additional liquidity and financial flexibility in future, potentially extreme, market conditions Uniper has implemented a comprehensive set of countermeasures. These included, inter alia, (1) the utilization of existing and newly established financing instruments with banks as well as an intra-group credit facility agreement with Fortum (2) risk management strategies to reduce the sensitivity of Uniper's net margin requirement to changes in the prices of the underlying product, as well as (3) operational measures.

The overall risk situation is also considered appropriate in view of the financial targets set.

In addition to this, there is a risk scenario from the developments on the Russian and Ukrainian border which has worsened over the past weeks. Uniper has assessed the impacts that a potential escalation including mitigating measures could have on the Group. Based on this assessment, Uniper has not identified any material uncertainty related to events or conditions that may cast significant doubt on Uniper's ability to continue as a going concern. An escalation could, for example lead to curtailments of physical gas deliveries to Uniper which may require Uniper to source gas in the market at higher prices. In addition to this, counterparties of the Uniper Group could become subject to sanctions which may impact current or future business relations. Moreover, the Nord Stream 2 project could delay further or be affected otherwise. Uniper continues to monitor the situation closely and prepares constantly adapted mitigation measures to minimize the impact of an escalation on the Group.

Forecast Report

Business Environment

Macroeconomic Situation

The macroeconomic recovery is expected to continue in 2022, although the Covid-19 pandemic and existing supply shortages represent significant elements of uncertainty. In particular, countries with low vaccination rates remain at risk of major outbreaks, and drastic countermeasures in some countries, such as port closures in China, could continue to destabilize supply chains. However, unless new, more dangerous variants of the virus develop, Covid-19 is likely to become increasingly less significant for global economic development in the coming years. Bottlenecks and shortages on the supply side should then ease again and global supply chains return to normal. Assuming all this, the OECD expects global economic growth of 4.5% in 2022.

According to the OECD forecast, consumer price inflation will peak at the turn of the year and then ease again as the main bottlenecks are expected to be overcome in the wake of capacity expansion and more moderate consumption growth. The ECB will terminate the Pandemic Emergency Purchase Program, which was set up specifically to combat the crisis, in March 2022, as planned. Nevertheless, bond purchases under other programs will continue, and no interest rate hike is expected in the forecast period. In the US, on the other hand, interest rate hikes are expected in the second half of the year.

Energy Markets

In 2022, the energy markets in Europe should continue to be influenced by political decisions, weather influences and the development of supply and demand on the global commodity markets. A flattening of economic momentum, a normalization of weather and production conditions, and an expected supply response to higher prices should ease the situation on the energy markets.

However, the outlook for 2022 is subject to an increased degree of uncertainty, largely related to the continued recovery of energy markets from the Covid-19 pandemic. In particular, the rise of the Omicron variant increases uncertainty about the level of global energy consumption, which in turn depends on uncertain macroeconomic developments.

In addition to uncertainty about macroeconomic conditions, the effects of winter weather and the changing impact of consumer behavior on energy demand due to the pandemic provide a broad spectrum for future oil demand. Supply-side uncertainty stems from future production decisions by OPEC+ countries and the pace at which U.S. oil producers increase the number of wells they drill. The downside potential for the oil price from the possible resumption of Iranian supplies appears low.

Coal demand in Europe and the associated development of the European coal price will be determined primarily by the development of prices on the gas market. With no near-term reduction in gas prices in sight beyond the winter, demand for coal will remain significant. A major element of uncertainty remains the Covid-19 pandemic, which may have the effect of reducing or increasing prices, depending on the course it takes.

On February 11, 2021, the Dutch government announced that production from the gas field in the Groningen region will decrease from approximately 8.1 bcm in gas year 2020 to 3.9 bcm from October 2021. Irrespective of whether these targets are adhered to, it can be assumed that production in the EU will decline, which will lead to increasing dependence on external sources of supply.

Due to declining production in the EU, the development of gas prices in Europe in calendar year 2022 will likely continue to be shaped by the availability of gas on global LNG markets, as well as by Russia's ability and willingness to export additional gas volumes to Europe. Geopolitical risks may also affect prices at any time, as both gas and LNG imports also come from regions exposed to such risks. Intensive maintenance work on the gas infrastructure in Norway and the United Kingdom like that seen in the summer of 2021 is not expected in calendar year 2022, so that this will not influence prices. However, gas prices are likely to remain volatile due to the factors outlined above.

The auction volume of European emission allowances will again decrease significantly in calendar year 2022 compared to 2021, so that demand is expected to be significantly higher than the primary supply from auctions and free allocation. This gap will have to be filled by sales from the historical supply surplus. The development of prices will thus crucially depend on the willingness of the suppliers of this surplus to sell, which may have decreased due to the recent price increases and the high volatility in the market. The development of commodity prices, and gas prices in particular, will be an important factor for the demand for allowances from the power generation sector. Further risks to industrial production, e.g. depending on the further course of the coronavirus pandemic, supply chain disruptions or geopolitical developments would also affect demand for allowances. On the political side, in addition to the progress of negotiations on the "Fit for 55" package, the further course of the discussion on the role of financial investors and the need for intervention in particular will have a significant impact on the market. Moreover, as a long-term investment product, European emission allowances continue to be influenced by monetary policy measures.

A further key political factor for the German electricity market in calendar year 2022 will be the implementation of the targets set out in the coalition agreement reached by the new German government. The agreement sets out the possible acceleration of the coal phase-out by the calendar year 2030, as well as an 80% share of renewables in total electricity generation, although there are as yet no plans for the implementation of this. The expansion of wind and solar power facilities will therefore have to be stepped up significantly in the next few years if the targets set are to be achieved. If the coal phase-out is accelerated, the extent to which new flexible gas-fired power plants are needed and what incentives can be provided for these investments will be examined. Irrespective of the coal phase-out, the last three German nuclear power plants will be shut down at the end of calendar year 2022, which will further reduce secured generation capacity within Germany.

The outlook for the UK electricity market in calendar year 2022 is subject to some uncertainty. The coronavirus pandemic also appears to continue to have the UK firmly in its grip and will once again be a decisive factor for electricity demand and the associated price trend in the electricity market. In addition, the development of fossil fuel prices and emission allowances will determine whether the extreme trends from calendar year 2021 will continue or whether there will be a return to more moderate price levels. In addition to these external factors, the planned closures of the two nuclear power plants Hunterston and Hinkley Point B and the shutdown of two of the last three remaining coal-fired power plants West Burton and Drax will certainly affect the UK electricity market.

The connection of the new nuclear power plant "Olkiluoto 3" to the Finnish power grid, which the operator TVO received approval for at the end of the calendar year 2021, will have a significant impact on the Scandinavian energy market. This is the next step in increasing Finland's nuclear generating capacity from its current level of 2.8 GW to 4.4 GW, which will represent a significant increase in Finland's conventional generating capacity. The new Scandinavian interconnector capacities NordLink (Norway - Germany), NorthSeaLink (Norway - UK) and Kriegers Flak (Denmark - Germany) are only partially available for trading for technical reasons and due to bottlenecks in the downstream networks, but a significant increase in throughput is planned for the first quarter of calendar year 2022, especially for the connection to the UK. This will lead to a stronger influence of Western European and British prices on Nordic price regions.

In addition, exports from Norway, in combination with changing generation structures in Sweden, are the cause of other utilization dependencies in the Swedish power system, such as new grid constraints and stronger price differentials in the Scandinavian price regions. As with all network developments, a solution is a longer-term project. More quickly implementable, minor measures have been identified by the network operator Svenska Kraftnät and are in progress. Assuming basic availability, hydroelectric power generation in the various regions of Scandinavia will continue to depend on available grid capacity and export opportunities, and increasingly on regional wind generation.

Forecasting Methods

Uniper continuously reviews its outlook for its medium-term earnings and financial situation. The Company publishes a forecast of the expected development of the main controlling factors, including an outlook for adjusted EBIT and, since the fiscal year 2020, adjusted net income.

Anticipated Earnings and Financial Condition, General Statement on Expected Future Development

The forecast for the 2022 fiscal year continues to be significantly influenced by the tense conditions in the energy industry and political environment and the associated volatile development at a continued high price level in all the European commodity markets. This is reflected, among other things, in significantly higher market-related generation volumes and earnings contributions from fossil-fuel power plants in Europe.

Adjusted EBIT in the European Generation segment is expected to be noticeably above the prior-year level in 2022 due to higher earnings contributions from fossil-fuel power plants in Europe. This will be offset by higher current depreciation following the reversals of impairment losses at individual power plants due to the impairment test at the end of 2021, lower contributions from the UK capacity market, the transfer of the Schkopau power plant in fiscal 2021 and the generation restrictions at the Maasvlakte power plant from 2022.

For the Global Commodities segment, Uniper expects adjusted EBIT for 2022 to be significantly lower than it was in fiscal 2021 due to an expected decline in earnings in the international portfolio, as the international business benefited from unusual weather conditions in both North America and Asia in the previous year. In addition, Uniper expects earnings to be below the prior-year level due to negative temporary intragroup effects from emission allowances.

For the Russian Power Generation segment, Uniper expects adjusted EBIT for 2022 to be significantly higher than it was in 2021. This will more than offset lower earnings from expiring long-term capacity contracts due to the commissioning of the Berezovskaya 3 power plant in the first half of 2021, payments for the modernization of the Surgutskaya 1 power plant in the first half of 2022 and positive regulatory developments.

Uniper therefore expects adjusted EBIT for 2022 at prior-year's level, within a range from €1,000 million to €1,300 million.

For each of the operating segments, this means:

Adjusted EBIT

€ in billions	**2021**	**Forecast 2022**
European Generation	0.5	Noticeably above prior year
Global Commodities	0.8	Significantly below prior year
Russian Power Generation	0.2	Significantly above prior year

For adjusted net income, Uniper expects a noticeable increase over the 2021 fiscal year and anticipates that this indicator will range between €800 million to €1,100 million. Adjusted net income is expected to follow the trend in adjusted EBIT, and the tax rate is expected to decrease significantly.

The disclaimer statement on the inside cover page of this Annual Report applies, in particular, to the forward-looking statements made here.

Planned Financing Initiatives

The Uniper Group expects to be able to finance net investment spending planned for 2022 and the dividend payout for the 2021 fiscal year predominantly from the operating cash flow it expects to generate in 2022 and, if necessary, with additional financing measures. The same applies to the financing of temporary working capital or margining requirements. On the one hand, Uniper will use its existing financing instruments described in the section "Financing instruments" on page 45 of the management report. Alternatively, refinancings or adjustments within the spectrum of available financing instruments are also possible in 2022. In addition, Uniper may use various operating measures to generate liquidity.

In 2022, Commercial Paper and financial liabilities towards banks in an amount of €1.8 billion (2021: €0.1 billion) become due at the level of Uniper SE. In addition, Uniper aims to repay cash drawings under its revolving credit facility in an amount of €1.8 billion and under the credit facility agreement with Fortum in an amount of €2.5 billion (2020: no drawings in both cases).

Forecast Non-Financial Performance Indicators

Direct Carbon Emissions (Scope 1)

The direct CO_2 emissions (Scope 1) are expected to be noticeably above the prior-year level for both the Uniper Group and the European Generation segment in 2022 due to higher overall power plant utilization compared to the previous year.

Due to the decommissioning of Uniper's coal-fired power plants Heyden, Wilhelmshaven, Scholven Block C, Ratcliffe Block 1, the sale of the Schkopau coal-fired power plant effective October 1, 2021 and the regulatory restriction of the Maasvlakte coal-fired power plant, a decrease in emissions compared to the previous year is expected. on the portfolio side. However, this decrease is likely to be offset by a higher overall utilization of the power plants compared to the previous year. This is due to requirements for security of supply and system stability, as well as the commissioning of the new gas-based plants at the Scholven and Irsching sites.

This forecast includes numerous uncertainties that can only be estimated to a limited extent, such as the resulting electricity prices and spot prices for raw materials (natural gas, hard coal) and CO_2 that are relevant to the use, the actual technical availability of the thermal plants and the actual customer demand that is met by the plants.

HSSE & Sustainability Improvement Plan

In 2022, Uniper will implement the "New Normal" concept, which defines Uniper's future approaches to working in a post-pandemic world, where the health and safety of employees is paramount. Therefore, the HSSE & Sustainability Improvement Plan 2022 aims to further strengthen Uniper's health culture through networking and sharing best practices, as well as committing Uniper leaders to comprehensive safety training and the development of improved action plans accordingly.

The preparatory work to successfully launch the HSSE & Sustainability Improvement Plan 2022 is ongoing and Uniper expects to fully comply to 100% with the plan in 2022.

Proportion of Women in Leadership Positions

Detailed information on the target for the proportion of women in the first and second management levels in the Uniper Group for the period from July 1, 2017, to June 30, 2022, is provided on page 53 in the Combined Management Report. For the same forecast period, page 89 in the Combined Management Report presents the target figures for the proportion of women at Uniper SE on the Supervisory Board, the Board of Management and the two management levels.

Internal Control System for the Accounting Process (Disclosures Pursuant to Section 289 (4) and Section 315 (4), of the German Commercial Code on the Internal Control System for the Accounting Process)

General Principles

Uniper's Consolidated Financial Statements are prepared in accordance with Section 315e (1) of the German Commercial Code (HGB) and with those International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee interpretations (IFRS IC) that were adopted by the European Commission for use in the EU as of the end of the reporting period, and whose application was mandatory as of the balance sheet date. The Group's IFRS reportable segments are European Generation, Global Commodities and Russian Power Generation.

The annual financial statements of Uniper SE are prepared in accordance with the provisions of the German Commercial Code, the SE Regulation in conjunction with the German Stock Corporation Act (AktG), and the German Energy Industry Act (EnWG). Uniper prepares a Combined Management Report that applies to both the Uniper Group and Uniper SE.

Accounting Process

All companies included in the Consolidated Financial Statements must comply with uniform accounting and reporting guidelines for consolidated annual and interim financial statements. The guidelines describe the applicable principles of accounting and measurement consistent with IFRS, and they additionally explain and interpret accounting rules that are particular to Uniper. Changes to laws, new or amended accounting standards and other pronouncements are analyzed regularly in terms of their relevance to and impact on the Consolidated Financial Statements and, if necessary, reflected in updates to policies and to systems.

The Group companies are responsible for preparing their financial statements in a proper and timely manner. They receive substantial support from Uniper Financial Services GmbH (UFS) in Regensburg, Germany, and, in some cases, from a local external service provider, both of which kept accounts and performed work on the annual financial statements. The financial statements and Group packages of subsidiaries included in consolidation are audited by the subsidiaries' respective independent auditor. The specialist department for consolidation is responsible for performing consolidation activities and for monitoring adherence to guidelines for scheduling, processes and content. Monitoring of system-based automated controls is supplemented by manual checks.

Additional qualitative and quantitative information relevant to accounting and financial reporting is compiled within the year-end closing processes. Furthermore, dedicated quality-control processes are in place for all departments involved to discuss and ensure the completeness and accuracy of relevant information on a regular basis, and, where appropriate, to present it in the consolidated financial statements.

Uniper SE's separate annual financial statements are prepared using software. The accounting and preparation processes are divided into discrete functional steps. The transactional processes relating to subsidiary ledgers, bank activities and financial back office and general ledger processes for the German group companies are performed by UFS, as in the previous year; international general ledger processes are mainly performed within the respective national subsidiaries. Both automated and manual controls are integrated into each step. Defined procedures ensure that all transactions and the preparation of the annual financial statements are recorded, processed, assigned on an accrual basis and documented in a complete, timely and accurate manner. Relevant data from Uniper SE's separate annual financial statements are, where necessary, adjusted to conform with IFRS and then transferred to the consolidation software system using software-supported transfer technology.

Internal Control and Risk Management System

The following explanations concerning the internal control system (ICS) and general IT controls apply equally to the Consolidated Financial Statements and Uniper SE's separate financial statements.

Internal controls are an integral part of Uniper's accounting processes. Uniform accounting requirements and procedures are defined for the entire Uniper Group in a standardized set of guidelines. These guidelines encompass general and specific requirements for a system of internal controls, as well as standards for establishing, documenting and evaluating internal controls and the final sign-off process. These rules are designed to prevent the occurrence of material misstatements in the Consolidated Financial Statements, the Combined Management Report and the interim reports due to errors and to fraud.

The internal control system is based on the globally recognized COSO framework (COSO: Committee of Sponsoring Organizations of the Treadway Commission). The specific ICS requirements are defined in a centralized risk catalog, which encompasses company- and industry-specific aspects, defines possible risks to the accounting processes and thus serves as a checklist and provides guidance for the establishment and documentation of internal controls within the different functions. Controls covering the risks defined in the risk catalog are documented in a central IT application. The general ICS requirements form another key component of the internal control system: they define the overarching ICS principles that are fundamental to every function within the Uniper Group.

The internal sign-off process is based, among other things, on an annual assessment by functional owners of compliance with the basic ICS requirements as well as processes and controls for which they are responsible, and comprises a statement concerning the effectiveness of the internal control system that is in place. All functions within the Uniper Group are involved in this process before the Board of Management of Uniper SE signs off on effectiveness for the Uniper Group as a whole.

Uniper SE Supervisory Board's Audit and Risk Committee will be regularly informed about the internal control system and any significant issue areas it identifies in the Uniper Group's various processes. In the areas where there are potential issues, measures to improve the ICS are developed together with process managers; the implementation of these measures is tracked by the Internal Audit department in a related process.

External service providers provide IT services for most of the Uniper Group's entities. The effectiveness of the automated controls in the standard accounting software systems and in key additional applications depends to a considerable degree on the proper functioning of IT systems. These IT controls primarily involve ensuring the proper functioning of access-control mechanisms of systems and applications, of daily IT operations (such as emergency measures) of the program change process and of the management of external IT service providers.

Closing Statement by the Board of Management in Accordance with Section 312 (3) AktG

In summary, the Board of Management of Uniper SE issues the following closing statement in accordance with Section 312 (3) AktG: "Under the circumstances that were known to us at the time of such legal transactions being undertaken, the Company was not disadvantaged in the reporting period between January 1 and December 31, 2021 as a result of the legal transactions listed in the report on the relationships with affiliated companies.
In the financial year 2021, the company was not disadvantaged by any measures taken by the Uniper Group (Uniper SE and its subsidiaries) at the instigation or in the interest of the controlling company (Fortum Deutschland SE as well as the entities and persons directly or indirectly holding an interest in Fortum Deutschland SE, including Fortum Oyj or the Republic of Finland) or any of its affiliates.
No measures were taken or omitted with third parties during the reporting period at the instigation or in the interest of the controlling companies (Fortum Deutschland SE as well as the companies and persons directly or indirectly participating in Fortum Deutschland SE, including Fortum Oyj and the Republic of Finland, respectively) or an affiliated company subordinate to these companies."

Additional Disclosures Regarding Takeovers in Accordance with Sections 289a and 315a of the German Commercial Code

Composition of Capital Stock

As in the previous year, the capital stock amounts to €622,132,000 and consists of 365,960,000 no-par-value shares (shares without nominal amount). The shares are registered shares. Each share of stock has the same rights and one vote at a Shareholders Meeting.

Restrictions on Voting Rights or the Transfer of Shares

In the cases provided for by Section 136 of the German Stock Corporation Act (AktG), voting rights pertaining to the affected shares are excluded by law. Accordingly, if Uniper SE acquires and holds treasury shares, Section 71b AktG prohibits the exercise of rights pertaining to such shares.

There are no other known restrictions on voting rights or the transfer of shares.

Direct or Indirect Shareholdings Exceeding 10% of Voting Rights

In a voting rights notification dated August 18, 2020, the Republic of Finland gave notification that its share of the voting rights in Uniper SE, which are held directly by Fortum Deutschland SE and indirectly by Fortum Oyj, had exceeded the threshold of 75%. At the time of the notification, the share of voting rights amounted to 75.01%. There have been no further changes subject to notification since then. According to the most recent information, Fortum Oyj's indirect and direct stake in Uniper SE now amounts to 77.96%.

Statutory Requirements and Provisions in the Company's Articles of Association Regarding the Appointment and Removal of Board of Management Members and Amendments to the Articles of Association

Pursuant to the Company's Articles of Association, the Company's Board of Management consists of at least two members. The Supervisory Board determines the number of members and decides on their appointment and removal.

The Supervisory Board appoints members to the Board of Management for a term not exceeding five years. Reappointments are permissible. The Supervisory Board can appoint one of the members of the Board of Management as its Chairman. In the absence of a required Board of Management member, the courts make the necessary appointment in urgent cases. The Supervisory Board can revoke the appointment of a member of the Board of Management and the appointment as Chairman of the Board of Management for serious cause.

Resolutions of the Shareholders Meeting are adopted with the majority of valid votes cast, unless otherwise stipulated by mandatory law or the Articles of Association. Unless another type of majority is stipulated by mandatory legal provisions, amendments to the Articles of Association require a majority of two-thirds of the votes cast or, if at least one-half of the capital stock is represented, a simple majority of votes cast. This does not apply for changing the purpose of the Company, for a resolution according to Article 8 (6) of the SE Regulation and for other cases requiring a higher majority of capital.

The Supervisory Board is authorized to decide by resolution on amendments to the Articles of Association that affect only their wording and, in particular, is authorized to revise the wording of the Articles of Association upon utilization of authorized or contingent capital.

Authority of the Board of Management to Issue or Buy Back Shares

Authorized Capital

The Board of Management is authorized, subject to the Supervisory Board's consent, to increase the Company's capital stock until May 18, 2026, by up to €145,112,289 through the issue on one or more occasions of up to 85,360,170 new no-par-value registered shares against cash and/or non-cash contributions.

The Board of Management may, subject to the Supervisory Board's consent, exclude the subscription right that must, in principle, be granted to shareholders. Such exclusion of subscription rights is possible when shares are issued against cash contributions in the amount of up to 10% of the capital stock then existing or—should this value be lower—the capital stock existing when the authorization is exercised. Subscription rights may also be excluded when shares are issued against non-cash contributions, but only to the extent that the shares issued under such authorization against non-cash contributions do not represent in the aggregate more than 10% of the capital stock then existing or—should this value be lower—the capital stock existing when the authorization is exercised. Furthermore, shareholder subscription rights may also be excluded with regard to fractional amounts and when shares are issued to persons employed by the Company or one of its affiliates.

Convertible Bonds and Warrant-Linked Bonds

The Board of Management is authorized, subject to the Supervisory Board's consent, to issue debt instruments during the period up to May 18, 2026, having a total nominal value of up to €1,000,000,000 that, respectively, grant rights or impose obligations of conversion or purchase, in accordance with the relevant terms and conditions of the bonds and warrants, with respect to up to 85,360,170 no-par-value registered shares of the Company, representing a pro-rata interest in its capital stock of up to €145,112,289 in total, to or on the holders or creditors of the bonds or warrants.

The bonds may also be issued by an affiliate of the Company against cash and/or non-cash contributions. Here, too, the Board of Management may, with the Supervisory Board's consent, exclude the subscription right to which shareholders are entitled in principle. In connection with these convertible bonds and warrant-linked bonds, conditional capital was created by shareholder resolution. Pursuant thereto, the capital stock is conditionally increased by up to €145,112,289 through the issue of up to 85,360,170 no-par-value registered shares for the purpose of granting shares upon exercise of rights and obligations of conversion or purchase.

Purchase of Treasury Shares

The Company is authorized until May 18, 2026, to acquire treasury shares up to a total of 10% of the capital stock.

At the Board of Management's discretion, such purchase may take place on the stock exchange, by way of a purchase offer addressed to all shareholders, a public offering or a public solicitation of offers for the exchange of liquid exchange shares for Company shares (so-called "exchange offer"), or through the use of derivatives (put or call options or a combination of both). The Board of Management is also authorized, subject to the Supervisory Board's consent and excluding shareholder subscription rights, to use shares of the Company in a specified manner. The Board of Management is further authorized to cancel treasury shares without requiring a separate shareholder resolution to that effect.

Offsetting Clause

As a result of offsetting clauses to that effect, the aforementioned authorizations to exclude subscription rights with respect to the authorized capital, the convertible bonds and warrant-linked bonds and the use of treasury shares are offset during period of their validity in such a way that any new shares thus issued or sold, and any shares that are to be issued based on rights that enable or require the subscription of Company shares, notionally do not account for more than 10% of the capital stock then existing or—should this value be lower—the capital stock existing when the authorizations are exercised.

Significant Agreements to which the Company is a Party that Take Effect on a Change of Control of the Company Following a Takeover Bid

Some material contracts for the financing of the Company provide for a right of termination for the lending parties in the event of a change of control. The right of termination is partly subject to further conditions.

Additional information on financial liabilities can be found under "Financial Condition" in the Combined Management Report and in Note 25 to the Consolidated Financial Statements.

Settlement Agreement between the Company and Board of Management Members or Employees in the Case of a Change-of-Control Event

In the event of a premature loss of a Board of Management position due to a change-of-control event, the members of the Board of Management are entitled to receive a settlement.

The change of control clause stipulates that a change of control can take four forms:
(i) a third party directly or indirectly acquires at least 30% of the Company's voting rights, and thus reaches the control threshold under the German Securities Acquisition and Corporate Takeover Act (WpÜG); (ii) Uniper SE, as a dependent entity, signs a corporate agreement; (iii) Uniper SE is merged with another company pursuant to Sections 2 et seq. of the German Transformation Act (UmwG), unless the enterprise value of the other legal entity at the time of the decision by the transferring company amounts to less than 20% of the enterprise value of Uniper SE; or (iv) the Uniper SE share is no longer admitted to a regulated market (de-listing). Board of Management members are entitled to a settlement payment if, within twelve months of the change of control or de-listing, their service agreement is terminated by mutual consent or is terminated by them (in the latter case, however, only if their position on the Board of Management is materially affected by the change of control or de-listing).

In the event of a change of control, the settlement payment to Board of Management members is limited to the compensation for a period of two years, but at most for the remaining term of the service contract and additionally at most until the month in which the Board of Management member reaches the age of 62.

If the Board of Management service contract is terminated prematurely, any outstanding variable compensation components (annual bonus and long-term incentive) attributable to the period up to termination of the contract will be paid out in accordance with the originally agreed performance targets and objectives and after expiry of the regular performance period.

Remaining Items of Sections 289a and 315a of the German Commercial Code

The remaining items of Sections 289a and 315a of the German Commercial Code not discussed here concern issues not present within Uniper SE.

Declaration on Corporate Governance in Accordance with Section 289f and Section 315d of the German Commercial Code

Declaration on the Corporate Governance Code Made in Accordance with Section 161 of the German Stock Corporation Act by the Board of Management and the Supervisory Board of Uniper SE

Pursuant to section 161 (1) sentence 1 of the German Stock Corporation Act (Aktiengesetz.- AktG), the Board of Management and the Supervisory Board of Uniper SE shall declare annually that the recommendations of the “Deutscher Corporate Governance Kodex” published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are being complied with or which of the Code’s recommendations are not being applied and why.

I. Pursuant to section 161 of the German Stock Corporation Act (AktG), the Board of Management and the Supervisory Board of Uniper SE declare that since the last declaration of compliance was issued in January 2021 and updated in July 2021 Uniper SE ("the company") has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on 16 December 2019 ("GCGC"), as published by the German Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 20 March 2020, as follows:

1. Since the issuance of the Declaration of Conformity in January 2021 until 19 May 2021, the Company has complied with the recommendations of the GCGC with the following deviations set out under a) and b):

a) According to section C.10 sentence 2 GCGC, the chairman of the audit committee shall be independent, in particular from the controlling shareholder. According to section C.9 paragraph 1 sentence 1 GCGK, in the case of a Supervisory Board with more than six members, at least two shareholder representatives shall also be independent of the controlling shareholder.

Dr Bernhard Günther was a member of Uniper SE's Supervisory Board and chairman of its Audit and Risk Committee during the aforementioned period. On 18 December 2020, Fortum, the controlling shareholder of Uniper SE, had announced that Dr Bernhard Günther would be appointed Chief Financial Officer of Fortum with effect from 1 February 2021. Since he would no longer have been classified as independent from the controlling shareholder upon taking office as Chief Financial Officer of Fortum, a deviation from the recommendation in section C.10 sentence 2 GCGC as well as from the recommendation in section C.9 para. 1 sentence 1 GCGC was declared as a precautionary measure when issuing the declaration of conformity in January 2021.

The Supervisory Board considered it appropriate and reasonable in the interest of Uniper SE that Dr Bernhard Günther should continue to hold office as a member of the Supervisory Board and Chairman of the Audit & Risk Committee until further notice due to his particular expertise and skills. This should ensure continuity in the performance of the Board mandates. However, a change in the chairmanship of the Audit & Risk Committee and a replacement of shareholder representatives on Uniper SE's Supervisory Board should take place no later than by Uniper SE's annual general meeting on 19 May 2021.

b) According to the recommendation in section G.10 of the DCGK, the variable remuneration amounts granted to the Executive Board member should be invested by him predominantly in shares of the company or granted accordingly on a share-based basis. The Executive Board member should only be able to dispose of the long-term variable grant amounts after four years.

In March 2020, the Supervisory Board and the Board of Management adopted an ambitious strategy for Uniper, under which Uniper's fossil fuel businesses are to be decarbonised, thereby placing the business model on a stable sustainable foundation. Against this background, the variable remuneration granted to the Board of Management is linked to key indicators of financial performance, strategic transformation success and certain ESG criteria, in deviation from the above recommendation. In this way, the system sets the right incentives to increase medium and long-term performance in line with the company's new strategy.

The assessment period of the long-term variable remuneration at Uniper SE is three years, in line with the business cycle and corporate planning.

2. The general meeting of Uniper SE had elected Ms Judith Buss as a member of Uniper SE's Supervisory Board on 19 May 2021. Also on 19 May 2021, the Supervisory Board had elected Ms Judith Buss to the Audit & Risk Committee of the Supervisory Board and the Audit & Risk Committee had elected Ms Buss as its Chairwoman. Ms Judith Buss has no connection with the controlling shareholder Fortum and is to be classified as independent. In addition, Prof. Dr Werner Brinker continues to be a member of the Supervisory Board as a further independent member. The precautionary deviation from the recommendation in section C.10 sentence 2 GCGC and from the recommendation in section C.9 paragraph 1 sentence 1 GCGC declared in January 2021 therefore no longer existed as of 19 May 2021.

   Since 19 May 2021, the Company has thus complied with all recommendations of the GCGC with the exception of the deviation set out above under 1.b).

II. The Board of Management and the Supervisory Board further declare that the recommendations of the GCGC will also be complied with in the future, with the exception of the deviation outlined above under I. 1.b).

Düsseldorf, January 2022

The Supervisory Board — The Board of Management

This Declaration is continuously available to the public on the Company's Internet site at https://ir.uniper.energy/websites/uniper/English/6500/corporate-governance-policy.html

Relevant Information about Management Practices

Corporate Governance
Uniper SE is a European Company (Societas Europaea, "SE"). The governing bodies of the Company are the Board of Management (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the Annual General Meeting (*Hauptversammlung*). The Company has a two-tier corporate governance structure. The Board of Management and the Supervisory Board work independently of one another. A member of the Company's Supervisory Board may not, in principle, be a member of the Company's Board of Management at the same time. Prior to the conversion into a European Company through a change in legal form, Uniper SE was constituted as a German stock corporation, Uniper AG.

Good corporate governance is of the highest priority at Uniper SE. It is ensured through close and efficient collaboration between the Board of Management and the Supervisory Board for the good of the Company, it guides all decision-making and ensures that the Company's success is earned responsibly and sustainably. Board of Management members and members of the Supervisory Board shall serve the interests of the Company. No member of the Board of Management or of the Supervisory Board may pursue personal interests when making decisions.

The Company's Board of Management and Supervisory Board subscribe to the goals of the German Corporate Governance Code, which seeks to promote responsible, transparent corporate governance and controls aimed at enhancing enterprise value in the long term. In that respect, Uniper SE is also, with one exception, in compliance with the suggestions of the Code, which are only voluntary. The compensation plan provides for the early payment of multi-year variable compensation components in accordance with G.14 of the German Corporate Governance Code only in cases where a continuation up to the planned date does not correspond to the regulatory purpose (e.g., "change-of-control" situation, death).

Full details of the compensation of the Board of Management and Supervisory Board can be found in the Compensation Report on our website (https://ir.uniper.energy/websites/uniper/English/6000/corporate-governance.html).

At the time this report was prepared, the current members of the Board of Management and the Supervisory Board of Uniper SE together hold 152 shares of the Company, of the total of 365,960,000 shares issued.

Integrity
Uniper's business activities are grounded in integrity and respect for the law. They are based on the Uniper Code of Conduct, in the last updated version in 2021, approved by resolution of the Board of Management. The Code requires that all employees in all of the Group companies comply with all laws and regulations and with Company policies. The Board of Management and line managers serve as role models and must act accordingly. The Code sets out principles for dealings with business partners, third parties and government institutions, particularly with regard to laws on combating corruption, money laundering and the financing of terrorism, on compliance with international economic sanctions and with antitrust law, the granting and accepting of benefits, the handling of donations and sponsoring, the involvement of intermediaries, and the selection of suppliers and service providers. Other rules address issues including the avoidance of conflicts of interest (such as non-compete obligations, secondary employment, material financial investments) and the handling of Company information, property and resources. The policies and procedures of the compliance organization ensure the investigation, evaluation, cessation and punishment of reported violations by the appropriate Compliance Officers and the Uniper Group's Chief Compliance Officer. Violations of the Code of Conduct can also be reported anonymously (for example, by means of a whistleblower report).

Diversity Concept
The Board of Management of Uniper gave its full commitment to developing diversity and inclusion at Uniper by signing the Diversity Charter at the end of 2016. The Diversity Charter has been signed by over 3,000 companies in Germany who respect and are committed to promoting diversity in the six dimensions of gender, nationality or ethnic background, religion or worldview, disability, age/generations, sexual orientation and identity.

Uniper's long-term goal is to embed diversity and inclusion in the company through its commitment at both management and employee levels. In 2021, Uniper added the term of fairness or equal opportunity to its strategic approach: through unbiased and fair procedures, everyone should be offered the same opportunities and development possibilities. This is because diversity, equity and inclusion (DEI) play a key role in increasing competitiveness, resilience, creativity, innovativeness and Uniper's corporate value. Promoting these values, viewing them as opportunities, and combating discrimination is a central part of the Uniper Way, Unipers guiding principle for its corporate culture.

The focus of the new company-wide DEI strategy adopted by the Board of Management is to set clear DEI targets for Uniper, create a common framework for all DEI activities, establish a governance structure, and improve analytics, measurability, and transparency. The DEI strategy is divided into five key areas of action: Talent Management, Leadership, Organization, Marketplace and Society. This strategy helps Uniper achieve a comprehensive, structured approach to dealing with all relevant stakeholders, functions, processes, and policies.

Description of the Functioning of the Board of Management and Supervisory Board and of the Composition and Functioning of Their Committees

Board of Management

The Board of Management consists of

- Prof. Dr. Klaus-Dieter Maubach, the Chairman of the Board of Management and Chief Executive Officer (CEO since March 29, 2021);
- Tiina Tuomela, the Chief Financial Officer (CFO since March 29, 2021);
- Niek den Hollander, the Chief Commercial Officer (CCO) responsible for commercial activities;
- David Bryson, the Chief Operating Officer (COO) responsible for operations.

After the Supervisory Board of Uniper SE had agreed with the Chairman of the Board of Management Andreas Schierenbeck and the Chief Financial Officer Sascha Bibert on their immediate departure from the company's Board of Management, their mandates as members of the Board of Management ended on March 29, 2021.

The Board of Management of Uniper SE manages the Company on its own authority in accordance with the law, the provisions of corporate bylaws and the rules of procedure for the Board of Management and the Supervisory Board, giving due consideration to the resolutions adopted at meetings of shareholders.

The Board of Management determines and updates the Group's business objectives, fundamental strategic orientation, corporate policy and organizational structure. This includes, in particular, management of the Group and its financial resources, the development of the human resources strategy, appointments to management positions within the Group and leadership development, as well as representation of the Group to capital markets and the general public.

In addition, it is responsible for the coordination and monitoring of operations in accordance with the established Group strategy.

The Board of Management represents the Company in transactions with third parties. It manages the Company's businesses, with all its members bearing joint responsibility for its decisions. The principle of joint management notwithstanding, the individual Board of Management members act independently and on their own authority within their particular areas of responsibility, although they must place the general interests of the Company above those of their respective areas of responsibility. Individual Board of Management members must inform the other members of the Board of Management about important measures, decisions, material business transactions, risks and losses within their area of business responsibility. The decisions reserved for the full Board of Management (by law, by rules of procedure or by corresponding resolution) are normally voted on in Board meetings convened by the Chairman. Persons who are not members of the Board of Management may directly participate in such meetings for consultation on individual matters. The Board of Management can generally adopt resolutions by simple majority vote.

In the event of a tied vote, the Chairman shall have the casting vote. The Board of Management is appointed by the Supervisory Board in compliance with the age limit for Board of Management members, which is linked to the general retirement age, and reports to the Supervisory Board. The Supervisory Board works with the Board of Management to ensure long-term succession planning, which also takes diversity into account (as set out in detail in the diversity concept) and, in particular, aims to give appropriate consideration to women. The Executive Committee of the Supervisory Board described at the end of this chapter plays an important role in this. Succession planning is updated regularly, at least annually, drawing on internal and, where necessary, external resources.

The Board of Management, under the leadership of its Chairman, informs the Supervisory Board regularly, promptly and comprehensively on all issues of planning, business development, compliance, the risk situation and risk management that are relevant to the Company. It addresses instances where the course of business has deviated from the approved plans and objectives, and specifies the reasons for them. The Board of Management shall generally submit to the Supervisory Board a quarterly report on the items specified in Section 90 of the German Stock Corporation Act, as well as reports about the Group. The Board of Management shall additionally submit its planning for the Group's investments, finances and human resources, as well as the medium-term plan, to the Supervisory Board. The Chairman of the Board of Management promptly informs the Chairman of the Supervisory Board of important events that are of fundamental significance in assessing the Company's situation and development and to its management, and also of any defects that have arisen in the monitoring systems that the Board of Management is required to set up. Transactions and measures requiring the Supervisory Board's consent are also submitted to the Supervisory Board in a timely manner. If a Board of Management member holds a conflict of interest, such member shall disclose that conflict to the Supervisory Board and inform the other members of the Board of Management thereof.

Supervisory Board

The Supervisory Board consists of 12 members. Six members are elected by the Annual General Meeting, and six members are elected by the employees in accordance with the election procedures established in the agreement on employee participation in Uniper SE. Former Board of Management members are generally prohibited from serving on the Supervisory Board for a qualifying period of two years after leaving the Board of Management. This is designed to avoid conflicts of interest. However, an exception is made to this provision if the election to the Supervisory Board comes at the suggestion of shareholders who have more than 25% of the voting rights in the Company. The legal requirement that the Supervisory Board be composed of at least 30% women and 30% men was complied with throughout the reporting period.

Shareholders are represented on the Supervisory Board by Markus Rauramo (Chairman), Dr. Bernhard Günther (Deputy Chairman), Prof. Dr. Werner Brinker, Judith Buss, Esa Hyvärinen and Nora Steiner-Forsberg.

The employees are represented on the Supervisory Board by Harald Seegatz (Deputy Chairman), Ingrid Åsander, Oliver Biniek, Barbara Jagodzinski, Victoria Kulambi, André Muilwijk and Immo Schlepper.

The Supervisory Board is required to provide information on the number of independent shareholder representatives that it considers to be appropriate, including their names, in the Declaration on Corporate Governance (Recommendation C.1 of the German Corporate Governance Code). According to the competency profile of the Supervisory Board, at least two members of Uniper SE's Supervisory Board should be independent in addition to the employee representatives who are generally considered independent, which is also the case. In the opinion of the Supervisory Board, Judith Buss and Prof. Dr. Werner Brinker qualify as independent within the meaning of the German Corporate Governance Code on the shareholder representatives' side.

The Supervisory Board of Uniper SE appoints, oversees and advises the Board of Management and is directly involved in decisions that are of fundamental importance to the Company. The Supervisory Board Chairman coordinates the work of the Supervisory Board.

The Supervisory Board's composition should ensure that, on balance, its members have the necessary expertise, skills and professional experience to discharge their duties properly. In view of Section 289f (2) no. 6 and Section 315d of the German Commercial Code and the recommendations now contained in C.1 of the German Corporate Governance Code, the Supervisory Board has adopted targets for its composition and in 2020 it drew up and updated a competency profile which reads as follows:

Definition of Targets

Basis

The Supervisory Board's composition should ensure that, on balance, its members have the necessary expertise, skills, and professional experience to discharge their duties properly. Each Supervisory Board member should have or acquire the minimum expertise and skills needed to be able to understand and assess on his or her own all the business events and transactions that generally occur.

Independence and Conflicts of Interests

The Supervisory Board should include a sufficient number of independent candidates; members are deemed independent if they do not have any personal or business relationship with the Company, its Board of Management, a shareholder with a controlling interest in the Company, or with a company affiliated with such a shareholder, and such a relationship could constitute a material, and not merely temporary, conflict of interest. The Supervisory Board has a sufficient number of independent members if, in addition to the employee representatives who are generally regarded as independent, at least two shareholder representatives are independent. In this context, the employee representatives are generally regarded as independent.

The Supervisory Board should not include more than two former members of the Board of Management, and members must not sit on the boards of, or act as consultants for, any of the Company's major competitors.

Availability

Each Supervisory Board member must have sufficient time available to perform his or her board duties. Persons who are members of the Board of Management of a listed company should therefore only be or remain members of Uniper's Supervisory Board if they do not sit on more than three supervisory boards of listed non-Group companies or in comparable supervisory bodies of non-Group companies.

Age Limit

As a general rule, members should not be older than 70 at the time of their election and should not be members for more than three full terms (15 years).

Diversity

The Supervisory Board intends to consider other criteria in its nomination of candidates in order to increase the Supervisory Board's diversity, if and to the extent the qualifications of several candidates for the Supervisory Board meet, to an equal degree, the general and Company-related requirements.

Gender Diversity

As required by law, the Supervisory Board consists of at least 30% women and at least 30% men. This will be considered for new appointments to the Supervisory Board of Uniper SE.

Detailed Profile of Skills and Expertise

Specific Leadership Experience

The key role of the Supervisory Board is to oversee and advise the Board of Management. Consequently, a majority of the shareholder representatives on the Supervisory Board should have experience as members of the Board of Management of a stock corporation or of a comparable company or association in order to discharge their duties in a qualified manner.

Connected thereto, at least some of the members should have specific experience, in addition to general responsibility for management and results as well as personnel and leadership, as regards corporate strategy and future strategic development, as regards accounting and auditing, as regards controlling as well as regards a holistic perspective of risk, compliance and corporate governance.

Specific Energy Industry Expertise

In addition, the Supervisory Board as a whole should have particular expertise in the energy industry and Uniper's business operations.

For this purpose, at least some members should have specific experience that allows them to deeply understand the business models and the major business areas (markets and competition, products and customers) along the value chain and to assess them, particularly from a strategic and risk perspective.

Preferably, at least some members should have specific experience from related or other industries to provide for an external view on the matters of the Company.

Specific expertise in the energy industry and business operations also includes, in particular, knowledge about the key markets in which Uniper operates. Here at least some of the members should have specific experience which allows them also to understand the development of such markets.

Due to the international orientation of the Uniper Group having its focuses in Western Europe and Russia, at least some members should have specific experience in these regions.

Furthermore, knowledge in the area of sustainability and climate protection, including the relevant regulatory framework, is essential for a special understanding of the energy industry. Therefore, at least several members should have relevant experience that enables them to assess the resulting consequences for Uniper's strategy and business areas and to recognize and evaluate the resulting risks and chances.

General Professional Expertise

Each member of the Supervisory Board should have general knowledge about the industry, the different business models, the accounting and the key factors for the Company's results, the legal framework and compliance requirements, except for reasonable exceptions. In case of a reasonable exception, the member should be in a position to gain such general knowledge in the near term.

Moreover, each member of the Supervisory Board should have the ability to make a general plausibility check of the annual financial statements of the Company and in individual cases with the support of the auditor to conduct an appropriate deeper review thereof. Each member should be in the position to review the reporting by the Board of Management at least for its general soundness, to scrutinize and discuss it. Furthermore, each member should be able to assess the correctness, the profitability and the lawfulness of the business decisions to be passed, to review them at least for their general soundness, to scrutinize and discuss them, as and where required to be supported by expert advice.

In view of Uniper's international orientation, the Supervisory Board should include a sufficient number of members who have spent a significant part of their professional career abroad.

General Personal Expertise

Each member of the Supervisory Board should have a level of personal independence and integrity that permits them to fulfill the tasks of supervising and reviewing. To advise and supervise the Board of Management in its management responsibilities each member of the Supervisory Board should have sufficient experience from leadership functions or should have gained the required expertise otherwise. Each member of the Supervisory Board should be particularly professional, discreet, open to discussion, solution-oriented and have the ability to work cooperatively.

In addition, each member should be prepared to devote sufficient attention to the tasks arising from the Supervisory Board's activities, including work in the committees, and to pursue the relevant topics outside of the specific Supervisory Board's activities. Each member should have the flexibility to be available at short notice in the event they are urgently needed and to appropriately prioritize the requirements of the Uniper Supervisory Board.

Chairman of the Supervisory Board

The Chairman of the Supervisory Board should directly fulfill key elements of the special competencies which are required of the Supervisory Board as a whole and thus only of some members. In particular, the Chairman of the Supervisory Board should have special relevant management experience and should, in principle, have relevant management experience of his or her own in order to be able to fully carry out his or her advisory and supervisory tasks.

If the Chairman of the Supervisory Board does not possess specific expertise in the energy industry, the Chairman should have specific experience from related or other industries. The Chairman of the Supervisory Board should, without exception and to a particular extent, meet the general professional and personal requirements.

In its current composition, the Supervisory Board meets the targets of this competency profile.

Each Supervisory Board member is required to disclose to the Supervisory Board any conflicts of interest, particularly if a conflict arises from their advising, or exercising a board function with, customers, suppliers, creditors or other third parties. In its report to the Shareholders Meeting, the Supervisory Board informs shareholders about conflicts of interest and their disposition.

Material conflicts of interest that are not merely temporary shall result in the termination of a member's appointment to the Supervisory Board.

The Supervisory Board regularly reviews the efficiency of its activities, generally every two years (efficiency review). Due to the large number of new appointments to the Supervisory Board in 2020 and 2021, the Supervisory Board postponed the regular self-evaluation until the 2021 fiscal year. This evaluation was carried out in January/February 2022 in the form of an internal self-evaluation of the work of the Supervisory Board and its committees. The members of the Supervisory Board were given the opportunity to assess the efficiency of the work of the Supervisory Board and its committees via an online questionnaire and to submit suggestions for improving it. These suggestions resulted in specific measures to improve the work of the Supervisory Board, which are being implemented on an ongoing basis.

The Supervisory Board regularly adopts its resolutions in Board meetings. The Board of Management regularly participates in these meetings unless the Supervisory Board decides to exclude the Board of Management from a meeting. Third parties may also participate in Supervisory Board meetings for consultation on individual matters. The Supervisory Board can generally adopt resolutions by simple majority vote. In the event of a tied vote, the Chairman shall have the casting vote.

The Supervisory Board may form committees from among its ranks and transfer decision-making authority to these committees to the extent permitted by law. The Supervisory Board stipulates the committees' responsibilities, powers and procedures. The Supervisory Board has established the following committees, which are tasked with the responsibilities described below:

Executive Committee
The Executive Committee (Präsidialausschuss) coordinates the work of the Supervisory Board, prepares the Supervisory Board meetings and is also responsible for personnel matters relating to the Board of Management. It is also charged with preparing resolutions on the appointment of Board of Management members and negotiating the terms and conditions of their employment agreements, including compensation. The Executive Committee submits proposals for the compensation system to the full Supervisory Board on setting the total compensation to be granted to the individual members of the Board of Management. The Executive Committee's tasks also include, among others: (i) granting consent to requests by Board of Management members to take on other positions or other material secondary employment or exempting them from non-compete obligations; (ii) granting loans to members of the Board of Management and of the Supervisory Board and their dependents; and (iii) granting consent to transactions between the Company and its affiliates, on the one hand, and any Board of Management member or a related party, on the other.

The Executive Committee consists of six members: Markus Rauramo (Chairman), Harald Seegatz (Deputy Chairman), Prof. Dr. Werner Brinker, Barbara Jagodzinski, Dr. Bernhard Günther and Immo Schlepper.

Audit and Risk Committee
The Audit and Risk Committee (Prüfungs- und Risikoausschuss) assists the Supervisory Board with its responsibilities in monitoring accounting processes and financial reporting. These include in particular monitoring the accounting process, the effectiveness of the internal control system, the risk management system and the internal auditing system, as well as the audit of the financial statements, in particular the selection and independence of the auditor, the quality of the audit, the issuing of the audit mandate to the auditor, the determination of focal points of the audit and the fee agreement, as well as the additional services provided by the auditor. In addition, the Audit and Risk Committee deals with compliance issues. Another task of the Audit and Risk Committee is to review the TCFD report as part of the non-financial report.

The Audit and Risk Committee consists of four members: Judith Buss (Committee Chairman), André Muilwijk (Deputy Chairman), Oliver Biniek and Dr. Bernhard Günther.

Nomination Committee
The Nomination Committee (Nominierungsausschuss) is responsible for preparing the decisions of the Supervisory Board regarding proposals to the Shareholders Meeting on the appointment of shareholder representatives to the Supervisory Board.

The Nomination Committee consists of three members: Markus Rauramo (Committee Chairman), Prof. Dr. Werner Brinker and Dr. Bernhard Günther.

Shareholders and Annual General Meeting

The Annual General Meeting is the meeting at which shareholders of Uniper SE exercise their rights. The Annual General Meeting is held at the site of the Company's registered office or in another German city with at least 100,000 inhabitants. The SE Regulation provides that the General Meeting must be held at least once every calendar year within the first six months after the close of a given fiscal year. It is normally convened by the Board of Management. Each share has one vote at a General Meeting. Only those shareholders are entitled to participate in the General Meeting and to exercise their voting rights who have registered in due time and are recorded in the shareholder register for the shares being registered. Voting rights can be exercised through proxies. Due to the ongoing Covid-19 pandemic and the associated restrictions, the 2021 Annual General Meeting of Uniper SE was held as a purely virtual general meeting.

The General Meeting resolves on the following, in particular: appointment of shareholder representatives to the Supervisory Board; appropriation of net retained profits; ratification of the actions of the Board of Management and Supervisory Board members; appointment of the independent auditor; amendments to the Articles of Association; corporate actions involving capital increases or reductions (in the absence of authorization such as that conferred by authorized or conditional capital); and dissolution of the Company.

Statutory Auditor

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, was elected as auditor of Uniper SE by the Annual General Meeting on May 19, 2021. The audit mandate will run until the next Annual General Meeting in May 2022. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, has been active as auditor of the financial statements of Uniper SE without interruption since the Company fulfilled its requirements as a public interest entity within the meaning of Section 319a (1) sentence 1 of the German Commercial Code (HGB) for the first time in the 2016 fiscal year. The auditor responsible for the audit has been Ralph Welter since 2020.

Targets for Promoting the Participation of Women and Men in Leadership Positions Pursuant to Section 76 (4) and Section 111 (5) of the German Stock Corporation Act, and an Indication of Whether the Minimum Proportions Have Been Complied with in the Appointment of Women and Men to the Supervisory Board

The Law on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector also imposes upon Uniper SE (the ultimate parent company of the Uniper Group) the obligation to set targets for the proportion of women on its Supervisory Board and its Board of Management, as well as in the two levels of management below the Board of Management.

In accordance with statutory requirements, for the period from July 1, 2017 to June 30, 2022, a target for the proportion of women on the Supervisory Board was set at 30%, and a target for the proportion of women on the Board of Management was set at 20%.

As of December 31, 2021, the target figure for the Supervisory Board had been exceeded, as in the previous year. Additionally, Uniper appointed a woman to the Board of Management in March 2021 and thus complies with the requirements of the Second Management Positions Act (FüPoG II); in contrast to the previous year, the target figure for the Board of Management has therefore also been exceeded as of December 31, 2021.

For the two management levels below the Board of Management for Uniper SE, targets of 30% for the first management level and of 30% for the second management level were set for the proportion of women for the period from July 1, 2017 to June 30, 2022. As of December 31, 2021, the target figure for the first management level had not been reached, the target figure for the second management level had been exceeded.

Combined Separate Non-Financial Report 2021

Introduction

Uniper SE prepares and publishes a Combined Separate Non-Financial Report (CNFR) in accordance with Section 315c in conjunction with Sections 289c to 289e of the German Commercial Code and the Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy Regulation). The disclosures made in the report apply equally to Uniper SE as a group and parent company, unless stated otherwise.

The standards of the Global Reporting Initiative (GRI) were used as a framework to prepare this report.

Key non-financial performance indicators and other information relevant for management purposes are disclosed in the chapter “Non-Financial Performance Indicators” of the Combined Management Report. They are supplemented in this report by other non-financial performance indicators.

For the first time in 2021, Uniper is complying with the reporting obligations resulting from the new EU Taxonomy Regulation. The Taxonomy section of this report can be found further below in this Non-Financial Report. Furthermore, Uniper has started implementing the voluntary disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD section of this report can be found subsequent to the Taxonomy section.

Uniper’s business model is described in detail in the “Corporate Profile” chapter of the Combined Management Report. Additional information, including figures based on GRI standards, will be made available on Uniper’s website (www.uniper.energy).

Material Non-Financial Aspects and Issues

The Combined Separate Non-Financial Report includes information on the five mandatory aspects defined in Sections 289c and 315c of the German Commercial Code:

- Environmental matters
- Social matters
- Employee matters
- Human rights
- Anti-corruption and anti-bribery

By law, aspects of Uniper’s business model are material for the report if they potentially have a significant impact on Uniper and third parties and if they are relevant for understanding the Group’s current and future development. Uniper’s 2021 materiality assessment defines Company-specific issues and aligns them with the five mandatory reporting aspects. The materiality assessment adopted a two-dimensional approach that considered the environmental and social aspects of Uniper’s business impacts on defined issues as well as stakeholders’ expectations of the Company.

The first dimension of the materiality assessment, business impact, involved an in-depth study to assess the impact of a number of economic, environmental, and social issues on Uniper. The issues were evaluated in relation to their significance from the standpoint of the law, the public interest, Uniper’s competitors, as well as environmental, social, and governance (ESG) ratings. Correlations between the issues and the UN Sustainable Development Goals (SDGs) were also examined.

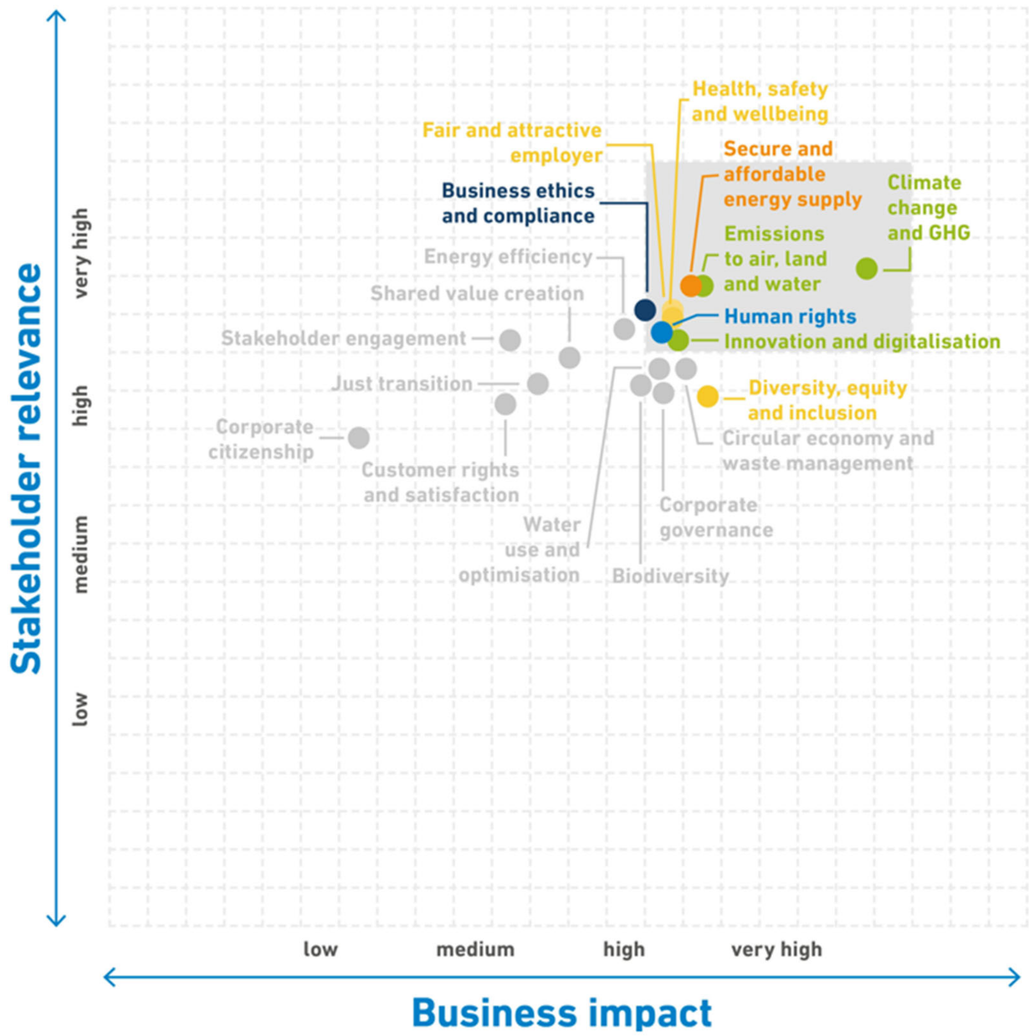
The second dimension of the materiality assessment, stakeholder expectations, considered the view of Uniper's internal and external stakeholders. Stakeholder expectations were compiled by means of interviews and surveys in which participants were asked to rate the importance of Uniper's material issues. Participants included employees and representatives from the main external stakeholder groups, such as non-governmental organizations (NGOs), customers, and investors.

The following materiality matrix provides an overview of the assessment's findings. The horizontal axis indicates the issues' impact on Uniper's business. The vertical axis indicates the issues' relevance from a stakeholders' perspective. Uniper classifies issues that are of high importance on both axes as material. The result is eight material issues, each of which is addressed in this report. Diversity, Equity, and Inclusion is included as the ninth material issue. This issue is integral to the Uniper corporate culture and, as in previous years, was rated very high in terms of its impact and relevance for internal stakeholders. It thus remains material. The various sections of this report describe Uniper's management approach for the aspects and issues, the progress it achieved in the reporting period and, where appropriate, exceptions to its definition of materiality.

Materiality Matrix

Issues reported on in CNFR linked to mandatory aspects.

- **Environmental matters**
- **Employee matters**
- **Social matters**
- **Human rights**
- **Anti-corruption and anti-bribery**



Environmental, Social, and Governance Risks

Uniper fulfills its ESG due diligence requirements by conducting dedicated sustainability risk management, which it aligns with its enterprise risk management to ensure that it addresses its most significant ESG risks on a quarterly basis. Enterprise risk management is described in the chapter “Risk and Chances Report” of the Combined Management Report. Uniper’s ESG risk process includes assessing external as well as internal ESG risks, including climate-related risks, that could arise from its operations. In 2021 Uniper had no reportable risks pursuant to Section 289c of the German Commercial Code. The impact of its net risks was below the reporting threshold.

Uniper has in place measures to control, minimize, and mitigate the ESG risks it identifies. The management actions that Uniper plans and implements are incorporated into its governance structure, responsibilities, and relevant policies. Within the TCFD framework, Uniper has started to implement further processes to identify, analyze, and mitigate climate-related risks. The TCFD section further down in this report provides further details.

Sustainability Management

The Uniper SE Board of Management bears the overall responsibility for the adoption and implementation of Group-wide sustainability measures, with the Chief Sustainability Officer (CSO), David Bryson, playing a key role. The CSO reports periodically to the Supervisory Board on strategic sustainability activities. The Supervisory Board, which is Uniper’s highest governance board, also monitors the Group’s fulfillment of its sustainability obligations.

The CSO chairs Uniper’s Sustainability Council, which is a cross-functional committee that meets on a quarterly basis to monitor the implementation of Uniper’s sustainability strategy and governance framework across the Group.

The Board of Management assigns to the Health, Safety, Security, and Environment (HSSE) & Sustainability function the responsibility for defining Group-wide ESG targets and key performance indicators and for identifying and managing ESG risks and emerging issues that could affect Uniper.

The HSSE & Sustainability function reports on its performance to the Board of Management on the Uniper Group’s performance by means of quarterly performance dialogues. It also engages regularly with the Group Works Council through the Consultative Council, a cross-functional committee that meets biannually.

Sustainability Strategy

Uniper has set a new course to meet rising energy demand while simultaneously propelling the transition to a carbon-neutral future. Uniper will steadily decarbonize its business and help its customers decarbonize theirs. For Uniper, this involves providing the energy that people and companies need today while taking the smart, steady steps that lead to a thriving and sustainable tomorrow. Uniper’s strategy, for these changing times, has three interrelated components: decarbonization, customer centricity, and security of supply.

The core of Uniper's new corporate strategy announced in early 2020 is to support and promote the transition to a low carbon economy. The sustainability strategy aims to ensure that Uniper undertakes this transformation in a responsible manner from an ESG perspective. The Sustainability Strategic Plan (SSP) describes how sustainability supports the Group's business strategy and defines improvement targets for its ESG performance. Within the current SSP, the material issues derived from the materiality assessment are clustered into five impact areas, which provide the framework for specific action plans and annual progress reviews in alignment with selected UN Sustainable Development Goals (SDGs). An overview of the current SSP 2018–2022, which is aligned with the revised 2021 materiality assessment, is provided in the table below. Uniper aims to build on its potential for business growth and engage in active management to minimize its operations' main negative environmental and social impacts. The SSP targets are built around a set of long-term commitments that reflect core elements of Uniper's corporate culture and business strategy.

In 2021, Uniper began to review the current SSP together with Fortum. The review aims to systematically reflect on the priority material issues and, where relevant, update the ambition for the Company. For example, the new material topic "Just Transition" is being reviewed to set out how Uniper should consider ESG elements in the coal phase-out in addition to the strategic aspects. Furthermore, several efforts within the organization that contribute to sustainability shall be reviewed for integration into the new SSP. The review also addresses the potential future ESG considerations stemming from new business activities. The initial results of the review process are expected in early 2022.

In line with the recommendations of international frameworks such as the OECD Guidelines for Multinational Enterprises, the SSP is Uniper's main tool for defining and managing appropriate risk-mitigation and impact-remediation measures for each material issue during a specific timeframe. This approach centers on the implementation of new processes, such as systematic qualitative analysis of the scope, scale, and remediability of the Company's ESG impacts. With the reviewed approach, the SSP also aims to not only mitigate impacts, but where relevant take proactive measures and opportunities toward ESG issues. The HSSE & Sustainability function tracks progress toward achieving the SSP targets and reports on it by means of quarterly reviews for the Board of Management and senior managers. Uniper discloses its progress on an annual basis at least.

Uniper Sustainability Strategic Plan (SSP) 2019-2022

SSP Impact area	Material issues	Relevant SDGs	Uniper's commitments	Uniper's targets
Climate Action & Security of Supply	• **GHG Emissions** • **Innovation** • **Secure, affordable, and reliable energy supply**	7 Affordable and clean energy 9 Industry, innovation and infrastructure 12 Responsible consumption and production 13 Climate action	• Monitor and optimize the carbon intensity of Uniper's generation portfolio. • Include decarbonization activities as a focus area for innovation. • Promote lower-carbon fuels for energy generation.	• Carbon-neutral, in line with the goals of the Paris Agreement, by 2050 at the latest[1]. • Achieve carbon neutrality for our power generation portfolio in Europe by 2035[2]. • Reduction of CO_2 emissions in European generation by at least 50% by 2030 (base year 2019)[2]. • Reduction of Scope 3 indirect emissions by 35 % by 2035 at the latest (base year 2021). • Conduct, by 2022, at least 20 projects whose aims include decarbonization.
Uniper's People	• **Health and safety** • **Fair and attractive employer** • **Diversity and inclusion**	5 Gender equality 8 Decent work and economic growth	• Respect labor rights and ensure a safe, healthy, and secure work environment for all employees and contractors; promote the same standards in Uniper's joint ventures and partnerships. • Have zero tolerance of discrimination. • Ensure equal opportunity and promote inclusion in the entire workforce.	• Achieve a group-wide combined TRIF threshold of 1.0 or below by 2025[3]. • Certify 100% of Uniper's operational assets to ISO 45001 by 2022. • Have women account for 25% of Uniper's top-level executives by 2022. • Achieve an employee inclusion indicator of over 95% by 2022[4].
Environmental Protection	• **Environmental protection** • **Air emissions** • **Energy efficiency** • **Biodiversity** • **Waste minimization** • **Water optimization** • **Fuels and by-products**	12 Responsible consumption and production 15 Life on land	• Promote waste reduction, land pollution prevention, and environmentally responsible mining. • Work with contractors, suppliers, and industrial customers to adopt a life cycle approach in order to protect the environment, use resources efficiently, and market Uniper's by-products.	• Have no severe environmental incidents. • Maintain certification of 100% of Uniper's operational assets to ISO 14001. • Number of major voluntary measures enhancing biodiversity ≥12 in 2021 (total for both Uniper and Fortum)[5].
Human Rights and Compli-ance Culture	• **Human rights along the value chain** • **Governance and Compliance** • **Data protection** • **Tax transparency**	8 Decent work and economic growth 16 Peace, justice and strong institutions	• Have zero tolerance of forced labor, child labor, modern slavery, and human trafficking. • Continue to strengthen Uniper's compliance culture and protect the business from corruption risks.	• Conduct ESG due diligence of 100% of counterparties by 2022[6]. • Train 100% of all employees on compliance and Uniper's Code of Conduct by 2021.
Stakeholder Engagement	• **Lobbying** • **Corporate Citizenship** • **Engaging in dialogue**	8 Decent work and economic growth 16 Peace, justice and strong institutions 17 Partnerships for the goals	• Actively engage with stakeholders to ensure transparency and ongoing dialogue regarding Uniper's activities. • Foster the development of effective, accountable, and transparent institutions at all levels. • Minimize the impact on communities affected by Uniper's operations.	• At the corporate level, conduct at least three trust-building dialogues with civil society organizations each year up to 2022.

[1] Scope 1, 2 and 3 emissions.

[2] Scope 1 and 2 emissions.

[3] Total recordable incident frequency (TRIF) measures the number of incidents per million hours of work.

[4] Employee inclusion indicator: Annual employee opinion survey demonstrates that 95 % of the employees feel included.

[5] Progress on the biodiversity target will be reported in the 2021 Sustainability Report, as biodiversity was not identified as a material topic for the Combined Separate Non-Financial Report.

[6] Within the scope of the Know-Your-Counterparty Business Policy, applied to Uniper Global Commodities, Procurement and Energy Services.

Sustainability Policies

Uniper has sound policies in place to manage its material ESG issues. These policies, which are monitored on a regular basis, stipulate how the Group addresses ESG concerns and how it coordinates the cascade effects across the organization.

The HSSE & Sustainability Policy Statement defines Uniper's ambitions and priorities in the area of HSSE and sustainability. This statement then provides the basic framework for developing the SSP and for evaluating its effectiveness.

In addition to the statement, the Uniper Code of Conduct addresses a wide range of compliance issues, such as combatting corruption and protecting human rights. The Code of Conduct is a binding document for all employees and provides guidance and support for conducting business and behaving in the workplace in compliance with the law and Company rules. The code is founded on a commitment to integrity toward one another, the business, and communities. Each year, the Board of Management members and senior managers sign a written pledge to adhere to the Code of Conduct. The code is reviewed and updated periodically to ensure appropriateness and compliance with Company and regulatory requirements. A revised version was adopted in 2020.

Whenever possible, the Group strives to work with third parties that have comparable values and principles. It requires suppliers to sign a declaration of compliance with the Uniper Supplier Code of Conduct.

Uniper has in place a Know-Your-Counterparty (KYC) Business Policy for identifying, verifying, and reporting the main compliance risks potentially posed by new counterparties before business deals are finalized. These risks include corruption, money laundering, terrorism financing, and the violation of applicable economic sanctions. The introduction of the policy was accompanied by an e-Learning module and classroom training entitled Know Your Counterparty, Intermediaries, and Sanctions, whose purpose is to familiarize staff across the organization with the enhanced processes. The Compliance function used these processes to assess 436 new counterparties (excluding those of Unipro) in 2021, 405 of which were approved and six of which were rejected due to compliance risks. The remaining were either withdrawn or under assessment.

Uniper also assesses its counterparties' ESG risk exposure. As part of Uniper's KYC and Procurement policies, the HSSE & Sustainability function has developed and implemented a screening process to identify counterparties with exposure to ESG risks. The process is aligned with the UN Guiding Principles on Business and Human Rights (2011), the OECD Guidelines on Multinational Enterprises (2011), and relevant implementing documents, which aim to embed responsible business conduct into policies and management systems. Uniper has set a strategic sustainability target of using the screening process to assess 100% of all counterparties by 2022. At the end of 2021, 59% of Uniper's active counterparties (excluding those of Unipro) had been assessed. Unipro and Unipro's subsidiaries do not use the aforementioned screening process because they do not fall within the scope of the Uniper KYC and Procurement policies. Unipro has implemented its own KYC and Procurement policies. As described in Uniper's procurement policies, suppliers not subject to mandatory registration are also not subject to the screening process.

Any project or business initiative subject to Board of Management approval must consider ESG factors. The objective is to ensure that Uniper engages in good ESG governance Group-wide when assessing and approving projects and business initiatives, and that it maximizes value creation by considering their strategic fit, financial merits, risks, and ESG factors. Uniper conducts the ESG evaluation by analyzing a project's fit with Uniper's SSP and with objective ESG screening criteria.

Uniper's ESG evaluation uses the ESG screening criteria of the EU Taxonomy Regulation 2020/852 and subsequent Delegated Acts, further outlined in the following Taxonomy section of this report. Projects that are Taxonomy-eligible and also contribute to, or at least do not hinder, the achievement of Uniper's sustainability targets, are assigned a lower hurdle rate to incentivize their implementation. Where necessary, Uniper's evaluation includes recommendations aimed at mitigating the ESG risks identified and to help meet the Taxonomy expectations.

The aforementioned policies, business directives, and Code of Conduct are available to all employees electronically on the Uniper intranet.

EU Taxonomy Regulation

By signing the Paris Agreement on climate change, the European Union (EU) committed itself to pursuing the climate targets agreed upon therein as well as a more sustainable development of the economy and society. The European Union's Taxonomy Regulation, which was adopted in mid-2020, introduced an EU-wide classification system for green economic activities (EU Taxonomy) and a list of relevant criteria for verifying their contribution to climate and the environment. All financial market participants are or will be legislatively incentivized to promote investments in environmentally sustainable activities with reference to the EU Taxonomy.

The EU Taxonomy Regulation currently targets all companies in the capital markets that belong to the group of users of the CSR Directive Implementation Act (CSR-RUG). Companies subject to reporting requirements under the CSR-RUG in Germany must report on the EU Taxonomy for sustainability activities for the first time in their non-financial statements from January 1, 2022.

Information on the proportion of their sales revenue, capital expenditures (CapEx), and operating expenses (OpEx) related to environmentally sustainable economic activities is at the heart of the reporting requirements under Article 8 of the Taxonomy Regulation for non-financial companies. The definition of environmentally sustainable economic activities is reflected in the technical assessment criteria, which are established by delegated acts.

In 2022, reportable companies have the option of initially making use of simplified disclosure requirements for the two environmental targets climate change mitigation and climate change adaptation for the fiscal year 2021. The technical assessment criteria for the first two environmental targets were adopted by the European Commission on June 4, 2021.

Application by Uniper in Fiscal Year 2021

For the 2021 fiscal year, the Uniper Group will report on its contribution to the first two environmental objectives climate change mitigation and climate change adaptation. The reporting includes the shares of revenue, capital expenditure, and operating expenses attributable to sustainable economic activities as a proportion of the consolidated Group figures and, on a voluntarily basis, as an absolute amount.

For the initial application, Uniper uses the option to report only on the taxonomy eligibility and not on the taxonomy alignment of its economic activities. An economic activity is described as taxonomy-eligible if the description in the respective delegated acts corresponds with this activity. All other economic activities are termed taxonomy-non-eligible economic activities. Uniper will not report on taxonomy eligibility until the following fiscal year 2022, i.e. on whether the technical assessment criteria as well as the minimum requirements for occupational safety and human rights (minimum safeguards) have been met.

The three steps in which the taxonomy-eligible activities at Uniper were analyzed and determined in accordance with the requirements of the EU directives are explained below:

In the first step, all NACE codes – the Statistical Classification of Economic Activities in the EU (NACE) – were centrally reviewed and checked against the economic activities of the Uniper Group in order to obtain an initial identification of Uniper's relevant business activities and the legal entities to which the activities are attributable (top-down analysis). The NACE codes classified as relevant were assigned to the corresponding chapters in Annexes I (climate change mitigation) and II (climate change adaptation) of the Taxonomy Regulation. In the second step, Annexes I and II were reviewed for additional industries that were not flagged as relevant in the NACE code screening process because some chapters in the Annexes do not have their own NACE codes. In the third step, the legal entities identified in Uniper's scope of consolidation were screened for additional possible economic activities not yet identified, and discussed at project level with the business owners regarding the completeness and correctness of the top-down analysis (bottom-up verification). This approach ensured completeness with respect to all relevant taxonomy-eligible industries. This made it possible to compile a list of possible taxonomy-eligible activities for the 2021 fiscal year.

The following economic activities were identified by Uniper as taxonomy-eligible in the reporting year 2021. Although these activities have, in part, a connection to the climate goal climate change adaptation, they are primarily related to the climate goal climate change mitigation and are therefore fully assigned to this climate goal.

EU activity code	Description of eligible activities	Climate objective
3.10	Manufacture of hydrogen and hydrogen-based synthetic fuels	Climate change mitigation
4.5	Electricity generation from hydropower	
4.10	Storage of electricity	
4.12	Storage of hydrogen	
4.15	District heating/cooling distribution	
4.20	Cogeneration of heat/cool and power from bioenergy	
5.7	Anaerobic digestion of biowaste	
7.6	Installation, maintenance and repair of renewable energy	
9.1	Close to market research, development and innovation	

The numerator of CapEx/OpEx includes expenditure related to assets or processes that are associated with taxonomy-eligible economic activities generating turnover at the present time or in the future. This includes business units already in place as well as organizational structures which are not yet business units. Due to the late introduction of the final EU reporting guidelines, Uniper does not have CapEx plans in 2021 to expand taxonomy-aligned economic activities or to upgrade taxonomy-eligible economic activities, which already consider taxonomy alignment, to become taxonomy-aligned. Associated expenditure to expand taxonomy-eligible economic activities that are aimed at the generation of turnover is, thus, reported as eligible under the respective activity. Expenditures related to individual measures enabling certain activities to become low-carbon or to lead to greenhouse gas reductions, are also considered taxonomy-eligible CapEx/OpEx, regardless of any current or future turnover. Taxonomy eligibility of such expenditure is assessed based on the description of the individual measures in the Climate Delegated Act.

Several new projects are aimed at producing hydrogen and hydrogen-based synthetic fuels, implementing the hydrogen strategy developed by Uniper since 2020. The strategy also includes the conversion of existing underground gas storage facilities into hydrogen storage sites, in accordance with the definition provided by the EU Taxonomy. Other activities are dedicated to research, applied research, and experimental development of solutions, processes, technologies, business models, and other products dedicated to the reduction, avoidance, or removal of GHG emissions. Several Uniper Innovation projects in early development stage are reported under 9.1 letter c) as individual measures, provided that a target-eligible activity can be identified, the Technology Readiness Level is equal or higher than TRL 6, and the project can be implemented within 18 months from balance sheet date of the strategic decision taken by the management

Performance Indicators: Sales Revenue, Capital Expenditures, Operating expenses

In accordance with the option exercised by Uniper, there will be no differentiated reporting by sustainable economic activities for the 2021 fiscal year, so that only the share of taxonomy-eligible and taxonomy-non-eligible sustainable economic activities will be disclosed in relation to the three above-mentioned performance indicators. Sustainable business activities already generate sales with third parties or are in the process of doing so. Furthermore, in accordance with Article 8 of the EU Taxonomy, no prior-year figures are provided for the 2020 fiscal year.

Environmental objective: climate change mitigation	Turnover		CapEx		OpEx	
	€ in millions	%	€ in millions	%	€ in millions	%
Eligible activities	935	0.57	72	8.10	114	7.32
Non-eligible activities	163,043	99.43	819	91.90	1,446	92.68

The most important taxonomy-eligible activity at Uniper in the 2021 fiscal year was hydroelectric power generation, with an installed capacity of 3.7 GW in Germany and Sweden. While there are no current plans to construct new hydroelectric power plants, several maintenance and modernization projects for the existing portfolio are expected in the future.

In the determination of sales revenues, capital expenditures and operating expenses according to the EU taxonomy, the same accounting and valuation methods have been applied as in the notes to Uniper SE's IFRS consolidated financial statements for 2021; see page 153 (Note 5 – Revenues), page 172 (Note 15 – Property, Plant and Equipment), page 169 (Note 14 – Goodwill and Intangible Assets). Operating expenses are measured in accordance with the principles adopted in the IFRS consolidated financial statements, with the result that non-cash contributions and third-party services are measured at the contractual prices and personnel expenses are measured in accordance with IAS 19.

Double counting of revenue, CapEx, or OpEx is excluded, as Uniper uses the financial data from accounting at project or asset level (sustainable economic activities). In this process, each of these is assigned an individual EU taxonomy code with a clear allocation to one of the sustainable economic activities and aggregation is carried out in the context of reporting on the basis of the individual codes.

Sales

The revenue share was calculated as the portion of net revenue derived from products or services associated with taxonomy-eligible sustainable economic activities (numerator) divided by net revenue (denominator); see the Uniper Group's income statement on page 138 of the 2021 Annual Report (income statement item Revenue). The denominator of the indicator corresponds to Group-wide revenue measured in accordance with IFRS. The level of revenue reflects the development of prices in 2021 and resulted in particular from average market prices in the electricity and gas business. In addition to higher contractual prices (own-use contracts) and transactions on the spot market, a significant part of this is due to the contracts with physical settlement contracted by Uniper (failed-own-use contracts), which – due to the accounting and valuation rules codified in IFRS – must be reported at the applicable spot price upon settlement of the contract.

Capital Expenditure (CapEx)

In principle, the same accounting policies used in the Uniper Group's 2021 Annual Report (Section 15 – Property, Plant and Equipment and, to a minor extent, Section 14 – Goodwill and Intangible Assets) were applied to determine the amounts recognized under the EU Taxonomy. The denominator of the capital expenditure indicator comprises additions to property, plant, and equipment and intangible assets during the fiscal year under review before depreciation, amortization, and revaluations, including those resulting from revaluations and impairment losses, and excluding changes in fair value. The denominator also includes additions to property, plant, and equipment and intangible assets resulting from business combinations. The numerator corresponds to the portion of the capital expenditures included in the denominator that relates to assets or processes associated with the taxonomy-eligible sustainable economic activities.

Operating Expenses (OpEx)

The denominator of the ratio to operating expenses includes direct, non-capitalized costs relating to research and development, building refurbishment, leasing, maintenance and repair, and all other direct expenses relating to the day-to-day maintenance of property, plant, and equipment assets that are necessary to ensure the continuous and effective functioning of those assets. In addition to repairs, this also includes ongoing maintenance and operationally necessary servicing of the plant by power plant employees and their personnel costs, if these can either be directly allocated to the taxonomy-eligible economic activity or, if necessary, allocated to the taxonomy-eligible economic activity via a justified allocation.

The numerator corresponds to the portion of the capital expenditures included in the denominator that relates to assets or processes associated with the taxonomy-eligible sustainable economic activities. Development costs that have already been included in capital expenditure (CapEx) are not recognized as operating expenses.

TCFD (Task Force on Climate-Related Financial Disclosures) Reporting

Since its inception, Uniper has always prioritized presenting its business activities transparently to all its stakeholders. An essential catalyst for a successful energy transition, which is the main focus of Uniper's purpose – Empower Energy Evolution – is the reporting on climate-related matters. For this, Uniper is following up on its announcement in December 2020 and has started implementing the voluntary disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Set up by the G20 Financial Stability Board, the aim is to promote more informed investment, credit, and underwriting decisions by providing all stakeholders with more effective disclosures on which they can base their decision.

Climate-Related Governance

At Uniper, a two-tier corporate governance structure is in place and is described in greater detail in the Combined Management Report within the section "Declaration on Corporate Governance in Accordance with Section 289f and Section 315d of the German Commercial Code" as well as in the Sustainability Management section of this report. The following section exclusively focuses on Uniper's Governance structure with respect to the management and oversight of climate-related aspects.

Board of Management

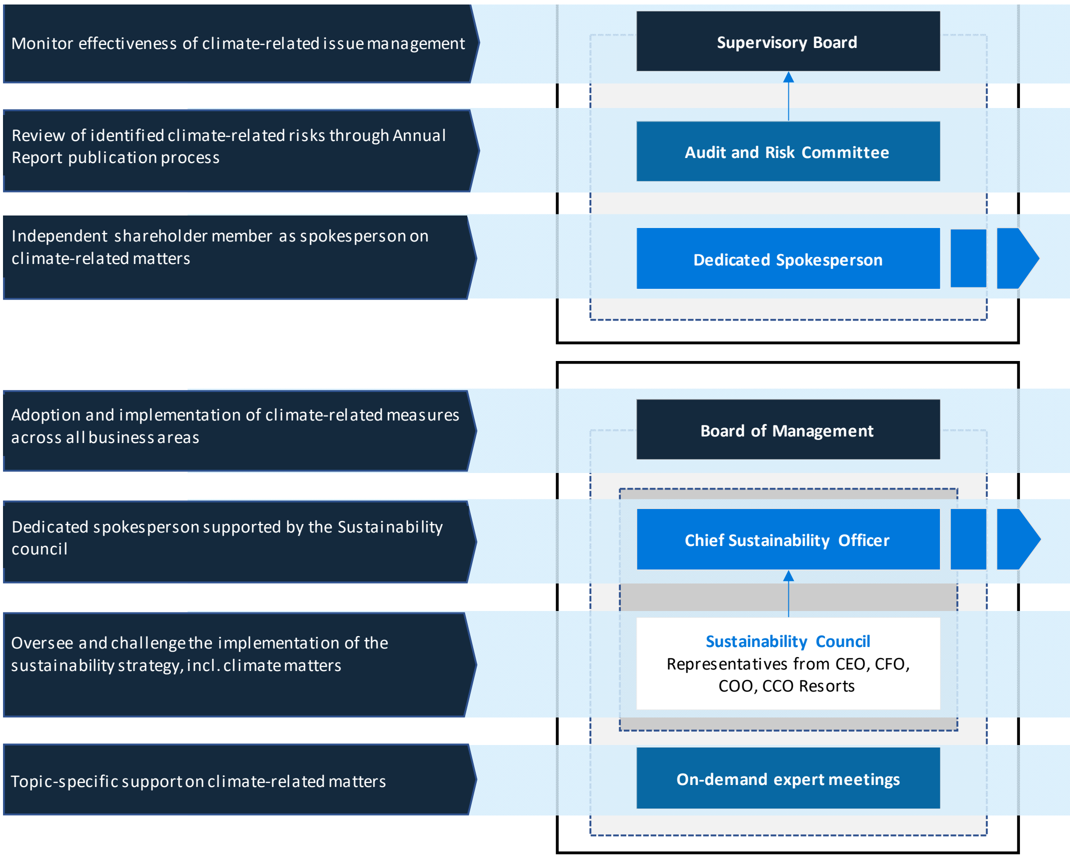
All members of the Board of Management bear the joint responsibility for adopting and implementing Uniper's sustainability measures, including the management of climate-related risks and chances. This joint responsibility reflects that climate-related risks and chances and the corresponding mitigation measures affect all four Board of Management areas. The operational management of climate-related risks and chances is assigned to the director responsible for the respective area in accordance with Uniper's Enterprise Risk Framework. Beyond, Uniper's strategy plays a vital role in managing and mitigating climate-related risks and chances. The strategic focus on decarbonization including clear targets and concrete measures has been approved by the Board of Management in 2020. Beyond, the strategy execution is tracked by the Board of Management via Board meetings and the Uniper UPDs (Uniper Performance Dialogues). Uniper's Board of Management and senior leaders participate in a series of performance dialogues, the so-called UPDs, to help steer different business lines along both financial and non-financial dimensions, based on yearly targets. Further details on Uniper's climate-related strategy process are described in the strategy section below. Within the Board of Management, the Chief Operating Officer (COO) in his capacity as Chief Sustainability Officer (CSO), is also the spokesperson on climate-related topics.

Supervisory Board
The Supervisory Board oversees Uniper's strategy definition and implementation, and has approved Uniper's strategy, which focuses on decarbonization. The Supervisory Board monitors the management of climate-related risks and chances in terms of effectiveness. Also here, all members of the Supervisory Board are jointly responsible and actively involved in climate-related topics in the Supervisory Board work. This is also reflected in Uniper's competency profile for Supervisory Board members, which covers relevant expertise on climate-related matters. Within the Supervisory Board, an independent shareholder representative serves as the spokesperson on this subject. The Supervisory Board is informed by the Board of Management at least biannually on ESG and climate-related matters, such as an overview of identified climate-related risks and chances, the status of mitigation measures, and an evaluation of the resilience of Uniper's strategy to climate-related risks. Additionally, relevant trainings for the Supervisory Board members are foreseen to be conducted regularly. The Supervisory Board is supported by the Audit and Risk Committee, which, among other things, reviews the Annual Report and the TCFD section as part of the Non-Financial Report.

Sustainability Council
As explained in the Sustainability Management section above, the Sustainability Council, which is chaired by the CSO, oversees and challenges the implementation of Uniper's overall sustainability strategy. This includes climate-related matters, and thereby the council acts as advisory body for the Board of Management and the CSO.

Capital Allocation
In order to support the strategy execution towards carbon-neutrality, Uniper's capital allocation is geared towards investments that are green according to Uniper's ESG evaluation framework considering internal ESG criteria, as well as the environmental objectives 1 and 2 from the EU Taxonomy. Hence, the impact on climate is evaluated within strategic and financial decisions on growth projects. Depending on the level of contribution towards Uniper's decarbonization targets and the compatibility with the EU taxonomy, different hurdle rates are used for financial assessment: The return expectation for "green" projects is 100 basis points lower compared to "non-green" projects. Furthermore, following the implementation of the TCFD framework in 2021, Uniper has started to include a "well below 2°C" commodity price scenario in the financial assessment of new projects in selective cases.

Incentivization
Uniper has embedded its decarbonization ambitions into the incentive schemes for management. Within the long-term incentive scheme, 40% of the target amount are based on non-financial targets, that is further split into two groups: 20% is based on the successful transformation of Uniper's portfolio towards carbon-neutrality. The other 20% is contingent on predefined ESG targets. For the 2021 tranche, the ESG target will be considered achieved once Uniper fully implemented the TCFD recommendations. For the 2022 tranche, the absolute CO_2 reduction of the European Generation segment is relevant. The target is based on a predefined reduction path for the European fleet. Further details on the management compensation can be found on Uniper's IR website. For the short-term incentive scheme with respect to Uniper's ESG strategy, the delivery of the HSSE & Sustainability Improvement Plan, which also reflects climate-related topics, is incorporated into the Company performance as described in the Combined Management Report.



Climate-Related Risk Management

Uniper's Enterprise Risk Management (ERM) system is a key instrument to ensure Uniper's financial stability from an earnings and liquidity perspective. It primarily focuses on the three-year horizon of the mid-term financial plan (MTP). Under the ERM, all risks and chances are clustered into "market, credit, operational, and financial" risks. Due to their nature and potential triggers, climate-related risks and chances don't warrant a risk category on their own within the ERM but may manifest across the above-named risk categories.

Climate-Related Risks and Opportunities

In 2021 Uniper implemented an additional process to capture all relevant climate-related risks and chances and to categorize those following the TCFD recommendations, including those beyond the time horizon in focus of the existing ERM framework. Uniper conducted ten structured, in-depth workshops across the major business areas on climate-related risks and chances as well as the corresponding mitigation measures. More than 80 representatives from business and enabling functions (incl. Corporate Strategy, Market Analytics, Governmental Affairs, Sustainability, Finance, Investor Relations, Risk Management) participated in those workshops. In order to structure and facilitate the climate-related risks and chances identification, the workshops have been based on a "well below 2°C" and an "above 3°C" scenario. The applied "well below 2°C" scenario is provided by the International Energy Agency (IEA) and has been published in their 2020 World Energy Outlook report. A detailed description of the Sustainable Development Scenario (SDS) and the main assumptions can be found in the scenario section below. The "above 3°C" scenario used in the risk and opportunity workshops were based on both the Current Policy Scenario (CPS) provided by the IEA and two different scenarios provided by the Intergovernmental Panel on Climate Change (IPCC) (i.e. the Representative Concentration Pathways RCP6.0 and RCP8.5, which describe specific greenhouse gas concentrations in the atmosphere (ppmv) and related radiative forcing values (W/m^2) by 2100). Within the workshops around 70 risks and chances with corresponding mitigation measures were identified and the respective drivers were discussed. The identified measures were considered during the strategy process, which is described below.

To evaluate the overall relevance for the Uniper group, each risk and opportunity has been assessed based on its potential earnings impact on the respective business line as well as its expected timing implication, i.e. short-term (up to 3 years), mid-term (4 to 20 years), or long-term (21 to 30 years). Accordingly, risks and chances, which have a high earnings contribution and are considered highly relevant for the respective business lines, received the highest relevance score. Existing risk reduction measures were checked for adequacy, and, if necessary, new measures were proposed. The outcome of the workshops has been incorporated into Uniper's strategy process and were presented to the Board of Management and the Supervisory Board in the fall of 2021.

Going forward, Uniper will embed the climate-related risks and chances process into the overall ERM-framework. Next to the regular quarterly ERM process, Uniper intends to update the climate risk and opportunity assessment once a year. The rationale is that longer-term climate-related risks and chances are less volatile, while shorter-term items that are directly relevant for the financial planning of Uniper are already in the scope of the quarterly ERM.

ERM vs. Climate Risk and Chances Process

	Enterprise risk and chances process	**Climate risk and chances process**
Purpose	Ensuring financial stability	Ensuring long-term validity and resilience of strategy
Reporting cycle	Quarterly	Yearly
Time horizon	Short-term (up to 3 years)	Short- to long-term (up to 30 years)
Categorization used for risks and opportunities	– **Market** – **Credit** – **Operational** (incl. Technical Asset Risk and Asset Project Risk, IT Risk, People and Process Risks, as well as Legal, Regulatory and Political Risks) – **Financial** *Note: Climate aspects are considered across all categories if they are an underlying driver*	– **Physical** Acute Chronic – **Transition** Policy & Legal Technology Market Reputation

Climate-Related Strategy

Uniper's Most Relevant Climate-Related Risks and Chances

As described in the Risk Management section above, Uniper conducted a structured and group-wide process to identify and assess climate-related risks and chances. Generally, climate-related risks and chances fall in one of two main categories: transition and physical. Across Uniper, the most relevant risks and chances are considered to be related to the energy transition. The following table summarizes the most relevant climate-related risks and chances within the existing Uniper portfolio as identified. This means that all identified risks and chances stem purely from the financial perspective to our existing portfolio as of today. Uniper's overarching strategy that focuses on the energy transition has not been reflected here and will be further analyzed in the strategy section below.

Top Climate-Related Risks and Chances for the Uniper Group

Category	Description	Impact	Time horizon[1]	Primarily affected business
Risks[2]				
Market	Competition in renewables projects with increasing renewables built-out growth rate	Increasing build-out in renewables leading to stronger supply and ceteris paribus decreasing power price levels	Mid-term	European Generation: Outright Fleet
	Significant increase in global non-energy commodity prices	Climate-related scarcity and availability issues especially for metal-based products might impact supply chain, maintenance and availability of generation fleet	Long-term	European Generation and Russian Power Generation
Policy and Legal	Litigation	Increasing likelihood for legal claims regarding past, current and future carbon dioxide emissions	Short- to mid-term	Full group
	Greenhouse gas emissions pricing	Higher CO_2 prices and extension of CO_2 regulation decreases demand and/or margins for fossil-based products and services	Mid- to long-term	European Generation: Fossil Fleet; Russian Power Generation; Global Commodities: Gas Mid-stream
	Asset lifetime impact due to changes in climate policy framework and regulation	Accelerated coal exit and potential "gas exit" discussions in Europe; increased regulatory uncertainty about lifetime of gas assets might impact customer demand; extension of regulation (e.g. methane leakage)	Mid- to long-term	European Generation: Fossil Fleet; Russian Power Generation; Global Commodities: Gas-Midstream
Finance	Costs and availability of Insurance and Financing	Financial institutions restricting business with fossil-exposed companies might limit availability and/or increase cost for financing and insurance	Short- to mid-term	Full group
Chances[2]				
Policy and Legal	Greenhouse gas emissions pricing	Higher CO_2 prices lead to overall higher outright power prices (as long as fossil assets are setting the marginal price)	Short- to mid-term	European Generation: Outright Fleet
Market	Changing customer behavior and demand patterns (incl. sector coupling and electrification)	Increased demand for (carbon-free) generation (incl. value of guarantees of origin)	Short- to mid-term	European Generation: Outright Fleet
	Higher electricity/-commodity price volatility and lower grid stability	Stronger renewables feed-in increases volatility and demand for flexible power generation and grid stability solutions	Short- to mid-term	European Generation: Fossil Fleet; Global Commodities: Gas-Midstream

[1]Short-term = up to 3 years, mid-term = up to 20 years, long-term = up to 30 years.
[2]The same categorization has been used for the identification and assessment of climate-related risks and opportunities as a specific value driver trigger an upside or a downside depending on concrete assumptions such as changes in the political and regulatory framework, customer behavior, or changes in weather patterns due to climate change in a specific region.

While the identified chances are rather considered to be short- to mid-term, the majority of the risks is more oriented towards the mid- to longer-term based on Uniper's portfolio as of today.

Higher CO_2 prices and a stronger power demand due to increasing electrification are expected to positively impact outright power prices – to the benefit of Uniper's carbon-free power generation. Furthermore, the higher feed-in of renewable energy – combined with a decrease of traditional baseload capacities across Europe – is likely to increase volatility in commodity markets. However, this is considered an opportunity for Uniper's flexible fossil generation and gas-midstream business in the short- to mid-term.

The link between power prices and CO_2 costs might weaken in the longer run as renewables growth progresses and carbon-free sources of flexibility become technically and commercially viable. Thus, with a lower correlation between CO_2 and power prices, the upside on the outright portfolio would be lower. At the same time, Uniper's fossil business might be exposed to lower spark and dark spreads (gas and coal generation gross margins) as well as an overall lower demand on customer side for fossil-based services and products in Europe. Accordingly – although considered an upside in the short-term – higher CO_2 prices and an extension of the CO_2 regime into other sectors is regarded as a risk for Uniper's existing fossil-based generation and commodities portfolio in the mid- to long-term, which however is continuously considered and actively managed through several strategic and operational initiatives.

Further regulatory risks arise primarily around Uniper's coal assets. In line with the existing German Law on the Reduction and Termination of Coal-Fired Power Generation, Uniper's coal-fired power plant Datteln 4 is currently assumed to operate until 2038. The risk of a stricter regulation, e.g. foreseeing an earlier coal exit without adequate compensation, remains. Beyond, the fossil fuel gas may also be subject to regulatory risks in the long term. Gas indeed plays an essential role when it comes to security of supply today and for the foreseeable future. However, in the mid- to long-term there is the possibility that methane will also fall under stricter regulations as energy transition progresses.

In anticipation of the above, certain financial stakeholders such as banks and insurance companies might reduce the scope of services offered to Uniper in light of the fossil exposure. Together with potential litigation risks, this exposure is considered to be more short- to mid-term. As of today Uniper is able to mitigate the financing and insurance risk via its optimization of its financing and insurance portfolio.

Although transition risks and chances have been identified as most significant for Uniper's business portfolios, specific physical risks and chances (e.g. likelihood and potential impact of extreme weather patterns) have also been discussed during the workshops. Given its diversified asset base both in the context of geography and technology, Uniper is generally very well positioned to cope with physical risks resulting from climate change. Moreover, Uniper regularly performs technical resilience assessments for its power plants, to analyze potential threats stemming from acute physical events like storms, floods, or wildfires. Any identified threat triggers specific response actions to increase the technical resilience of Uniper's asset base.

Given Uniper's role as a large operator of hydro assets and due to its substantial exposure to the Nordic power market, changes in weather patterns (e.g. wind, precipitation) do significantly affect Uniper's profitability. However, while Uniper is significantly exposed to weather, the impact from changes in long-term weather patterns can be either positive or negative (e.g. the outright fleet benefits if the weather is very dry and suffers from wet weather) depending on the specific circumstances. Therefore, despite neither being a clear risk nor opportunity, the impact of weather has been quantified among other sensitivities in the next section.

Climate-Related Sensitivities

Based on the above identified risks and opportunities, the potential financial implications on the most affected parts of Uniper's business portfolio have been analyzed. In order to quantify Uniper's financial exposure to key climate-related value drivers, earnings sensitivities are being used. The selected value drivers include: i) carbon price, ii) regional power demand, iii) regional weather patterns, and iv) politically driven phase-out of coal-fired power generation. Uniper's long-term assumptions, which are internally used for long-term investment decisions and asset assessment, serve as the baseline for this sensitivity analysis. Accordingly, the baseline reflects Uniper's assumptions regarding macroeconomic parameters and commodity prices until 2050.

The long-term plan is updated once a year and approved by Uniper's board of management. The sensitivity calculation is carried out using Uniper's detailed market simulation framework to calculate the aforementioned baseline and is in a second step applied to a portfolio view of assets; i.e. the sensitivity calculation is not conducted on an asset-by-asset basis. Overall, the results of the portfolio-based sensitivity analysis reflect the potential impact on Uniper's earnings in the single years 2025, 2030, and 2040 if the assumptions are changed in certain ranges. The approach follows a "ceteris paribus view", i.e. the results reflect the potential financial impact on the portfolio, if only one value driver is changed at a time without reflecting Uniper's hedging strategy. While the baseline reflects Uniper's internal assumptions, i.e. the applied value ranges for the c.p. sensitivities are purely illustrative. Providing such sensitivities enables external stakeholders to apply their own assumptions and beliefs when assessing the financial impact of key value drivers on Uniper.

Variable	Businesses/Assets	Values	2025			2030			2040		
			Unhedged EBIT Delta (€ in millions)								
Carbon price	Outright (nuclear and hydro generation)	+ 10 €/t	0-50	**50-200**	>200	0-50	**50-200**	>200	**0-50**	50-200	>200
		– 10 €/t	0-50	**50-200**	>200	0-50	**50-200**	>200	**0-50**	50-200	>200
	EU/UK gas generation	+ 10 €/t	**0-50**	50-200	>200	**0-50**	50-200	>200	**0-50**	50-200	>200
		– 10 €/t	**0-50**	50-200	>200	**0-50**	50-200	>200	**0-50**	50-200	>200
Power demand	Outright (nuclear and hydro generation)	+ 2 %	0-50	50-200	**>200**	0-50	**50-200**	>200	0-50	50-200	**>200**
		– 2 %	0-50	50-200	**>200**	0-50	50-200	**>200**	0-50	50-200	**>200**
	EU/UK gas generation	+ 2 %	0-50	**50-200**	>200	**0-50**	50-200	>200	**0-50**	50-200	>200
		– 2 %	**0-50**	50-200	>200	**0-50**	50-200	>200	**0-50**	50-200	>200
Weather	Outright (nuclear and hydro generation)	Dry/tight case (2010)	0-50	**50-200**	>200	0-50	50-200	**>200**	0-50	50-200	**>200**
		Wet case (2015)	0-50	50-200	**>200**	0-50	50-200	**>200**	0-50	50-200	**>200**
Regulatory change	European coal generation	Earlier closure w/o compensation claims[1]	0-50	**50-200**	>200	0-50	**50-200**	>200			

[1]Bidrectional compensation claims
Note: The financial impact reflects the delta effect in comparison to Unipers baseline on the assumptions for the years 2025, 2030, 2040 approved by the Board of Management
This table is not assured by PwC.
green=positive impact red=negative impact

Whether a specific value driver triggers an upside or a downside, thus a risk or an opportunity for Uniper's portfolio, depends on the concrete assumptions regarding changes in the political and regulatory framework, customer behavior, or changes in weather patterns due to climate change in a specific region.

Scenario Analysis and Strategy Resilience Test

As part of its corporate strategy process, Uniper conducts not only a variety of c.p. sensitivities but a set of comprehensive scenario analyses. These scenarios describe integrated long-term development pathways of the whole global energy system – different to the isolated c.p. variation of selected value drivers above. This set of different scenarios includes the baseline scenario, which describes a "slightly above 2°C" trajectory as well as a "well below 2°C" scenario. The latter is used to further test the resilience of the strategy.

Uniper's corporate strategy is centered around decarbonization, and is both a key mitigation instrument for the above-mentioned climate-related risks and the foundation to tap into new growth opportunities. At its core, Uniper is transforming its portfolio in a way that on the one side decreases the exposure to fossil-based activities and on the other side benefits from growth in CO_2-free businesses. A detailed description of Uniper's strategy is provided in the "Strategy and Targets" section within the Annual Report 2021. Uniper's strategy is based on a set of assumptions, the so-called Uniper Planning Case (baseline). Even though the Uniper Planning Case assumes that especially European ambition to limit global temperature increase to "well below 2°C" by 2100 will be largely fulfilled through policy actions (e.g. European Green Deal and the "Fit-For-55" package), the Planning Case assumptions deviate from a stricter "well below 2°C" scenario on a global level as published by the International Energy Agency. Main differences include:

- Long-term natural gas demand remaining on a higher level, especially in non-European countries
- Use of coal-based power generation longer into the future, especially in Asia
- Lower share of renewable-based power generation, especially in non-European countries.

In order to validate the strategic direction and to ensure that the strategy is resilient under different long-term market developments, Uniper incorporates scenario analyses into its group-wide strategy process, including a strict global "well below 2°C" scenario. To quantitatively describe a global long-term transition towards a low-carbon energy system, Uniper chose one of IEA's publicly known and well-accepted long-term energy scenarios: the Sustainable Development Scenario (SDS) from the World Energy Outlook 2020, which is aligned with the Paris Climate Agreement on a global scale.

Key Assumptions of IEA's "Well Below 2 °C" scenario

Year	Exemplary assumption
2030	Global **power-and heat-related emissions** down 40%*, while **electricity demand** would increase by 20%* in same time horizon
2040	**Renewable share** of European power generation at 75%, while **the natural gas share** will be at approx. 8%
	Globally, **wind and solar** provide around 45% of total power generation
	Natural gas demand in Europe would decline by on average 3.3% p.a.*; globally, the decline would be at 0.6% p.a.*, while in the Asia-Pacific region demand would increase by 2% p.a.*
	Global **carbon prices** increase to around €150-170/t
2050	Global share of **low carbon gases** will be at above 50%

* compared to 2019

Using the aforementioned assumptions of IEA's SDS scenario to model all resulting implications for the European power and the global gas sector, Uniper assessed how its individual business lines would be affected in this scenario. The quantitative scenario analysis focussed on Uniper's segments European Generation and Global Commodities, as those are more concretely affected by transition risks. The impacts on Uniper's third segment – Russian generation – have been analyzed only qualitatively. The time horizon for the resilience test extends to 2040. The results of the strategy resilience tests have been discussed with the Board of Management and the Supervisory Board, which is ultimately responsible for overseeing the effective execution of Uniper's strategy. The discussion was structured along the following four dimensions:

- The compatibility of the respective business line with the "well below 2°C" scenario (qualitative assessment)
- The financial impact on key earnings streams under the "well below 2°C" scenario (quantitative assessment)
- The key climate-related risks and chances as identified in the aforementioned expert workshops
- The eligibility of the respective business lines under the EU taxonomy framework

The strategy resilience test showed that Uniper's strategy is aiming for the right goal, setting the right targets, and is overall geared to be resilient in a "well below 2°C" scenario: Uniper's strategy ultimately seeks to contribute to the energy transition and to limit global temperature increase, while taking advantage of the growth opportunities that the energy transition and evolving new markets provide.

The strategy is based on the fundamental belief that there is a need for both low-carbon power generation and green and low-carbon gases to successfully manage the energy system transformation towards net zero. This is also reflected in Uniper's decarbonization path to reach carbon-neutrality by 2035 for European Power Generation (Scope 1 and 2) and by 2050 for the entire group (Scope 1, 2, and 3). The main pillars of the strategy are:

- Exiting coal-fired generation in Europe and developing new business on those sites to seize new value-creation opportunities as well as provide new employment prospects
- Increasing contribution from carbon-free power generation via growth in solar and wind generation, act as an enabler for renewable projects via Power Purchase Agreements (PPA) and to become a significant player for hydrogen and other low-carbon gases
- Decarbonizing the gas-fired generation portfolio and gas-midstream portfolio

Uniper's gas-fired power generation fleet plays a central role by significantly contributing to the necessary security of supply within the energy transition. With an increasing share of fluctuating power generation from renewables in a "well below 2°C" scenario, the IEA projects that around 160 GW of installed gas-fired generation capacity will be needed in Europe by 2040. Today's installed gas-fired power generation capacity of approx. 180 GW in the EU would even increase to roughly 200 GW by 2030 in the SDS before declining again to 160 GW by 2040. This demonstrates the importance of natural gas for a reliable power generation system in Europe. With a highly efficient and flexible portfolio of around 9 GW gas-fired generation capacity in Europe, Uniper is perfectly equipped to benefit from security of supply requirements. Moreover, low-carbon energy solutions for third party customers, especially to provide low-carbon steam and other commodities to industry contributes to enabling a successful energy transition.

Due to a number of hard-to-electrify processes, a full direct electrification of the energy supply is hardly possible. Molecules in the form of green and low-carbon gases will also be required to contribute to a successful energy transition. Particularly hydrogen and biomethane will play a key role, especially for sectors that are hard to abate such as steel, chemicals, aviation, and shipping. Accordingly, the "well below 2°C" scenario assumes that the share of green and low-carbon gases in the energy mix will increase to more than 50% by 2050. Uniper's approved hydrogen strategy, to produce, originate, and supply hydrogen to industry in its core markets, is thus perfectly in line with the "well below 2°C" scenario.

The successful development of Uniper's less carbon-intensive gas business can build upon its decade-long experience in importing, trading and supplying natural gas in Europe via pipelines and globally in form of LNG. Since IEA's "well below 2°C" scenario assumes a significant increase in natural gas demand in Asia-Pacific, mainly due to coal-to-gas switching to bring down carbon emissions in the power sector, Uniper could benefit from its flexible LNG portfolio.

The execution of a systematic strategy resilience test has shown that Uniper's corporate strategy is resilient towards even stricter global ambitions to limit temperature increase to "well below 2°C". The results give insight and provide a better understanding for Uniper's stakeholders about the long-term robustness and sustainability of Uniper's core business areas. Uniper will update the strategy resilience assessment regularly as part of its corporate strategy process.

Metrics and Targets

Climate-Related Targets

Uniper uses a set of metrics to steer and track the execution of its strategy. The following table provides a summary on the relevant metrics and the underlying targets that have been defined based on the strategic ambitions:

Climate-Related Targets

Segment	Target	Relevant matrix
Group-wide	Carbon-neutral (Scope 1, 2, and 3) by 2050 at the latest[1]	Primary: – Scope 1, 2, and 3 greenhouse gas emissions (metric tons in millions) Secondary: – Composition of power generation capacity across fuel types (GW) – Composition of power production across fuel types (TWh) – Level of alignment with EU Taxonomy
	35% reduction of Scope 3 emissions by 2035 compared with 2021 levels[2]	
European Generation	Carbon-neutral (Scope 1 and 2) by 2035 at the latest[1]	
	50% reduction of emissions (Scope 1 and 2) by 2030 compared with 2019 levels[1]	
Group-wide	Develop a renewables portfolio of 1 GW before 2025 and 3 GW after 2025[3]	Renewable generation capacity (GW)
Group-wide	Hydrogen electrolyzer capacity of 1 GW by 2030	

[1]Including divestments, offsetting and technical solutions
[2]This includes all categories defined in the GHG Protocol with the exception of categories 5, 10 and 12-15.
[3]Fortum and Uniper Wind and Solar team ambition: 1.5–2.0 GW renewables capacity.

As described in the "Strategy" section above, Uniper's strategy focuses on the energy transition and the associated decarbonization. Uniper aims to become carbon-neutral (Scope 1, 2, and 3) at Group level by 2050. Uniper has defined further interim targets on the way there: Uniper's European Generation segment should already be carbon-neutral in terms of direct and indirect emissions (Scope 1 and 2) by 2035 at the latest. This relates to the composition of Uniper's generation portfolio for electricity generation in Europe, which currently already consists of 17.1% of low-carbon technologies such as hydropower and nuclear power. In order to achieve carbon-neutrality in European generation by 2035, Uniper aims to reduce emissions here by 50% by 2030 compared to 2019 as a further interim step. The phase-out of European coal-fired power generation plays a key role on the way there. To achieve Uniper's carbon reduction targets, closure of power plants and the introduction of technical solutions will be considered, but also divestments and offsets. Especially with respect to Datteln 4, that is intended to run until 2038 according to the existing German Law on the Reduction and Termination of Coal-Fired Power Generation, those technical solutions might be required to meet Uniper's target. Further details on Uniper's decarbonization measures can be found further down in the Non-Financial Report 2021.

As announced in 2020, in 2021 a reduction target was also developed for indirect carbon emissions that occur upstream and downstream in Uniper's value chain, and announced in December 2021: Uniper aims to reduce the indirect carbon emissions (Scope 3) by 35% by 2035 compared to 2021 as the base year. Although this is a group-wide target, a large part of these carbon emissions relates to the Global Commodities segment, whose portfolio is being gradually transferred to low- and no-carbon alternatives. In this context, gas plays an important role as a bridge to a zero-carbon future by replacing coal, ensuring security of supply for heat, power, and industrial processes, and as well as providing flexibility in the power system.

In order to drive the portfolio transformation, Uniper is planning to invest a significant amount into growth projects. A high proportion of this will go towards renewables to meet Uniper's aforementioned target of building a renewable energy portfolio with a capacity of 1 GW by 2025 and up to 3 GW beyond. Uniper will also invest into hydrogen to develop an electrolyzer capacity of 1 GW until 2030.

Greenhouse Gas Emissions 2021

Uniper calculates Greenhouse gas emissions according to the categories defined by the Greenhouse Gas Protocol – Scope 1, 2, and 3. The next table shows Uniper's Scope 1 emissions.

Direct CO_2 Emissions Fuel Combustion by Country – Greenhouse Gas Protocol Scope 1

in million metric tons CO_2	2021	2020
European Generation	27.5	21.1
Germany	*13.6*	*11.9*
United Kingdom	*8.6*	*4.3*
Netherlands	*4.4*	*4.0*
Hungary	*0.8*	*0.8*
Czech Republic[1]	–	*0.1*
Sweden	*0.1*	*< 0.02*
Russian Power Generation	23.4	21.5
United Arab Emirates[3]	0.05	–
Total	**50.9**	**42.6**
Carbon intensity (g/kWh)[3]	454.0	453.5

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, all data was calculated using the European Union Emissions Trading Scheme rules. Rounding may result in minor deviations from the totals.

[1]2020 emissions for Teplarna Tabor in the Czech Republic, which was divested in April 2020, reflect estimates based on actual 2019 data.

[2]Emissions from the United Arab Emirates disclosed for the first time in 2021. Uniper's business in the UAE is Uniper Energy DMCC. Uniper Energy DMCC owns and operates a low-sulfur marine fuel oil 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.

[3]Uniper's intensity is defined as the ratio between direct fossil fuel derived CO_2 emissions from electricity and heat generation from Uniper's fully consolidated stationary facilities (financial control approach) and Uniper's generation volume. This indicator does not include facilities that produce only heat and/or steam.

The reason for the increase in Uniper's direct carbon emissions is largely due to increased output from Uniper's coal-fired power plants, namely Ratcliffe in the UK, Datteln 4 in Germany, and Shaturskaya in Russia. Datteln 4 was still in the test phase before becoming fully operational at the end of May 2020 and therefore had significantly shorter operating times than in 2021. While the direct carbon emissions increased, the carbon intensity remained stable in 2021 compared to the previous year.

Indirect CO_2 Emissions – Greenhouse Gas Protocol Scope 2

in metric tons CO_2	2021	2020
Location-based method		
Indirect emissions from purchased electricity	592,724	709,196
Indirect emissions from heat and cooling	4,200	4,347
Total	**596,924**	**713,543**
Market-based method		
Indirect emissions from purchased electricity	795,190	978,948
Indirect emissions from heat and cooling	4,200	4,347
Total	**799,391**	**983,295**

Indirect CO_2 Emissions – Greenhouse Gas Protocol Scope 3

in million metric tons CO_2	2021
Fuel- and energy-related activities	10.5
Upstream transportation and distribution	16.9
Use of sold products	78.1
Other Scope 3 categories[1]	0.8
Total	**106.3**

[1]Includes all other Scope 3 categories apart from categories 5, 10, and 10-15

During 2021, Uniper conducted an in-depth review and subsequent revision of the Scope 3 emissions inventory. The aim was to ensure that the inventory accurately reflects Uniper's evolving value chain activities and offers full transparency of the emissions. Where possible, Scope 3 accounting methodologies were aligned with those of Fortum. As part of the review, the scope of category 3.11 was expanded to include not only emissions from the use of products sold to end-users, but also to resellers. As part of our business as an energy merchant, we purchase products, such as gas and coal, and sell them to both end-users and resellers. Resellers are counterparties who offtake the product and sell further downstream. The majority of Scope 3 emissions result from the use of these sold products (2021: 78.1 million metric tons of CO_2e). For 2020, Uniper's revised inventory indicates a total value of 96.9 million metric tons CO_2e for Scope 3, 77.3 million metric tons of which resulted from the use of sold products to end-users and resellers.

The following tables provide a breakdown of Uniper's power generation capacities and production volumes in the context of EU eligibility. While this information is not required by regulation, Uniper considers those metrics meaningful when assessing the progress of the portfolio decarbonization:

Legally Attributable Generation Capacity

in MW[1]	2021	2020
Total	**31,587**	**33,548**
EU taxonomy-eligible (hydro)	3,689	3,698
Not EU taxonomy-eligible	27,897	29,849
Thereof in relation to power generation from nuclear energy	*1,737*	*1,996*
Thereof in relation to gas-based power generation	*15,184*	*15,633*
Thereof in relation to others	*10,976*	*12,220*

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

3.7 GW of Uniper's total installed power generation capacity is defined as "EU taxonomy-eligible" consisting of all hydro assets that Uniper owns in Sweden and Germany. A major share of "not EU taxonomy-eligible" capacities is related to gas, which Uniper defines as the transition technology enabling the energy transition. Both hydro and nuclear are low-CO_2 sources of power generation.

Electricity generation volumes

in TWh[1]	2021	2020
Total	**109.1**	**94.6**
EU taxonomy-eligible (hydro)	13.0	13.7
Not EU taxonomy-eligible	96.1	80.9
Thereof in relation to power generation from nuclear energy	*12.9*	11.5
Thereof in relation to gas-based power generation	*58.8*	51.8
Thereof in relation to others	*24.3*	17.6

[1]Net generation volumes = owned generation – own losses – sales to minority owners + purchases from minorities

After a decline in overall electricity demand in 2020 as a result of the Covid-19 restrictions, the electricity demand has returned to normal this year. Likewise, Uniper's overall generation volumes have also increased in 2021. Due to the higher demand for fossil energy on the back of lower availability of wind and solar plus almost stable hydro generation, the share of Uniper's "Not EU taxonomy-eligible" generation volumes has increased.

Environmental Matters

Uniper's awareness of its environmental impacts is strategically important because the environmental performance of its assets significantly affects its operating efficiency, market position, and reputation. Uniper is committed to complying with all applicable laws to prevent uncontrolled emissions to the air, water, and soil. Efforts that go beyond compliance are evaluated on a cost-benefit basis and coordinated centrally; the aim is to give Uniper an even lower exposure to reputational and legal risks.

Environmental Management

Uniper designs and implements dedicated environmental management systems (EMS) to mitigate environmental risks. By having its facilities EMS certified to ISO 14001, an internationally recognized standard for such systems, Uniper aims to prevent incidents that could have adverse impacts on the environment. It has therefore committed to maintaining 100% ISO 14001 certification for its operating assets. As of year-end 2021, 100% of the operating assets of Uniper's fully consolidated legal entities had retained their ISO 14001 certifications. Uniper ensures the effective functioning of the EMS by conducting systematic checks. These include internal and external audits and a management review. The management review provides senior managers with the opportunity to review the EMS's effectiveness, monitor progress, make changes as required, and ensure continuous improvement.

Alongside the EMS, Uniper conducts asset risk management, which involves evaluating and managing the risks posed by its operating assets as well as the opportunities for improving their performance. These systems enable Uniper to prevent, or reduce the risk of, leaks and spills into the environment. If, despite these systems, a leak or spill occurs, Uniper has in place emergency response procedures to mitigate its impact.

Uniper investigates all significant environmental near-hits and all incidents, and takes appropriate steps to prevent them from recurring. It also systematically shares knowledge about previous incidents – at Uniper and across the industry – so that they are not repeated. Uniper had no severe environmental incidents in 2021. Its EMS defines "severe environmental incidents" as "the release of a substance into the soil, water, or air that would result in a long-term or irreversible change in the biological or physical environment or an extensive loss of habitats or species."

For further aspects of the governance of environmental topics, please refer to the Climate-Related Governance section in the TCFD chapter of this report.

Emissions to Air, Water, and Land

In addition to greenhouse gases, energy production processes can result in the release of other gases and substances. These substances include sulfur dioxide, nitrogen oxides, dust, and wastewater. Their release could impact air, water, and/or soil quality. Uniper addresses these risks by leveraging its expertise in combustion technology. Where appropriate and needed, best available techniques, including appropriate abatement technologies, are used to reduce the facilities' impact on the environment.

Emissions to air and water are subject to strict regulatory requirements. Uniper monitors them to ensure that they do not have significant impacts on human health or the environment, such as nearby communities and natural habitats.

Uniper has pledged that its generation portfolio in Europe will be carbon-neutral by 2035. This will significantly reduce its direct carbon emissions as well as its emissions of other substances, such as nitrogen and sulphur oxides.

Climate Change and GHG Emissions

Decarbonization is Uniper's top priority. As stated above, Uniper aims for its generation business in Europe to achieve carbon-neutrality by 2035 and reduce carbon emissions by 50% by 2030 compared to the 2019 baseline. For Scope 3 indirect emissions (all Scope 3 categories apart from category 5, 10, 12–15) Uniper has committed to a reduction of 35% by 2035 compared to 2021. Looking further ahead, Uniper aims to be an overall carbon-neutral company by 2050. The TCFD section of this report elaborates on Uniper's decarbonization strategy and targets. It also describes the risks and opportunities resulting from the energy transition.

In 2021 Uniper's direct carbon emissions from the combustion of fossil fuels for power and heat generation (operational control approach) increased by 19% to 50.9 million metric tons (2020: 42.6 million metric tons). The rise in emissions was largely due to increased output from Uniper's coal-fired power plants, as outlined in more detail in the section "Metrics and Targets" of the TCFD chapter. Over the longer term, since 2005, the legal entities in the Uniper Group have reduced their direct carbon emissions (Scope 1) in Europe by 67.8 million metric tons, a decline of 71%. Indirect emissions were 0.6 and 106.3 million metric tons CO_2e in 2021 for Scope 2 (location-based approach) and 3 respectively. A breakdown of Uniper's direct carbon emissions (Scope 1) by country is available in the "Non-Financial Performance Indicators" section of the Management Report and in the above TCFD chapter of this Non-Financial Report. Further details on Scope 2 and 3 emissions are disclosed in the TCFD chapter.

The main pillars of Uniper's strategy to reduce emissions is phasing out coal in Europe, gradually decarbonizing its gas-fired power plants, while continuously developing sustainable energy solutions. The following outlines these measures, from coal plant closures and modernization, to the decarbonization of gas turbines and new developments and partnerships in the hydrogen and renewables business.

Decarbonizing the Coal and Gas Business

In 2021, Uniper's coal-based power production in Europe amounted to 18.6 TWh. In line with its decarbonization pledge, Uniper will end coal-fired power generation in the United Kingdom by 2024 (one year earlier than originally planned), in the Netherlands by 2029, and in Germany by 2038, at the latest. Scholven, Heyden, Staudinger, and Wilhelmshaven power stations in Germany, which have a combined capacity of around 2.9 GW, will cease commercial operation by 2023 at the latest. After that, Uniper's only coal-fired plant in Germany will be Datteln 4, one of the world's most efficient. The transfer of Uniper's 58% stake in Schkopau power station to Saale Energie GmbH in September 2021 marked the end of Uniper's lignite-fired power generation in Europe.

Uniper's coal-fired power plants have good locations and useful infrastructure, such as grid infrastructure equipment, rail links, and connections to district-heating networks. This will enable them to play a vital role in a low-carbon economy after coal-fired power generation ends. It has therefore developed plans to repurpose these plants, under a "master plan" approach. Repurposing is already under way at the Scholven site, a coal-fired power station in west-central Germany. Two state-of-the-art combined-cycle gas turbines (CCGTs) are being installed. The CCGTs are scheduled to enter service in the fourth quarter of 2022, replacing Scholven's existing coal-fired unit, which will be retired three years earlier than originally planned. They will enable Scholven to continue to supply power and steam to nearby industrial enterprises, but with significantly lower carbon emissions. Uniper is already studying the possibility of converting the CCGTs from gas to 100% green hydrogen by 2030.

The gradual decarbonization of the European gas turbine fleet is an important part of Uniper's energy transition. Uniper is exploring ways to do this in a project called Making Net Zero Possible. The three most promising options are hydrogen; biofuels; and carbon capture, utilization and storage (CCUS). Uniper is conducting feasibility studies and trials for each. A feasibility study for Grain, a gas-fired power station in England, was completed in 2021. It concluded that CCUS technology is suitable for Grain. In 2021 Uniper also continued its partnership with Siemens and GE to explore converting its gas turbines to hydrogen. The next step is to assess options for testing the cofiring of hydrogen. In addition, Uniper joined the UK Carbon Capture and Storage Association (CCSA), which is dedicated to propelling the development of this technology.

Unipro, Uniper's subsidiary in Russia, explores options for decarbonizing its power generation operations over the long term. Unipro is participating in Russia's large modernization program that seeks to modernize around 40 GW of fossil-fueled generating capacity – about 16% of Russia's total capacity – by 2032. In the first two auctions, where generators submit bids for generating units to be refurbished or replaced, Unipro's three gas-fired generating units totaling about 2.5 GW at Surgutskaya 2 were chosen. Modernization works began in 2021 and will continue through 2026. The modernization of one of the units was completed by the end of 2021. The unit, which is now being tested, is expected to return to service in 2022. Unipro intends to participate in future auctions, which will be held periodically through to 2025. From 2021 onward Unipro will also weigh its options for developing renewables projects in Russia under a capacity scheme whose mechanisms are similar to those of the modernization program for fossil-fueled capacity.

Identifying, quantifying, and minimizing fugitive methane emissions along the gas value chain is becoming increasingly important. In 2020 Uniper Energy Storage became a founding member of the Oil and Gas Methane Partnership (OGMP) 2.0, a voluntary initiative to help ensure oil and gas companies reduce and report methane emissions based on harmonized and reliable methods. Its aim is for the industry as a whole to reduce its methane emissions by 45% by 2025 relative to 2015. Uniper is committed to closely monitoring and recording its methane emissions in accordance with OGMP's established methodologies. In 2021, OGMP recognized Uniper Energy Storage's methane reporting as "gold standard," which is the highest level of reporting requirements set by OGMP.

In October 2021 Uniper joined fourteen European gas infrastructure operators and gas associations in a project led by the European Gas Research Group (GERG) and gas grid operator Enagás. Its purpose is to improve and deploy new technologies to curb methane emissions in midstream gas infrastructure.

Green Business Development and Customer Solutions

An increasing number of companies across all industries want their energy supply and operations to be more sustainable. Uniper's ambition is to become the partner of choice for decarbonization solutions and to accompany customers on their decarbonization journey. In 2021, Net Zero Solutions was launched, offering products and services for a systematic decarbonization of economic activities across all sectors. Services include the development of a decarbonization road map and increasing energy efficiency by analyzing the customer's production processes. Uniper can help customers switch to a lower-carbon energy source and supply them with climate-friendly fuels like biomethane and renewable energy sourced under power-purchase agreements.

Uniper's subsidiary Uniper Renewables, which began operating in late 2020, aims to develop 1 GW of wind and solar capacity by 2025 and 3 GW by 2030. Some of this capacity can be installed on the grounds of Uniper's decommissioned coal-fired power plants, which already have grid connections. In September 2021, Uniper entered into a strategic partnership with Denmark-based Ørsted AB, a leading developer of offshore wind projects. The companies have committed themselves to jointly develop large-scale offshore wind capacity. In December 2021, Fortum and Uniper announced its first joint renewables project. The investment decision was made for the construction of 380 MW wind parks in Närpes and in Kristinestad, Finland. The 56 wind turbines are expected to be fully operational mid-2024.

Because gas plays a pivotal role in a successful energy transition, it will remain a key focus of Uniper's strategy. By gradually converting Uniper's businesses from conventional gas to hydrogen, Uniper aims to help establish Europe's hydrogen economy. Uniper sees hydrogen — alongside gas, renewables and hydroelectricity — as an essential element of tomorrow's low-emissions energy mix.

Uniper entered into several new cooperative arrangements in 2021 to expand its hydrogen business and help build hydrogen infrastructure. One example is with Shell Gas & Power Developments. In July 2021 the two companies agreed to explore opportunities to connect hydrogen production and storage capacity with hydrogen users in the industrial and transport sectors in Germany and the Netherlands.

The aforementioned strategic partnership with Ørsted will also integrate offshore wind with the production of green hydrogen: a 70 MW electrolysis unit will be installed on the grounds of Uniper's decommissioned coal-fired power station in Wilhelmshaven, Germany. The unit is scheduled to begin producing green hydrogen in 2025. Uniper intends to expand Wilhelmshaven's production capacity to 410 MW by 2030.

Humber Industrial Cluster on the northeast coast of England is home to British Steel and other manufacturers as well as one-third of the country's refining capacity. Uniper is working with partners that include Phillips 66 and Total in the Zero Carbon Humber Partnerships, a project to decarbonize the industrial region with blue and green hydrogen and CCUS solutions. Taking advantage of the vicinity to the sea and to the Humber industrial area, Uniper plans to develop a hydrogen hub at Killingholme power plant, with up to 700 MW of blue hydrogen production and 100 MW of green hydrogen production. The production of green hydrogen could begin as early as 2025. The long-term objective is for Humber Industrial Cluster to be net zero by 2040. In November 2021 the East Coast Cluster, of which the Zero Carbon project is a part, was successfully selected as a Track-1 cluster in the UK government's Cluster Sequencing process. This program is central to the United Kingdom's strategy for deploying CCUS in industry.

Finally, Uniper joined other renowned companies to become a founding member of the H2Global Foundation, an initiative launched in June 2021 by the German Federal Ministry for Economic Affairs and Energy (BMWi). The foundation will buy green hydrogen and its derivatives in other countries for import to Germany. The government subsidies will ensure that the green hydrogen is competitively priced with gray hydrogen. The aim is to accelerate the ramp-up of global green hydrogen production capacity.

Results of Climate Disclosure Project

In 2021 Uniper responded to CDP's sector-specific climate-change questionnaire. CDP gave Uniper a B, unchanged from the score for the prior calendar year. Scores range from A (best) to F. Uniper's evaluation of the CDP questionnaire enabled it to identify and, in some cases, already implement ways to improve in its sustainability performance. These efforts will continue in 2022.

Innovation and Digitalization

Innovation and the development of new sustainable businesses play a key role in mastering Uniper's transition towards a low-carbon future. Uniper develops scalable business models in a variety of new areas, including green hydrogen and biomethane. Other innovation activities focus on CCUS, flexible and renewable electricity supply, smart and green heat supply, and digital business models. Uniper has invested in several projects to refine, scale up, and deploy such technologies commercially. Uniper has set a target of conducting, by year-end 2022, at least 20 projects whose main aims include decarbonization. At year-end 2021, Uniper was working on 35 such projects. Some of them are described in the Technology and Innovation chapter of the Combined Management Report.

Digitalization is playing an increasingly important role in decarbonization. Uniper draws on its engineering expertise to develop digital products and services that help it and its customers move closer to net-zero emissions. One example is an AI application called Operaite, which optimizes the combustion process of waste-incineration plants in order to reduce their energy consumption and carbon emissions. Another is Enerlytics, an analytics software. Enerlytics' data-driven real-time condition monitoring is used to optimize a power plant's performance, improve maintenance, and minimize risk. Launched in 2018, Enerlytics is now deployed at 15 Uniper power plants and at six plants operated by other companies.

Uniper's last-minute risk assessment safety checks were digitalized in 2021. The aim was to further increase safety and reduce the number of accidents. Uniper expects to digitalize the checks to improve the quality of risk assessments in its asset business by 30% and to reduce each type of risk – lost time, serious disablement, and fatality – by 12%.

For further information on safety, please refer to the Health, Safety, and Wellbeing section in the Employee Matters chapter of this report.

Social Matters

Uniper's core business is its main contribution to society. The Company's generation capacity, gas procurement and storage operations, as well as its technical expertise are essential for meeting people's basic needs.

Secure and Affordable Energy Supply

A secure and reliable supply of energy is essential for the functioning of society and a competitive economy. Uniper's priority is to provide its customers with a secure, affordable, and reliable supply of power, gas, and heat. Many of the Company's power plants ensure a reliable supply by balancing out the fluctuations in wind and solar power to keep the grid stable. Grid operators have awarded contracts to Uniper to continue operating power plants as reserve plants, some of which were originally scheduled for closure as part of the Company's decarbonization strategy. For example, Heyden 4, Uniper's 875 MW coal-fired plant in northwest Germany, was due to be decommissioned in July 2021. However, the plant is now considered to be essential by the grid operator and will remain in operation as a reserve power plant until September 2022 in order to ensure the safe and secure operation of the power supply system.

Hydroelectric and nuclear power plants provide a highly reliable, zero-carbon (direct CO_2 emissions) source of baseload electricity. Uniper continues to install battery systems at hydro plants to respond swiftly to frequency deviations and thus ensure grid stability. Battery systems at two Uniper hydro plants in northern Sweden, Edsele (6 MW) and Lövön (9 MW), became operational in early 2021. Two more battery systems will be installed at Bodum and Fjällsjö power plants in Sweden, which have a combined capacity of around 12 MW.

Uniper's key performance indicator for the availability of its power plants is average asset availability. In 2021, Uniper's conventional power generation fleets in Europe and Russia had an average asset availability of 79% (2020: 78.4%). Uniper's unplanned unavailability was reduced from 9% in 2020 to 7.9% in 2021.

Average Asset Availability for Conventional Power Generation by Country

Percentages	2021	2020
Germany	75,8	74.4
Hungary	83,0	90.3
Netherlands	80,5	77.8
Russia	80,8	78.1
Sweden	93,3	91.9
United Kingdom	76,5	80.3
Total	**79,0**	**78.4**

The figures shown are calculated using availability = 100% minus (planned and unplanned unavailability). Uniper Group figures represent a volume-based weighted average. The calculation refers to Uniper's actual operational portfolio and is based on legal entity share.

To manage the operating risks of its generation assets, Uniper has an integrated asset and HSSE management system that conforms to industry practices. Leveraging decades of experience in integrated, reliable and tailor-made utility management, Uniper markets expertise to emerging and developing countries, providing operation and maintenance services for power plant operators and support for new energy infrastructure projects. These services will enable customers' power plants to meet high international standards for operational excellence, including HSSE performance.

Uniper's portfolio of pipeline gas plays a key role in ensuring Europe's gas supply. Uniper sources pipeline gas from various producers in several countries, mainly Russia, the Netherlands, and Germany. To help further diversify and secure Europe's gas supply, in late 2020 Uniper began procuring gas from Azerbaijan. Under a long-term contract concluded in 2013 with Baku-based SOCAR (State Oil Company of the Azerbaijan Republic), Uniper will source up to 1.5 billion cubic meters (bcm) of natural gas per year via the Southern Gas Corridor (SGC), a system of pipelines that connects the Caspian region and the Middle East to Southeastern Europe. The contract runs until 2045.

In addition, Uniper has stakes in gas transmission pipelines (such as OPAL, which runs from the Baltic Sea to the German-Czech border) and finances projects to build them. These assets provide important pathways for the import and transport of gas and therefore play key roles in ensuring Europe's supply security.

Current trends suggest that the global demand for gas will continue to rise. To help meet this demand, Uniper's LNG business continues to grow. As a result, the Company aims to increase its current LNG portfolio of 3 million metric tons per annum (mtpa) to 10 mtpa by year-end 2025. The target markets are South America, the Middle East, and Asia, particularly Southeast Asian regions that import LNG as a fuel for power generation and are converting from coal to gas.

Gas storage facilities are one of the few technologies that can store large amounts of energy from one season to another. Storage facilities can respond to demand spikes or import interruptions, thereby helping to ensure security of supply. Uniper is Europe's fourth-largest gas storage company, with 7.4 bcm of underground gas storage capacity in Germany, Austria, and the United Kingdom. Uniper has a 5.9 bcm gas storage capacity in Germany alone, the most of any operator. The convertibility of the storage facilities for hydrogen is currently being examined. As Uniper and other companies ramp up the production of hydrogen, Uniper aims to be part of the infrastructure that stores this zero-carbon resource.

Employee Matters

Maintaining high health and safety standards is essential for Uniper because it cares about its people. Safety is also important for the operation of Uniper's facilities and enables it to avoid the additional cost of work stoppages and lost time that result from accidents. Uniper's commitment to health and safety also extends to visitors and to people who live near its facilities.

Uniper places a significant emphasis on an open and trusting corporate culture, which it calls the Uniper Way. It has three core elements and three corresponding guiding statements: leadership (grow and empower people), teamwork (become one team and simplify proceedings), and individual contribution (act as if it were your own company). The Uniper Way is brought to life through day-to-day interactions. Its core elements are embedded in the main components of the personnel development cycle: the capability-based approach, guidelines for job interviews, and systematic feedback on employees' performance, which fosters continuous self-reflection and improvement. Supported by digitalization, these elements help create an agile organization with more cost-efficient processes.

In 2020 Uniper developed a people strategy to support its corporate strategy. Drawing on both as well as the sustainability matrix, in 2021 Uniper set five key strategic people objectives with corresponding people KPIs. The Company has identified quantifiable and measurable value drivers and critical quality factors for each KPI. This will enable it to efficiently manage the underlying processes, identify possible causes for non-achievement, and initiate corrective measures. In 2021, the new KPIs were included in the quarterly Uniper Performance Dialogue.

The Voice of Uniper, an annual employee survey (which excludes Unipro, Uniper's subsidiary in Russia), measures employees' engagement with, and asks for their feedback on, the strategic people objectives. The 2021 survey, the sixth since Uniper's foundation, again had a high participation rate (66%). Employees' satisfaction with Uniper as an employer remained high. Employees particularly appreciate the flexible working hours and the opportunity to work from home, which makes it easy to balance work and private life and helps to attract new employees to the company. In the survey, employees praised Uniper's handling of the Covid-19 pandemic and indicated that they support its efforts in sustainability.

Health, Safety, and Wellbeing

Uniper operates large and complex technical assets such as power plants and gas storage facilities that can create various health and safety risks for employees, contractors, and the public in general. Unforeseen hazards and unsafe work habits in this environment can therefore lead to serious accidents and resulting injuries and fatalities. On February 19, 2021, an employee of a contractor company was fatally injured at a construction site on the premises of Berezovskaya power plant in Russia. According to Russian federal law, Uniper did not have legal rights (supervisory authority) after the contract was signed and thus could not directly control whether the contractor company respected established safety standards during the specific jobs performed in what was a restricted area. Two independent investigations were conducted, by Russian authorities as well as by an investigation team from Unipro, with participation of Uniper experts. Specific actions to prevent recurrence were implemented. Even though Uniper did not have a legal responsibility, it included the incident in its incident reporting because it happened on Uniper property.

Uniper's revised HSSE & Sustainability Policy Statement clearly emphasizes the principle to only work safely and to look after people's health and well-being. The Company's commitment to propel the energy transition increasingly results in engaging in innovative projects and new business areas that have a variety of health and safety risk profiles. Uniper is currently reviewing and revising its HSSE & Sustainability Policy Statement to reflect this evolving situation. Uniper has set up a governance structure to steer and monitor the implementation of Group-wide programs and policies designed to control and mitigate health and safety risks and to provide a safe and healthy workplace for everyone working for or with Uniper.

The Uniper Board of Management is fully committed to promoting health and safety across the organization and continually monitors the Company's health and safety performance. Health and safety is an ever-present topic on the agenda of senior management team meetings and regularly discussed by the Board of Management and the Supervisory Board. Chief Operating Officer (COO) David Bryson is the sponsor of "Beyond Zero," an initiative for the COO area that encompasses health, safety, and lifelong learning.

As part of "Beyond Zero," Uniper's project to transform itself into a learning organization continued in 2021. It brings together colleagues from different parts of the business to foster mutual learning through the sharing of information and best practices. The project aims to develop into a wider learning community in 2022 so as to firmly anchor a learning mindset in the organization.

The central HSSE & Sustainability function supports the organization and employees in integrating health and safety standards into their strategic and operational planning, business decisions, and daily activities. It issues guidelines and policies, conducts workshops, and coordinates the sharing of best practices.

Based on the central Group-wide HSSE & Sustainability Improvement Plan, the operating entities design their own annual improvement plans, including health and safety targets and improvement measures. Progress toward the targets is monitored regularly. These plans help Uniper live up to its commitment to continually improve its health and safety performance.

All efforts to further raise health and safety standards can only be successful if contractors and their employees are closely involved. Uniper has defined its own standard for contractor management and engagement: First, Uniper systematically evaluates a contractor's HSSE performance prior to hiring and, if a contract is awarded, clearly specifies its HSSE expectations in the contract. Second, specific work arrangements are discussed before work begins, and work is monitored and inspected as it is carried out. Third, there is a formal handover and approval before any work is closed out. Finally, Uniper reviews the contractor's performance on each job and evaluates any lessons learned.

The Covid-19 pandemic continued to present challenges to Uniper throughout 2021. Uniper's top priority remained the protection of employees while maintaining business continuity. The central Covid-19 coordination team formed in February 2020 continued to oversee the Company's response to the pandemic in 2021.

Uniper supported Germany's national vaccination program by enabling Uniper company doctors to administer vaccines to employees for whom a vaccination was medically appropriate and who wished to receive one. The organization varied by region. Temporary vaccination centers were set up at Uniper's headquarters in Düsseldorf and in the Ruhr region, where most Uniper employees in Germany live. The centers administered around 1,300 vaccinations between June and August 2021. Mobile vaccination teams visited a number of Uniper facilities elsewhere in Germany. Employees were also offered the possibility to receive vaccinations at local vaccination centers of the supplier B.A.D. For locations with company doctors other than B.A.D., individual solutions were developed in close cooperation with local company doctors.

Many employees continued to work from home for large parts of 2021. However, as more became vaccinated, the number working in Uniper offices increased. Social distancing and hygiene measures remained in place at all locations. Uniper's "NewNormal" project defined future approaches to working in a post-pandemic world. It included support to make home offices ergonomic for employees who regularly work from home.

In general, health management continued to make progress in 2021. For the second time since 2018, Uniper won the Corporate Health Award in the "Energy Industry" category, a well-known award in the field of occupational health management in Germany, awarded by EUPD Research and the Handelsblatt Media Group. Uniper's integrated health approach offers all employees access to a wide range of services, from medical checkups and extensive exercise programs to mental well-being campaigns. In addition, functional teams continued to implement actions defined in their unit's health action plans. Their progress toward completing these actions was regularly reported to the Uniper Board of Management and senior leaders on a quarterly basis.

The 2021 Voice of Uniper survey indicated high satisfaction with Uniper's health support. The average score on the health-related questions remained stable at 89% positive in 2021, the same level as in 2020. There was a small decrease in the responses on mental health (-2 percentage points), specifically relating to the ability to cope with mental demands of their role during the pandemic.

The health and safety management systems of all Uniper's operating entities are certified to ISO 45001 and are regularly reviewed and certified by independent auditors. To continually improve its health and safety standards, Uniper has set a target of upgrading 100% of its operational assets to ISO 45001 by 2022, the new international standard for health and safety management. At year end, Uniper had certified 100% of its operational assets to ISO 45001.

Uniper has always considered it important to systematically document and analyze incidents and near-misses to use effective communications and corrective measures to help prevent their recurrence. As of year-end 2021, the incident management system (Synergi Life) launched in 2018 remained in place at all Uniper units.

Uniper uses combined total recordable incident frequency (TRIF) as a safety metric. Combined TRIF measures the number of work-related accidents sustained both by Uniper's employees and its contractors per million hours of work. For the purposes of this indicator, work-related accidents are defined as fatalities, lost-time injuries, restricted-work injuries, and medical-treatment injuries that occur on the job. Uniper's combined TRIF for 2021 was 1.51, an increase from 2020 (1.17). This was mainly due to a significant increase in reportable accidents in the gas turbine and nuclear fleet as well as at the storage business. This increase could not be offset by the decrease in accidents in the hydroelectric and Russian fleet. Uniper has started fleet-specific and Uniper-wide safety improvement programs that aim to reverse this negative trend in 2022. Uniper has committed to maintaining combined TRIF at or below 1.00 by 2025.

Fair and Attractive Employer

Uniper's purpose is to empower energy evolution while making the Company more efficient and more competitive. The Group's long-term HR policy support this strategy by focusing on people development with a future-oriented upskilling framework. Uniper has analyzed the critical capabilities needed to achieve its strategic objectives and anticipate changes in its competitive environment. It will build up and nurture them through a capability-based approach to hiring and developing people.

Uniper offers attractive total target cash to attract and retain talented employees at all experience levels. To incentivize teamwork and the realization of Uniper's strategy, total target cash includes a variable component. The component reflects the Group's performance and, in the case of specific employee groups, individual performance and behavior. Excellent working conditions including hybrid work arrangements, Uniper's corporate culture known as the Uniper Way, and benefits packages available in individual countries help Uniper employees feel valued and included. Currently we enable a greener future by transitioning the benefits portfolio. Uniper offers electric company cars, or cash allowance instead of cars in some countries, and is working to include ESG targets in retirement plans in Germany (partly), the UK, and Sweden. This helps employees lay the foundation for their future financial security and that of their dependents, while at the same time fostering employee retention.

Uniper was able to recruit a large number of new employees in 2021 and onboard them using a variety of virtual events. Attending online industry-specific career expos in Germany and Sweden enabled Uniper to reach large groups of candidates. Uniper employees visited secondary schools in the United Kingdom, thereby engaging a younger target group.

In 2021 Uniper also introduced a questionnaire for job candidates to ask them for feedback on all of the Company's recruitment and hiring processes, starting with application and ending with onboarding. The aim is to make all these processes even more attractive and successful for new employees.

In 2021 the Nyckeltalsinstitutet AB in Sweden again named Uniper an Excellent Employer, meaning that Uniper is among Sweden's top 10% of employers in terms of working conditions. The rating is based on survey data from 2020 from just over 600,000 employees of a total of 350 companies, organizations, and government agencies. In 2021 Uniper was also named one of the most attractive employers in Düsseldorf by Capital, a monthly business magazine, and Statistica, a statistics services firm. Employer awards help project and reinforce the Uniper brand. They give employees and applicants confirmation that they have chosen the right employer.

In mid-2020 Uniper joined "Komm, mach MINT", a nationwide campaign in Germany run by the Federal Ministry of Education and Research to support women and girls in science, technology, engineering, and mathematics (STEM). Since then, the initiative has been used as a networking opportunity to attract future talent.

Uniper takes a variety of steps to meet the challenges of demographic change and a shortage of qualified personnel. It provides opportunities for vocational training for a wide variety of commercial and technical occupations, internships that prepare interns for formal apprenticeships, and the opportunity to participate in its graduate program. Uniper's graduate program celebrated its fifth anniversary in 2021. About 94% of those who completed the program stayed at Uniper, an improvement over prior years. Uniper's approach to employee development combines theoretical training with practical application, focusing on learning with and from colleagues. The spectrum of its learning offerings is broad, both in-house and from outside providers. In 2021 Uniper focused on learning collections, a combination of various learning formats, to meet the different demands of learning times and types in a flexible virtual environment. In 2021 Uniper continued to conduct the necessary training mandated by law to ensure its business operations' long-term resilience.

In 2021 Uniper launched #evolve, its first cross-functional, international program for developing high-potential employees. The program helps the participants acquire the skills necessary to be responsible for a topic or to lead a project or team. In 2021 the program focused on virtual collaboration and communication, mental and physical health, well-being, the digital workplace, and hybrid leadership. The aim was to prepare employees to be leaders in the new normal.

Diversity, Equity, and Inclusion

Diversity, equity, and inclusion (DEI) play an important role in enhancing Uniper's competitiveness, resilience, creativity, innovation, and enterprise value. Promoting DEI, treating them as an opportunity, and combatting discrimination are all central to the Uniper Way, the guiding principles for our corporate culture.

Uniper has zero tolerance of any form of discrimination or harassment. The Company complies with all anti-discrimination laws and regulations in the countries where it operates, such as the German General Equality Act. Compliance is supported by clear company policies for addressing potential violations and the training of managers to help them recognize and prevent even the most subtle forms of harassment. In circumstances where employees feel that either they or a colleague are being harassed, they are encouraged to contact their HR department, their unit's Compliance Officer, the Works Council, or, if they wish to remain anonymous, a whistleblower hotline. Uniper takes violations very seriously and does everything it can to rectify the situation, including taking disciplinary action.

Uniper's target is to achieve an employee inclusion indicator of over 95% by 2022. This means that at least 95% of employees say in the annual Voice of Uniper survey (which excludes Unipro, Uniper's subsidiary in Russia) that they feel included in their team. The employee inclusion indicator decreased from 89% in 2020 to 85% in 2021. The Company will therefore place greater emphasis on inclusion issues in 2022. Uniper has set a target for women to account for 25% at the first and second management levels below the Board of Management by June 30, 2022. It intends to achieve this target through more diverse selection and recruitment procedures, mentoring, and flexible work arrangements for all employees. As of year-end 2021, women accounted for 20.6% of the positions in these two management levels, still below the target.

In 2021 Uniper broadened its understanding of DEI to include equity: providing equal opportunity and development possibilities to everyone by ensuring that processes and programs are unbiased and fair. Fairness means creating a level playing field for everyone.

Uniper takes DEI seriously and wants to do even more to cultivate a workplace where everyone can thrive personally and professionally. It therefore decided in 2020 to create a full-time DEI role at Uniper. In addition, the Board of Management participated in a DEI workshop to better understand the status quo. In 2021 the Board of Management decided to adopt a company-wide DEI strategy, which will be communicated in early 2022. The strategy aims to clarify Uniper's DEI ambitions, create a common framework for all DEI activities, establish a governance structure, and enhance analytics, measurability, and transparency. The DEI strategy has five main action areas: talent management, leadership, organization, marketplace, and society. It will enable Uniper to take a comprehensive, structured approach to all relevant stakeholders, functions, processes, and policies.

Other DEI projects were launched in 2021, such as a review of the process for reporting discrimination, inclusive recruiting, and the expansion of DEI learning offerings and training modules, which are available to all employees and leaders, excluding those in Russia.

Uniper's DEI ambassador network is a community of colleagues who are enthusiastic about the topic and engaging in related activities. The network gained new members in 2021, increasing the community to 75 ambassadors from just six in 2017. In addition, the DEI community on Uniper's intranet also observed an increase from 250 members in 2018 to 661 in 2021.

Most Uniper office staff worked from home for much of 2021 because of the ongoing pandemic. Consequently, DEI events were generally conducted virtually. International Women's Day, Pride Day and Coming Out Day, International Men's Day, Ramadan, and Diwali are among the awareness days that were commemorated by various events and communications at Uniper. Uniper also focused on issues such as combating racism and becoming a better ally in the workplace.

As in prior years, individual teams and functions at Uniper raised awareness of DEI on their own by organizing events and meetings and by participating in DEI training. The biggest event was "More than Diversity," a company-wide three-day virtual conference held in September 2021. It consisted of presentations, panel discussions, and workshops on a wide range of DEI issues. The speakers included members of the Board of Management, Uniper colleagues, and outside experts. The event gave employees the opportunity to share best practices and personal experiences and to find out more about in-house DEI learning offerings.

Human Rights

Uniper conducts business around the world, including in countries whose institutions are not always fully able to protect basic human rights. Human rights violations are unacceptable for Uniper. Respect for human rights is embedded into the Company's business policies and procedures. Uniper acts in accordance with the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises, and is implementing the German National Action Plan on Business and Human Rights.

Respecting human rights is an ongoing process that requires proactivity and the commitment of the entire organization to achieve continual improvement. This includes timely and adequate measures to remediate adverse impacts on a case-by-case basis. Uniper engages closely with non-governmental organizations (NGOs) and participates in multi-stakeholder initiatives like Bettercoal, that are designed to help prevent adverse impacts on human rights in its operations and along its supply chain.

The Uniper Code of Conduct states that the Group expects its business partners and suppliers to do the same. Consequently, Uniper is committed to identifying, mitigating, and monitoring any human-rights-related risks in its business operations and its sphere of influence.

On an annual basis, Uniper performs a worldwide assessment, which is based on a combination of economic and social indexes, to map key potential country-specific issues – such as working conditions, violation of political rights and civil liberties, as well as security threats – that may directly affect Uniper. The assessment's findings result in the implementation of modified due diligence requirements and mitigation measures, such as the inclusion of specific contract clauses, particularly when negotiating with new counterparties operating in medium- or high-risk countries.

Special attention is given to commercial counterparties or projects in high-risk countries with a Corruption Perceptions Index score below 30, which indicates a high level of perceived corruption. This is a conventional threshold reflecting the systemic weakness of a country's institutions. Fuel procurement and commodities trading in particular are among the Uniper businesses exposed to these kinds of country-specific issues.

Uniper prioritizes existing and potential counterparties of its Global Commodities segment. It conducts robust Know-Your-Counterparty (KYC) compliance checks and takes into consideration any concerns about ESG issues raised by credible media sources and through dialog with civil society organizations. The decision to enter or continue a business relationship with suppliers classified as high risk is made by Uniper's Risk Committee, which also includes members of the Board of Management. ESG considerations are discussed if a supplier has been flagged as exposed to major or significant ESG risks during preliminary desk research. Uniper relies on third-party software intelligence, providing a classification of risk levels.

Uniper seeks to mitigate the ESG risks of coal procurement by participating in Bettercoal, a not-for-profit initiative established by a group of major European utilities committed to a more responsible coal supply chain. Bettercoal has established voluntary country-specific working groups to enhance the monitoring of mining companies' improvement plans and to propose solutions to regional systemic issues. The Bettercoal Russia working group continued its stakeholder engagement campaigns in 2021, despite the limitations imposed by the Covid-19 pandemic. It conducted two virtual conferences on mine closure and land restoration, health and safety, and environmental monitoring.

Chaired by Uniper, the Bettercoal Colombia working group continued to implement its work program. In an online event, the group met with relevant Colombian stakeholders, including suppliers, governmental agencies, dialogue institutions, NGOs, and trade unions. The working group exchanged prioritized issues in the work plan, identified opportunities for specific actions where Bettercoal can have a positive impact in the region, and addressed other issues relevant in the Colombian mining context.

Uniper tracks the percentage of coal it purchases directly from Bettercoal suppliers, with a view to increase this number year-on-year. Such direct purchases amounted to 71% in 2021, an increase from 68% in 2020.

Climate protection policies and the resulting changes in the demand for and production of coal will significantly impact employment, the economy, and public revenues in Columbia's coal mining regions. Within the framework of Bettercoal, Uniper therefore supports the "economic diversification project," in cooperation with CNV International, a confederation of Dutch trade unions, and CREER (the Regional Center for Responsible Business and Entrepreneurship, a non-profit organization supported by the IHRB Institute for Human Rights and Business).

The main objective of the economic diversification project is to build a coalition that brings together different stakeholders (government, companies, trade unions, and local communities) around the design and implementation of projects and a funding structure that will help stimulate alternative local economic development.

In 2021 Uniper continued its Sustainability Round Table discussions with several international NGOs. As in prior years, discussions with critical stakeholders in 2021 focused on human rights issues along the coal supply chain, carbon emissions reduction through the phase-out of coal-fired power generation, and the environmental impact of gas exploration and transport. Uniper wants to learn and improve by sharing views with civil society organizations. It has therefore expanded the number of NGOs it engages with, and is committed to conducting, at the corporate level, at least three new dialogues with such organizations each year through 2022. In addition, Uniper conducted six formal dialogues in 2021, thereby surpassing its target.

Business Ethics and Compliance

Uniper considers high-risk corruption cases as a serious corruption violation. The Company is therefore committed to preventing corruption in all its dimensions and to always act with integrity. Uniper has business dealings with counterparties worldwide, including those located in countries that rank low on Transparency International's Corruption Perception Index, indicating a high level of perceived corruption. Failure to fulfill the legal and regulatory requirements necessary to comply with key anti-corruption rules would likely lead to serious reputational, legal, and financial impacts on the Group.

Engaging in any type of corruption, whether with public officials or in the private sector, is a breach of the Uniper Code of Conduct. Employees are prohibited from offering, promising, or giving anything of value to gain business or to influence any action or for any other advantage, especially to a public official. They are likewise prohibited from doing so indirectly through a spouse, partner, relative, or friend. Business relations with intermediaries such as agents, brokers, and advisors pose a higher risk of corruption and bribery. Consequently, Uniper carries out all such relations in accordance with its Business Policy Intermediary Agreements to avoid the intermediary's fee or commission being used to make illegal payments on Uniper's behalf.

Relevant employees are regularly trained in policies and systems that help prevent corruption. A new compliance e-Learning module on the basic principles of the Uniper Code of Conduct was successfully introduced in 2021 for all 11,775 active Uniper Group employees. At year-end, the completion rate was at 89%. Messages from the CEO, CCO, and Chief Compliance Officer along with other internal communications underscored the module's importance. In addition, the fourth quarter 2021 issue of Uniper's new in-house Compliance Impulses Newsletter featured an analysis of the issue of corruption, including an educational video.

If employees become aware of suspicious activities, they can report them directly to the Compliance function or use an (anonymous) internal and external whistleblower system that protects the rights of the whistleblower(s) and the person(s) reported. Uniper's Compliance Management System includes quarterly compliance reports to the Uniper SE Board of Management. The purpose is to monitor the performance of the Compliance Management System. One new instance of alleged corruption and bribery was reported at Uniper in 2021 and closed as unfounded. One pending case from 2020 was closed as unfounded.

In 2021, Uniper conducted a further compliance risk assessment (CRA) on selected business functions. One of the risks assessed was corruption alongside several other risk factors, such as contact with counterparties and intermediaries, donations and sponsoring, and conflict of interest. The findings will be communicated to the business functions and, in areas where the CRA indicated room for improvement, appropriate measures will be taken in 2022.

Uniper needs to be aware of external restrictions on its business activities in a rapidly changing global business environment. Uniper is committed to complying with all applicable economic sanctions and other forms of international restrictions.

Independent Practitioner's Report on a Limited Assurance Engagement on Non-Financial Reporting[1]

To Uniper SE, Düsseldorf

We have performed a limited assurance engagement on the Combined Separate Non-Financial Report of Uniper SE, Düsseldorf, (hereinafter the "Company"), for the period from 1 January to 31 December 2021 (hereinafter the "Combined Separate Non-Financial Report").

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Combined Separate Non-financial Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "EU Taxonomy Regulation" of the Combined Separate Non-Financial Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Company that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Combined Separate Non-Financial Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU Taxonomy Regulation" of the Combined Separate Non-Financial Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

[1] PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the Combined Separate Non-financial Report and issued an independent practitioner`s report in German language, which is authoritative. The following text is a translation of the independent practitioner`s report.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Combined Separate Non-Financial Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Combined Separate Non-Financial Report, other than the external sources of documentation or expert opinions mentioned in the Combined Separate Non-Financial Report, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "EU Taxonomy Regulation" of the Combined Separate Non-Financial Report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Company's sustainability organization and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Separate Non-financial Report about the preparation process, about the internal control system relating to this process, and about disclosures in the Combined Separate Non-Financial Report
- Identification of likely risks of material misstatement in the Combined Separate Non-Financial Report
- Analytical procedures on selected disclosures in the Combined Separate Non-Financial Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the separate Combined Separate Non-Financial Report
- Evaluation of the process to identify taxonomy-eligible economic activities and the corresponding disclosures in the Combined Separate Non-Financial Report
- Inquiries on the relevance of climate risks

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Separate Non-Financial Report for the period from 1 January to 31 December 2021 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "EU Taxonomy Regulation" of the Combined Separate Non-Financial Report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Separate Non-Financial Report, which are marked as unassured.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Düsseldorf, February 21, 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink
Wirtschaftsprüfer
(German Public Auditor)

ppa. Theres Schäfer
Wirtschaftsprüferin
(German Public Auditor)

Independent Auditor's Report

To Uniper SE, Düsseldorf

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Uniper SE, Düsseldorf, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, consolidated the income statement, consolidated statement of recognized income and expenses as part of equity, consolidated statement of cash flows, consolidated statement of changes in equity for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Uniper SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the statementon corporate governance pursuant to § [Article] 289f HGB [Handelsgesetzbuch: German Commercial Cod] and § 315d HGB.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1 **Energy trading and resulting liquidity risks**
2 **Recoverability of goodwill**
3 **Recoverability of power plants and gas storage facilities**

Our presentation of these key audit matters has been structured in each case as follows:

a Matter and issue
b Audit approach and findings
c Reference to further information

Hereinafter we present the key audit matters:

1 **Energy trading and resulting liquidity risks**

a Within the Uniper Group, a large number of physically settled and financially settled contracts are primarily entered into by the subsidiary Uniper Global Commodities SE (hereinafter referred to as "UGC") for the Group companies for the optimization of the electricity and gas portfolio (including the existing long-term physical supply agreements, in particular for gas procurement), as well as to ensure the gas storage and gas transport infrastructure and for the efficient control of the commodity price risks. In this respect, UGC is active on the spot and forward markets for electricity, gas, coal, freight, oil, LNG and emission rights on various exchanges as well as on the "over the counter" market. For these trading transactions on exchanges and under bilateral agreements collateral payments in form of cash have to be deposited. The amount and direction of the collateral payments depend on the size of Uniper Group's positions and on market price developments. This results in a liquidity risk for the Group. This risk has materialized: the increased prices in the financial year 2021 resulted in significant outflows for the deposit of these collateral payments.

Individual long-term contracts often stipulate the possibility for the contracting partners to adjust contractual terms and conditions (particularly price formulae) at specific time intervals to altered market conditions (so-called price revision clauses). Insofar as no commercial agreement has been reached between the parties in this respect, clarification is often achieved before a court of law or arbitration tribunal.

In the case of energy trading contracts, these consist of derivative financial instruments or contracts for the purchase or sale of non-financial items. These transactions are generally either measured at fair value through profit or loss or treated as a pending transaction because of the future receipt or the future supply of the contractual object as part of the expected purchase, sale or usage requirement of the company (so-called "own use exemption").

The measurement is carried out on the basis of price notations on the future markets or on the basis of valuation models irrespective of whether the contracts have to be recognized on the balance sheet at market value or whether the measurement is necessary for the purpose of identification of anticipated losses.

Financial instruments that do not fall in the scope of IFRS 9 because of the "own use exemption" and are not recognized at market value are combined into portfolios in accordance with the stipulations of the Group's risk management and, as such, subjected to an examination for anticipated losses in accordance with IAS 37.

The accounting treatment for physically settled contracts within the scope of IFRS 9 is determined on the basis of the risk management of UGC which assigns these derivative financial instruments from a Group point of view to the respective purpose and therefore the respective accounting treatment. In accordance with this, physically settled derivative financial instruments that do not serve the expected purchasing, sale or usage requirement as well as all financially settled derivative financial instruments are measured at the fair value through profit or loss.

The energy trading operations are supported by energy trading systems. This is where handling takes place of the process chain of recording of commercial transactions, position determination and valuation, confirmation of the commercial transactions and risk management. Separation of the transactions (own use vs. recognition with effect on income at fair value) is guaranteed in the individual trading systems by a book structure. Adherence to the book structure is monitored on a regular basis.

Due to the large trade volume and the complexity of the accounting treatment of derivatives pursuant to IFRS 9 and/or IFRS 13, as well as the accounting regulations for provisions for contingent losses pursuant to IAS 37, considerable uncertainties and margins for discretion in the measurement of individual instruments exist. Against this background, and due to the significant effect on the assets, liabilities, and financial position and the financial performance, this business area is of particular significance for the consolidated financial statements and the performance of our audit.

b Within the scope of our audit and under inclusion of our internal specialists from the "Corporate Treasury Solutions" division, we initially gained an understanding of the trading strategies within the Group and the related transaction streams and evaluated the risk management strategy employed within the Group.

In addition to this, we also assessed the appropriateness of the implemented internal control system for the conclusion, handling and measurement of energy trade transactions including the trading systems employed in this respect. In the course of our audit of the internal control system we also assessed the effectiveness of the controls implemented by the Company on a sample basis. Furthermore, we also evaluated the internal action guidelines and requirements of risk management as well as the stipulated responsibilities and measures for their monitoring and to ensure that the trade data is up to date. We analyzed the methodology for determination of the fair values of derivative financial instruments with regard to compliance with IFRS 13 and assessed the adequacy of the market-based input factors as well as the underlying valuation models. Another focus point of the audit was the impact of collateral payments on the Group's liquidity situation. In addition to the design of the early warning system addressing the liquidity risks we assessed the liquidity planning with regard to its mathematical and methodological accuracy under inclusion of our internal specialists from "Valuation, Modeling & Analytics" and verified the existence of the measures and financing sources. We also analyzed the risk scenario for future price developments prepared by the Company and assessed the accuracy of the derivations for the liquidity situation of the Group.

We assessed the logic and integrity of the applied valuation models, as well as the consideration of contractual terms and conditions and assumptions. We have reconciled observable input data with externally available information. In the case of non-observable input data, we assessed the derivation of relevant assumptions and expectations and evaluated the adequacy thereof. Insofar as such assumptions relate to the outcome of ongoing price negotiations and arbitration proceedings we also obtained and utilized assessments from the lawyers involved. With regard to the accounting for the contracts outside the application area of IFRS 9, we assessed the application of the "Own Use Exemption" for the physically settled transactions on the basis of the implemented processes within the Group and the appropriate application of the "Own Use Exemption". In addition, we assessed the result of the examination of those transactions which are recognized without effect on income because of the "Own Use Exemption" with regard to anticipated losses and the necessity for the recognition of provisions for contingent losses as well as their evaluation pursuant to IAS 37.

In our view, the accounting and measurement policies applied by the executive directors, the liquidity planning related to the liquidity risks resulting from energy trading and the methodology for accounting for energy trade transactions are appropriate overall.

c The Company's disclosures on energy trading and its effects on the consolidated financial statements and the liquidity risks are contained in the notes to the consolidated financial statements, in particular in notes 29 as well as 2, 3, 5, 7 and 8.

2 Recoverability of goodwill

a In the Company's consolidated financial statements, goodwill amounting in total to € 1.8 billion (representing 1 % of total assets and 26 % of equity) is reported. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. Impairment testing is carried out at the level of the groups of cash-generating units to which the relevant goodwill has been allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally calculated on the basis of the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. The present values are calculated using discounted cash flow models. For this purpose, the adopted Group medium-term business plan forms the starting point, which is extrapolated based on assumptions about long-term rates of growth. This also takes into account expectations about future market developments and energy policy developments in countries relevant to Uniper and at European level - such The Act to Reduce and End Coal-Fired Power Generation or the EU Commission's "Green Deal" on climate neutrality - and assumptions about the development of other macroeconomic influencing factors, the expected impact of the ongoing Corona crisis on the Group's business activities as well as the risks resulting from climate change. The discount rate used is the weighted average cost of capital for the relevant group of cash-generating units. The impairment test determined that no write-downs were necessary.
The outcome of this valuation exercise is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore, also against the background of the effects of Corona crisis, subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

b As part of our audit, we assessed, among other things, the methodology employed for the purposes of performing the impairment test and tested the company's essential control for this purpose. After matching the future cash inflows used for the calculation against the adopted Group medium-term business plan, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations as well as energy policy developments. In this connection, we also evaluated the assessment of the executive directors regarding the effects of the Corona crisis and of the risks resulting from climate change on the business activities of the Group and examined how they were taken into account in determining the future cash flows. We also assessed whether the basis for including the costs of Group functions was appropriate. In the knowledge that even relatively small changes in the discount rate applied and the growth rate used can have a material impact on the value of the entity calculated using this method, we focused our testing in particular on the parameters used to determine the discount rate applied, and evaluated the measurement model. In addition, we formed independent quantitative expected values and compared these with the quantitative values according to Uniper's calculation scheme. In order to reflect the uncertainty inherent in the projections, we assessed the sensitivity analyses performed by the Company and carried out our own sensitivity analyses with respect to those groups of cash-generating units with low headroom (recoverable amount compared with the carrying amount). Taking into account the information available, we determined that the carrying amounts of the respective cash-generating units, including the allocated goodwill, were adequately covered by the discounted future net cash inflows.
Overall, the measurement inputs and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable

c The Company's disclosures on the balance sheet item goodwill and on the impairment test are contained in notes 14 and 17 of the notes to the consolidated financial statements.

3 Recoverability of power plants and gas storage facilities

a In the Company's consolidated financial statements, property, plant, and equipment and rights of use amounting in total to €10.1 billion (representing 8 % of total assets and 148 %of equity) are reported. Most of the carrying amount of the property, plant, and equipment and rights of use relates to power stations and gas storage facilities. The power stations and gas storage facilities are tested for impairment by the Company whenever there are indications of impairment to determine any possible need for write-downs. The impairment test is performed at the level of the cash-generating unit in accordance with IAS 36. The carrying amount of the relevant cash-generating unit is compared with the corresponding recoverable amount for the purposes of the impairment test. The recoverable amount is generally calculated on the basis of the value in use. The present value of the future cash flows from the respective cash-generating unit normally serves as the basis of measurement. The present values are calculated using discounted cash flow models. The starting point is the adopted Group medium-term business plan. This also takes into account expectations about future market developments and energy policy developments in countries relevant to Uniper and at European level - such as The Act to Reduce and End Coal-fired Power Generation or the EU Commission's "Green Deal" on climate neutrality - and assumptions about the development of other macroeconomic influencing factors, the expected impact of the ongoing Corona crisis on the Group's business activities as well as the risks resulting from climate change. The discount rate used is the weighted average cost of capital for the relevant cash-generating unit.

As a result of the impairment test impairment losses of € 585 million and reversals of write downs totaling € 556 million were recognized mainly on power plants in the Netherlands, United Kingdom, Russia and Germany. Impairment losses at the gas storage facilities also totaled € 41 million and reversals of write downs totaled € 37 million.

The outcome of this valuation exercise is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective cash-generating unit, the discount rate used, and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

b As part of our audit, we assessed, among other things, the methodology employed for the purposes of performing the impairment test and tested the company's essential control for this purpose. After matching the future cash inflows used for the calculation against the adopted Group medium-term business plan, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations as well as energy policy developments. In this connection, we also evaluated the assessment of the executive directors regarding the effects of the Corona crisis and of the risks resulting from climate change on the business activities of the Group and examined how they were taken into account in determining the future cash flows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the respective recoverable amount calculated using this method, we focused our testing in particular on the parameters used to determine the discount rate applied, and evaluated the measurement model. In addition, we formed independent quantitative expected values and compared these with the quantitative values according to Uniper's calculation scheme. In order to reflect the uncertainty inherent in the projections, we assessed the sensitivity analyses performed by the Company. Overall, the measurement inputs and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

c The Company's disclosures on property, plant, and equipment and on impairment testing arecontained in notes 15 and 17 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f HGB and § 315d HGB as an unaudited part of the group management report.

The other information comprises further

- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed an assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file "UniperSE_IFRS_Konzernabschluss_2021.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format").
In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within this reproduction nor to any other information contained electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for Assurance opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents with the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance engagement. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.
- Obtain an understanding of internal control relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 19 May 2021. We were engaged by the supervisory board on 09 August 2021. We have been the group auditor of Uniper SE, Düsseldorf, without interruption since the Company first met the requirements as a public interest entity within the meaning of § 316a Satz 2Nr.1 HGB in the financial year 2016.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO ANOTHER MATTER– USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

NOTE ON SUPPLEMENTARY AUDITS

We issue this auditor's report on the amended consolidated financial statements and on the group management report as well as on the rendering of the consolidated financial statements and the group management report submitted for audit for the first time, contained in the file "UniperSE_IFRS_Konzernabschluss_2021.zip" and prepared for publication purposes, on the basis of our audit, duly completed as at 21 February 2022, our first supplementary audit completed as at 22 February 2022 related to the supplement to the subsequent events reporting in the notes to the consolidated financial statements and our second supplementary audit completed as at 25 February 2022 which related to the initial submission of the ESEF documents.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Ralph Welter.

Düsseldorf, 21 February 2022 / limited to the amendment of the notes to the consolidated financial statements stated in the „Note on the Supplementary Audits" section above: 22 February 2022 / limited to the initial submission of the ESEF documents stated in the "Note on the Supplementary Audits" section above: 25 February 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(sgd. Ralph Welter)	(sgd. Michael Servos)
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Uniper Consolidated Statement of Income

€ in millions	Note	2021	2020
Sales including electricity and energy taxes		164,259	51,291
Electricity and energy taxes		-281	-324
Sales	**(5)**	**163,979**	**50,968**
Changes in inventories (finished goods and work in progress)		-11	-83
Own work capitalized	(6)	100	93
Other operating income	(7)	130,817	24,578
Cost of materials	(8)	-157,012	-48,710
Personnel costs	(11)	-1,200	-1,012
Depreciation, amortization and impairment charges	(15)	-1,306	-1,077
Other operating expenses	(7)	-140,288	-24,196
Income from companies accounted for under the equity method	(16)	46	48
Income/Loss before financial results and taxes		**-4,876**	**608**
Financial results	(9)	262	-67
Net income/loss from equity investments		*7*	*-9*
Interest and similar income		*158*	*121*
Interest and similar expenses		*-134*	*-349*
Other financial results		*231*	*171*
Income taxes	(10)	507	-139
Net income/loss		**-4,106**	**402**
Attributable to shareholders of Uniper SE		*-4,169*	*397*
Attributable to non-controlling interests		*63*	*6*
€			
Earnings per share (attributable to shareholders of Uniper SE) – basic and diluted	**(13)**		
From continuing operations		-11.39	1.08
From net income/loss		**-11.39**	**1.08**

Uniper Consolidated Statement of Recognized Income and Expenses

€ in millions	2021	2020
Net income/loss	**-4,106**	**402**
Remeasurements of equity investments	-69	177
Remeasurements of defined benefit plans	392	-327
Remeasurements of defined benefit plans of companies accounted for under the equity method	–	-2
Income taxes	-122	107
Items that will not be reclassified subsequently to the income statement	**201**	**-46**
Cash flow hedges	-175	2
Unrealized changes	*-173*	*5*
Reclassification adjustments recognized in income	*-2*	*-2*
Currency translation adjustments	169	-687
Unrealized changes	*169*	*-686*
Reclassification adjustments recognized in income	*–*	*-1*
Companies accounted for under the equity method	-1	2
Unrealized changes	*1*	*-1*
Reclassification adjustments recognized in income	*-2*	*3*
Income taxes	54	-
Items that might be reclassified subsequently to the income statement	**46**	**-683**
Total income and expenses recognized directly in equity	**247**	**-729**
Total recognized income and expenses (total comprehensive income)	**-3,859**	**-326**
Attributable to shareholders of Uniper SE	*-3,946*	*-220*
Attributable to non-controlling interests	*88*	*-106*

Uniper Consolidated Balance Sheet

€ in millions	Note	Dec. 31, 2021	Dec. 31, 2020
Assets			
Goodwill	(14), (17)	1,783	1,751
Intangible assets	(14), (17)	708	734
Property, plant and equipment and right-of-use assets	(15), (17)	10,055	9,769
Companies accounted for under the equity method	(16), (17)	322	380
Other financial assets	(18)	859	926
Equity investments		*747*	*827*
Non-current securities		*111*	*98*
Financial receivables and other financial assets	(20)	4,065	4,047
Receivables from derivative financial instruments	(20)	16,913	2,723
Other operating assets and contract assets	(20)	247	182
Deferred tax assets	(10)	2,121	1,061
Non-current assets		**37,074**	**21,572**
Inventories	(19)	1,849	1,166
Financial receivables and other financial assets	(20)	8,131	1,128
Trade receivables	(20)	11,629	6,522
Receivables from derivative financial instruments	(20)	64,732	7,284
Other operating assets and contract assets	(20)	1,875	1,999
Income tax assets	(10)	33	23
Liquid funds	(21)	2,966	289
Assets held for sale	(4)	108	239
Current assets		**91,323**	**18,650**
Total assets		**128,397**	**40,222**

Uniper Consolidated Balance Sheet

€ in millions	Note	Dec. 31, 2021	Dec. 31, 2020
Equity and liabilities			
Capital stock	(22)	622	622
Additional paid-in capital	(22)	10,825	10,825
Retained earnings	(22)	-1,388	3,082
Accumulated other comprehensive income		-3,756	-3,778
Equity attributable to shareholders of Uniper SE		**6,303**	**10,751**
Equity attributable to non-controlling interests	(22)	485	437
Equity		**6,788**	**11,188**
Financial liabilities and liabilities from leases	(25)	1,655	1,027
Liabilities from derivative financial instruments	(25)	16,336	2,477
Other operating liabilities and contract liabilities	(25)	260	193
Provisions for pensions and similar obligations	(23)	1,065	1,371
Miscellaneous provisions	(24)	6,346	5,657
Deferred tax liabilities	(10)	433	333
Non-current liabilities		**26,094**	**11,056**
Financial liabilities and liabilities from leases[1]	(25)	7,320	716
Trade payables	(25)	11,568	6,804
Liabilities from derivative financial instruments	(25)	70,397	7,550
Other operating liabilities and contract liabilities	(25)	1,443	1,153
Income taxes	(10)	425	95
Miscellaneous provisions	(24)	4,361	1,456
Liabilities associated with assets held for sale	(4)	–	205
Current liabilities		**95,514**	**17,977**
Total equity and liabilities		**128,397**	**40,222**

[1]As of December 31, 2021, this item includes an amount of €4,300 million in liabilities that Uniper plans to repay within the next twelve months, but for which Uniper has the option to manage the funds in line with financing requirements and, therefore, not to repay them until after 12 months. Further details can be found in Notes 25 and 29. These liabilities did not exist in the previous year.

Uniper Consolidated Statement of Cash Flows[1]

€ in millions	2021	2020
Net income/loss	**-4,106**	**402**
Depreciation, amortization and impairment of intangible assets, of property, plant and equipment, and of right-of-use assets	1,306	1,077
Changes in provisions	3,398	103
Changes in deferred taxes	-1,051	21
Other non-cash income and expenses	-647	-369
Gain/Loss on disposal of intangible assets, property, plant and equipment, equity investments and securities (> 3 months)	-11	10
Intangible assets and property, plant and equipment	*-5*	*14*
Equity investments	*-4*	*-5*
Securities (> 3 months)	*-2*	*–*
Changes in operating assets and liabilities and in income taxes	4,731	-3
Inventories	*-655*	*301*
Trade receivables	*-5,087*	*496*
Other operating receivables and income tax assets	*-71,352*	*2,533*
Trade payables	*289*	*-333*
Other operating liabilities and income taxes	*81,537*	*-3,000*
Cash provided by operating activities (operating cash flow)	**3,621**	**1,241**
Proceeds from disposal of	65	83
Intangible assets and property, plant and equipment	*18*	*12*
Equity investments	*47*	*71*
Purchases of investments in	-720	-743
Intangible assets and property, plant and equipment	*-708*	*-725*
Equity investments	*-12*	*-17*
Proceeds from disposal of securities (> 3 months) and of financial receivables and fixed-term deposits	498	596
Purchases of securities (> 3 months) and of financial receivables and fixed-term deposits	-7,362	-1,064
Cash provided by investing activities	**-7,520**	**-1,128**
Cash proceeds/payments arising from changes in capital structure[2]	-7	4
Cash dividends paid to shareholders of Uniper SE	-501	-421
Cash dividends paid to other shareholders	-38	-28
Proceeds from new financial liabilities	8,978	450
Repayments of financial liabilities and reduction of outstanding lease liabilities	-1,871	-684
Cash provided by financing activities	**6,561**	**-679**
Net increase/decrease in cash and cash equivalents	**2,663**	**-566**
Effect of foreign exchange rates on cash and cash equivalents	14	-18
Cash and cash equivalents at the beginning of the reporting period	243	825
Cash and cash equivalents of first-time consolidated companies	–	1
Cash and cash equivalents at the end of the reporting period	**2,919**	**243**
Supplementary information on cash flows from operating activities		
Income tax payments	-215	-91
Interest paid	-69	-59
Interest received	51	33
Dividends received	52	56

[1]Note 28 contains additional information on the Statement of Cash Flows.

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

Statement of Changes in Equity

€ in millions	Capital stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income that might be reclassified subsequently to the income statement: Currency translation adjustments	Accumulated other comprehensive income that might be reclassified subsequently to the income statement: Cash flow hedges	Equity attributable to shareholders of Uniper SE	Non-controlling interests	Total
Balance as of January 1, 2020	**622**	**10,825**	**3,145**	**-3,207**	**1**	**11,386**	**556**	**11,942**
Change in scope of consolidation							17	17
Dividends			-421			-421	-28	-449
Changes in ownership			6			6	-2	4
Total comprehensive income			351	-572		-220	-106	-326
Net income/loss			397			397	6	402
Other comprehensive income			-46	-572		-617	-112	-729
Remeasurements of defined benefit plans			-222			-222		-222
Remeasurements of investments			177			177		177
Changes in accumulated other comprehensive income				-572		-572	-112	-683
Balance as of December 31, 2020	**622**	**10,825**	**3,082**	**-3,779**	**1**	**10,751**	**437**	**11,188**
Balance as of January 1, 2021	**622**	**10,825**	**3,082**	**-3,779**	**1**	**10,751**	**437**	**11,188**
Change in scope of consolidation							5	5
Capital decrease							-7	-7
Dividends			-501			-501	-38	-539
Total comprehensive income			-3,968	143	-121	-3,946	88	-3,859
Net income/loss			-4,169			-4,169	63	-4,106
Other comprehensive income			200	143	-121	223	25	247
Remeasurements of defined benefit plans			269			269		269
Remeasurements of investments			-69			-69	–	-69
Changes in accumulated other comprehensive income				143	-121	22	25	47
Balance as of December 31, 2021	**622**	**10,825**	**-1,388**	**-3,636**	**-120**	**6,303**	**485**	**6,788**

Notes

(1) General Information

The parent company of the Uniper Group is Uniper SE ("the Company"). The registered office of the Company is in Düsseldorf. Its address is: Uniper SE, Holzstraße 6, 40221 Düsseldorf, Germany. The Company is entered in the Düsseldorf Commercial Register, Section B, under the number 77425. Uniper's operating activities are aimed at the supply of energy and related services.

These Consolidated Financial Statements of Uniper SE and its subsidiaries (collectively "the Group" or "Uniper") were finally prepared by the Board of Management of Uniper SE on February 22, 2022, discussed in detail at the Audit and Risk Committee meeting on February 21, 2022, and approved by the Supervisory Board at its board meeting on February 22, 2022.

The Board of Management and the Supervisory Board of Uniper SE made the requisite declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) in January 2022. The declaration has been made permanently and publicly accessible to shareholders on the Company's website (www.uniper.energy).

The majority shareholder of Uniper SE is Fortum Oyj, Espoo, Finland ("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 financial statements. The majority shareholder of Fortum is the Republic of Finland.

Changes in the Composition of the Board of Management and of the Supervisory Board

After the Supervisory Board of Uniper SE reached an agreement on March 29, 2021, with the Chief Executive Officer, Andreas Schierenbeck, and the Chief Financial Officer, Sascha Bibert, on their immediate resignation from the Company's Board of Management, their mandates as members of the Board of Management ended on March 29, 2021.

Prof. Dr. Klaus-Dieter Maubach has been the new Chief Executive Officer of Uniper SE since March 29, 2021. Tiina Tuomela has been the Chief Financial Officer since March 29, 2021. Prof. Dr. Klaus-Dieter Maubach and Tiina Tuomela were previously members of the Supervisory Board of Uniper SE, and Prof. Dr. Klaus-Dieter Maubach was its chairman. Prior to the Annual General Meeting on May 19, 2021, they were therefore initially delegated into the Board of Management. Effective at the close of the Annual General Meeting on May 19, 2021, both resigned as members of the Supervisory Board. In addition, Markus Rauramo was elected as Chairman of the Supervisory Board on March 29, 2021. The Supervisory Board of Uniper SE then appointed Prof. Dr. Klaus-Dieter Maubach and Tiina Tuomela as Chief Executive Officer and Chief Financial Officer, respectively, on May 19, 2021. During their delegation, they ceased to perform any duties as Supervisory Board members. Furthermore, Sirpa-Helena Sormunen resigned from her duties as a member of the Supervisory Board effective at the end of April 30, 2021, as she has performed the role of General Counsel of Uniper SE since May 1, 2021.

Due to the departure of Prof. Dr. Klaus-Dieter Maubach, Tiina Tuomela and Sirpa-Helena Sormunen from the Supervisory Board, the Annual General Meeting elected Judith Buss, Esa Hyvärinen and Nora Steiner-Forsberg to the Supervisory Board of Uniper SE on May 19, 2021. Victoria Kulambi joined the Supervisory Board as an employee representative on May 19, 2021, after Ingrid Åsander resigned as a member of the Supervisory Board effective at the close of the Annual General Meeting on May 19, 2021.

(2) Basis of Preparation of the Financial Statements

The Consolidated Financial Statements of Uniper SE have been prepared in accordance with Section 315e (1) of the German Commercial Code (HGB) and with those IFRS and IFRS Interpretations Committee (IFRS IC) interpretations that were adopted by the European Commission for use in the EU as of the end of the fiscal year, and whose application was mandatory as of December 31, 2021. Any changes in accounting policies compared with the previous year that may have arisen from this or from voluntary actions are presented and explained in Note 3, "Newly Adopted Standards and Interpretations." The fiscal year of the Group is identical to the calendar year.

Financial Statement Preparation and Accounting Methods

The Consolidated Financial Statements are prepared in euro (€). Unless otherwise indicated, all amounts are presented in millions of euro (€ million). Uniper applies commercial rounding. Any rounding differences existing between individual amounts and totals are accepted.

Both the accounting policies and the classification of items in the Consolidated Financial Statements are generally retained from period to period. Any changes are explained in Note 3.

The Consolidated Balance Sheet has been prepared using a classified balance sheet structure. Assets that will be realized within twelve months of the reporting date, as well as liabilities that are due to be settled within one year of the reporting date, are generally classified as current.

The Consolidated Statement of Income is classified using the nature-of-expense method, which is also applied for internal purposes.

The accounting policies applied in the Consolidated Financial Statements are explained in the respective relevant individual Notes to the Financial Statements.

Assumptions and Estimation Uncertainty

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions that may influence the application of accounting policies within the Uniper Group and affect the measurement and presentation of reported figures. Estimates are based on past experience and on expected financial and economic developments, as well as on additional knowledge obtained on transactions to be reported and on analysis of energy and climate policy and the regulatory environment, including related voluntary commitments. Actual amounts may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period, or in the period of the revision and subsequent periods if both current and future periods are affected.

At Uniper, estimates are particularly necessary for the recognition and measurement of deferred tax assets, to account for pension provisions and miscellaneous provisions, for impairment testing, for the determination of the fair value of certain financial instruments, and to account for price-adjustment clauses contained in long-term contracts.

Uniper's corporate strategy is focused on decarbonization and is both an important tool for mitigating climate risks and the basis for unlocking new growth opportunities. At its core, Uniper is transforming its portfolio in a way that, on the one hand, reduces its exposure to fossil activities and, on the other, benefits from growth in CO_2-free business areas.

The significant assumptions and estimates are presented in the respective relevant individual Notes to the Financial Statements. Expected financial and economic developments and analysis of energy policy and the regulatory environment, as well as the Uniper Group's voluntary commitments to reduce carbon emissions, have affected earnings and the measurement of assets and liabilities, particularly in the line items discussed in the following individual notes, which also respond sensitively to prices: Revenues (Note 5), Other Operating Income and Expenses (Note 7), Cost of Materials (Note 8), Property, Plant and Equipment (Note 15), Impairment Testing in Accordance with IAS 36 (Note 17), Inventories (Note 19), Miscellaneous Provisions (Note 24).

The estimates and assumptions in fiscal 2021 are also affected by developments in the Covid-19 pandemic, both globally and in individual regions and countries. Given the impetus of global and sectoral economic recovery coupled with government support programs, no significant detrimental events have occurred or become known relating to Uniper's trading partners, suppliers, etc. Because of Uniper's business model, the customer structure resulting from it and the energy trading activities involved, the results of which are sensitive, among other things, to price fluctuations, the effects of the Covid-19 pandemic cannot be isolated in terms of the measurement of individual assets and liabilities and can be partly or even fully eclipsed by other economic effects. Accordingly, there is no separate discussion of isolated Covid-19 effects in the individual notes that follow.

There may be future effects on the Consolidated Financial Statements arising from more volatile commodity markets and, correspondingly, more volatile revenues and cost of materials at Uniper, as well as from interest rate adjustments in different countries, increased volatility in foreign exchange rates, a deterioration in creditworthiness, and customer defaults or arrears. These factors can affect the carrying amounts of assets and liabilities, the amount and timing of earnings recognition, as well as cash flows. Uniper is also required to post collateral for futures and forward transactions (especially margining receivables) for portfolio hedges that arise in the ordinary course of Uniper's business. The amount of these temporary collateral pledges is governed by, among other things, the size of the derivative position affected by collateral pledges, commodity price levels and the volatility of prices in the commodity markets. To reinforce Uniper's ability to withstand future extreme market developments and the impact of resulting collateral requirements, Uniper has taken long-term financing measures to add liquidity and provide for financial flexibility and security.

It is reasonably possible that changes in estimates and assumptions will be necessary in the next fiscal year.

In summary, Uniper believes that the use of the going-concern basis of accounting is appropriate, and that no material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on Uniper's ability to continue as a going concern.

Foreign Currency Translation

The financial statements of Uniper SE and its subsidiaries are prepared in their functional currencies.

Transactions of Uniper companies that are denominated in foreign currency are translated using the exchange rate applicable on the transaction date. Monetary foreign currency items are adjusted to the current exchange rate at each balance sheet date; any gains and losses resulting from fluctuations in the relevant currencies, and the effects upon realization, are recognized in income and reported as other operating income and other operating expenses, respectively.

The functional currency and the reporting currency of Uniper SE is the euro. In the Consolidated Financial Statements, the assets and liabilities of those foreign Uniper companies with a functional currency other than the euro are translated at the mid-market rates applicable on the balance sheet date, while items of the income statement are translated using annual average exchange rates. Differences arising from the translation of asset and liability items compared with the corresponding translation of the previous year, as well as exchange rate differences between the income statement and the balance sheet, are reported separately within net assets as a component of other comprehensive income and not reclassified to the income statement until the foreign subsidiary's disposal. Any differences arising from the currency translation of results of companies accounted for under the equity method are similarly recognized in income.

Foreign exchange transactions out of the Russian Federation may be restricted in certain cases.

The following table depicts the movements in exchange rates for the periods indicated for major currencies of countries outside the European Monetary Union:

Currencies

		€1, rate at year-end	
	ISO Code	**2021**	**2020**
British pound	GBP	0.84	0.90
Russian ruble	RUB	85.30	91.47
Swedish krona	SEK	10.25	10.03
U.S. dollar	USD	1.13	1.23

Currencies

		€1, annual average rate	
	ISO Code	**2021**	**2020**
British pound	GBP	0.86	0.89
Russian ruble	RUB	87.15	82.72
Swedish krona	SEK	10.15	10.48
U.S. dollar	USD	1.18	1.14

(3) Newly Adopted Standards and Interpretations

Standards and Interpretations Applicable for the First Time in 2021

The International Accounting Standards Board (IASB) and the IFRS IC have issued the following standards and interpretations that have been adopted by the EU into European law and were applied for the first time in the reporting period from January 1 through December 31, 2021:

New Financial Reporting Standards and Interpretations

Standard/Interpretation		IASB / IFRS IC effective date	Endorsed by EU	Impact on Uniper
Amendment to IFRS 16	Covid-19-Related Rent Concessions	Jun. 1, 2020	Yes	None
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform (Phase 2)	Jan. 1, 2021	Yes	None
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	Jan. 1, 2021	Yes	None
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	Apr. 1, 2021	Yes	None

Standards and Interpretations Not Yet Applicable in Fiscal 2021

The IASB has issued additional standards. They were not applied by Uniper in the 2021 fiscal year because the standards were not required to be applied and no voluntary early adoption took place, or because their adoption by the EU into European law remains outstanding at this time:

New Financial Reporting Standards and Interpretations (Not Applied in Fiscal 2021)

Standard/Interpretation		IASB/IFRS IC effective date	Endorsed by EU	Impact on Uniper
Amendments to IFRS 3	Reference to the Conceptual Framework	Jan. 1, 2022	Yes	To be examined on a case-by-case basis
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	Jan. 1, 2022	Yes	To be examined on a case-by-case basis
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	Jan. 1, 2022	Yes	None
Omnibus standard	Annual Improvements to IFRS Standards (2018–2020 Cycle)	Jan. 1, 2022	Yes	None
IFRS 17	Insurance Contracts	Jan. 1, 2023	Yes	To be examined on a case-by-case basis
Amendments to IFRS 17	Insurance Contracts	Jan. 1, 2023	No	To be examined on a case-by-case basis
Amendments to IAS 8	Definition of Accounting Estimates	Jan. 1, 2023	No	To be examined on a case-by-case basis
Amendments to IAS 1	Disclosure of Accounting Policies	Jan. 1, 2023	No	None
Amendments to IFRS 17	First adoption of IFRS 17 and IFRS 9	Jan. 1, 2023	No	To be examined on a case-by-case basis
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	Jan. 1, 2023	No	To be examined on a case-by-case basis
Amendment to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Jan. 1, 2023	No	To be examined on a case-by-case basis

(4) Scope of Consolidation, Equity Investments and Disposals

Consolidation Principles, Scope of Consolidation

The Consolidated Financial Statements incorporate the financial statements of Uniper SE and entities controlled by Uniper (subsidiaries). Control exists when Uniper, as the investor, has the current ability to direct the relevant activities of the investee entity. Relevant activities are those activities that most significantly affect the performance of a business. In addition, Uniper must participate in this business performance in the form of variable returns and be able to influence those returns to its benefit through existing opportunities and rights. Control is normally deemed established if Uniper directly or indirectly holds a majority of the voting rights in the investee. In structured entities, control can be established by means of contractual arrangements. The results of the subsidiaries acquired or disposed of during the year are included in the Group's total comprehensive income from the date of acquisition until the date of disposal. Where necessary, adjustments are made to the subsidiaries' financial statements to bring their accounting policies into line with those of the Group. Intragroup receivables, liabilities and results are eliminated in the consolidation process.

Subsidiaries and associated companies that are not included in the Consolidated Financial Statements on materiality grounds are accounted for outside the scope of IFRS 9 and measured at cost, with adjustments for any loss allowances.

The number of consolidated companies changed as follows:

Scope of Consolidation

	Domestic	Foreign	Total
Consolidated companies as of January 1, 2021	**29**	**29**	**58**
Additions	1	–	1
Disposals/mergers	3	–	3
Consolidated companies as of December 31, 2021	**27**	**29**	**56**

As of December 31, 2021, a total of two domestic and six foreign associated companies were accounted for under the equity method (2020: two domestic companies and eight foreign companies).

A complete list of all the companies included in the scope of consolidation, as well as the disclosures on shareholdings required pursuant to Section 313 (2) of the German Commercial Code, which are an integral part of these Notes to the Financial Statements, are provided in Note 35.

Business Combinations

Business combinations are accounted for by applying the purchase method, whereby the purchase price is offset against the proportional share in the net assets of the acquiree. Intangible assets are recognized separately if they are clearly separable or if their recognition arises from a contractual or other legal right. Provisions for restructuring measures are not recognized in a purchase price allocation. When measuring an acquisition, the values at the acquisition date, which is the date at which control of the acquiree was obtained, are used as the basis. The acquiree's identifiable assets, liabilities and contingent liabilities are generally recognized at their fair values irrespective of the extent to which they are attributable to non-controlling interests. Key sources of estimation uncertainty relate to the determination of these fair values. Fair values of land, buildings and major technical equipment are generally determined using independent expert reports that have been prepared by third parties. For marketable securities, published exchange or market prices at the time of acquisition are used. If exchange or market prices are unavailable for consideration, fair values are determined using the most reliable information available that is based on market prices for comparable assets or on suitable valuation techniques. In such cases, Uniper determines fair value using the discounted cash flow method by discounting estimated future cash flows. The discount rate reflects the specific risks inherent in the assets acquired.

Non-controlling interests can be measured either at cost (partial goodwill method) or at fair value (full goodwill method). The choice of method can be made on a case-by-case basis. The partial goodwill method is generally used within the Uniper Group.

If the purchase price paid exceeds the proportional share in the net assets at the time of acquisition, the positive difference is recognized as goodwill. No goodwill is recognized for positive differences attributable to non-controlling interests. Any negative difference is recognized in income after reassessment of valuation methods and premises.

No reportable business combinations were effected in the 2021 and 2020 fiscal years.

Assets Held for Sale and Liabilities Associated with Assets Held for Sale

Individual non-current assets or groups of assets and any directly attributable liabilities ("disposal groups") are reported as assets held for sale if they can be disposed of in their present condition and if there is sufficient probability of their disposal actually taking place. For a group of assets and associated liabilities to be classified as a disposal group, the assets and liabilities in it must be held for sale in a single transaction or as part of a comprehensive plan.

Non-current assets that are held for sale either individually or collectively as part of a disposal group are no longer depreciated. They are instead accounted for at the lower of the carrying amount and the fair value less any costs to sell yet to arise. If the fair value is less than the carrying amount, an impairment loss is recognized. The previous year's balance sheet is not restated.

Disposals and Assets Held for Sale in Fiscal 2021

Stake in Schkopau Lignite Power Plant

In late February 2020, Uniper signed an agreement with Saale Energie GmbH ("Saale Energie"), a subsidiary of the Czech company Energetický a průmyslový holding, a. s. ("EPH"), on the sale of the interest in the Schkopau lignite power plant in Saxony-Anhalt. Uniper was the operator of the power plant and held a stake of around 58%. Saale Energie at that time held a stake of around 42% in the Schkopau power plant and took over Uniper's stake effective October 1, 2021. The proceeds from the sale were determined when control was transferred on October 1, 2021, taking into account customary purchase price adjustment clauses.

Prior to their disposal in the third quarter of 2021, an impairment charge of €39.6 million was recognized on the activities, which were held as a disposal group, in the 2021 fiscal year. This impairment is presented under other operating expenses. In addition, a marginal deconsolidation effect resulted from the closing of the transaction on the legally effective date of October 1, 2021.

Held as a disposal group in the European Generation segment, the major asset and liability items of these activities as of the disposal date were non-current assets (€100 million) and current assets (€95 million), as well as provisions (€17 million) and liabilities (€162 million). No cash or cash equivalents were divested in connection with the disposal.

With the sale of the Schkopau power plant stake, Uniper has fully withdrawn from lignite-fired power generation in Europe.

Additional Assets Held for Sale

Additional assets were held for sale as of December 31, 2021, that are not material either individually or in aggregate. They relate to the disposal of the British financial investment Javelin and to the sale of the Öresundverket power plant in Malmö, Sweden.

Disposals and Assets Held for Sale in Fiscal 2020

Stake in Schkopau Lignite Power Plant

The reclassification as a disposal group took place on October 1, 2020. The equity investment was unimpaired at that date. Accordingly, no impairment charges were necessary in the 2020 fiscal year.

Held as a disposal group in the European Generation segment, the major asset and liability items of these activities as of the December 31, 2020, reporting date were non-current assets (€145 million) and current assets (€94 million), as well as provisions (€20 million) and liabilities (€185 million). There were no cash and cash equivalents, as these were not divested in connection with the disposal.

(5) Revenues

Revenues are generated predominantly from sales of electricity and gas via traded markets, as well as to industrial customers and resellers, and include hedges settled through physical delivery. Also shown in this line item are revenues earned from the transportation of gas and from deliveries of steam, heat and water, as well as from the rendering of services.

Revenues from trading operations transacted via traded markets (including hedges settled through physical delivery) are recognized when control is transferred to the purchaser. These transactions contain a performance obligation.

For physically settled transactions that are not within the scope of IFRS 9 (own-use transactions), contract prices, which reflect the economic character of these transactions and the contractually agreed consideration amounts, are used to determine revenues unless IFRS 15 provides for a different method, e.g., to account for constraint of variable consideration. For physically settled transactions that must be accounted for as derivatives pursuant to IFRS 9 criteria (failed own-use transactions), revenue is recognized at the market price applicable at the time of recognition. Accordingly, such contracts are presented as physical spot contracts with a financial hedge. The Company, in principle, recognizes revenue from its sales and service operations upon delivery of goods to customers, or upon completion of services rendered. Performance is deemed complete when the control associated with ownership has been transferred to the purchaser as contractually agreed, compensation has been contractually established, and collection of the resulting receivable is probable. Uniper's commodity supply contracts with customers generally contain a performance obligation for which the entire transaction price is recognized as sales revenues when the obligation is satisfied. Progress is usually measured in terms of the volume of energy supplied. For contracts having solely a consumption-based price component, Uniper recognizes revenue in the amount the Company bills to the customer. In contracts where, on the other hand, the transaction price includes a fixed component in addition to the consumption-based component, revenue from the fixed price component is recognized in line with the customer's actual consumption profile. The timing difference between payment and revenue recognition occurs only within fiscal years for contracts having a seasonal delivery profile, meaning that there will be no material impact on the revenue from such contracts for any fiscal year as a whole. In these contracts, the consumption-based price component is similarly recognized as revenue based on the volume supplied.

Revenues include the surcharge mandated by the German Renewable Energy Sources Act and other applicable statutory charges. They are presented net of sales taxes, returns, rebates and discounts, and after elimination of sales within the Uniper Group. The electricity tax is levied, in particular, on electricity delivered to retail customers and is calculated on the basis of a fixed tax rate per megawatt-hour (MWh) that varies between different classes of customers. In line with German accounting and presentation practice, electricity and energy taxes paid are deducted from sales revenues on the face of the income statement.

Sales revenues generated from the rendering of services are recognized on an ongoing basis as services are rendered and recognized in the amount that Uniper bills for them.

At €163,979 million, sales revenues in the 2021 fiscal year were significantly above the prior-year level (2020: €50,968 million), owing to the requirement to recognize revenues at current spot prices, which had risen significantly year over year. The amount includes revenues relating to prior periods of €41 million (2020: €35 million).

Developments in energy prices during the 2021 fiscal year were characterized by the strong increase in international prices for electricity and energy resources, by the changing overall economic environment and sectoral developments, which remained influenced by the Covid-19 pandemic, as well as by cooler, partly extreme weather conditions and the resurgence in consumption of conventional energy resources, especially coal, which in turn was a reason for the upward trend in the price of emission allowances.

The significant increase in Uniper's revenues followed this trend and resulted especially 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 Note 32, "Reconciliation of Income/Loss before Financial Results and Taxes to Adjusted EBIT and to Adjusted Net Income." In addition to the significant price effect, slightly higher gas volumes and power generation volumes also had a positive impact on sales performance, whereas electricity volumes at Optimization and Trading came in substantially lower.

Uniper anticipates revenues of €1,317 million (2020: €898 million) from unsatisfied performance obligations. Of this total, €439 million is attributable to 2022 (in 2020 for 2021: €219 million) and €878 million to years after 2022 (in 2020 for the years after 2021: €679 million).

These amounts do not include contracts having an expected duration of one year or less, nor do they include contracts under which Uniper billed the customer for performance obligations that match exactly the value consumed by the customer during the same period. Variable price components that are subject to restrictions are also not included in unsatisfied performance obligations.

As stated previously, Uniper's sales are especially contingent on the aforementioned physically settled contract types from its trading operations. Accordingly, the disclosure of outstanding performance obligations allows no conclusions to be drawn about the Group's sales in the coming years.

As of December 31, 2021, contract assets amounted to €15 million (2020: €4 million). They result from contracts in which the consumption by the customer, and payments by the customer of the base or service price, vary seasonally. An amount of €4 million from the opening balance as of January 1, 2021, was reclassified to trade receivables (2020: €7 million).

An amount of €489 million in revenues was generated from the contract liabilities included in the opening balance and recognized in the 2021 fiscal year (2020: €394 million). As of December 31, 2021, contract liabilities amounted to €824 million (2020: €628 million).

The classification of revenues by segment, product and region is presented in Note 33.

(6) Own Work Capitalized

Own work capitalized amounted to €100 million in the 2021 fiscal year (2020: €93 million) and was generated from engineering and IT services, among other items.

(7) Other Operating Income and Expenses

Gains and losses on derivatives representing economic hedging relationships for which hedge accounting according to IFRS 9 is not applied are reported within other operating income and expenses for the duration of the forward contracts (the period between contract inception and settlement). Also included in this line item are gains and losses from financial hedging transactions and, to a limited extent, from proprietary trading.

The table below provides details of other operating income for the periods indicated:

Other Operating Income

€ in millions	2021	2020
Income from exchange rate differences	371	455
Gain on derivative financial instruments	129,571	23,400
Gain on disposal of equity investments and securities	4	5
Write-ups of non-current assets	595	338
Gain on disposal of property, plant and equipment	13	3
Miscellaneous	263	376
Total	**130,817**	**24,578**

Other operating income increased particularly because of the changes in commodity derivatives recognized at fair value. The increase is mostly attributable to significantly higher commodity prices. Income from invoiced and open transactions and from related currency hedges rose to €129,571 million, up €106,171 million from the previous year (€23,400 million). The explanations already take into account the effect from the difference between the spot price and the contractually hedged price on the accounting treatment of forward contracts to buy or sell non-financial items when those are accounted for under IFRS 9 (failed own-use contracts).

Income from exchange rate differences consisted primarily of realized gains arising from the translation of financial and operating foreign-currency receivables and liabilities in the amount of €306 million (2020: €440 million). There also were unrealized currency effects from translation at the closing rate on the balance sheet date in the amount of €66 million (2020: €15 million).

Gains on disposals of equity investments and securities amounted to €4 million (2020: €5 million). They include primarily gains on the sale of the stake in Exporting Commodities International LLC. In 2020, they had resulted primarily from the sale of the stake in Gas-Union GmbH.

Write-ups of non-current assets are discussed in Note 17.

As in previous years, income from goods and services recharged amounting to €25 million (2020: €24 million) and income from the reversal of provisions amounting to €49 million (2020: €214 million) are reported under miscellaneous other operating income.

The following table provides details of other operating expenses for the periods indicated:

Other Operating Expenses

€ in millions	2021	2020
Loss from exchange rate differences	376	452
Loss on derivative financial instruments	139,143	22,981
Expected credit losses on trade receivables and contract assets	7	-10
Taxes other than income taxes	12	18
Loss on disposal of equity investments and securities	–	–
Miscellaneous	751	754
Total	**140,288**	**24,196**

The increase in other operating expenses resulted primarily from changes in the fair value of commodity derivatives. The increase is mostly attributable to significantly higher commodity prices. At €139,143 million, expenses from invoiced and open transactions and from related currency hedges were up €116,162 million from the previous year (€22,981 million). The explanations already take into account the effect from the difference between the spot price and the contractually hedged price on the accounting treatment of forward contracts to buy or sell non-financial items when those are accounted for under IFRS 9 (failed own-use contracts).

Expenses from exchange rate differences consisted primarily of realized losses arising from the translation of foreign currency receivables and liabilities in the amount of €315 million (2020: €429 million). There also were unrealized currency effects from translation at the closing rate on the balance sheet date in the amount of €60 million (2020: €23 million).

Miscellaneous other operating expenses in 2021 included third-party services totaling €98 million (2020: €78 million) and IT expenditure totaling €194 million (2020: €189 million). The line item additionally includes a large number of other transactions and expenses including, for example, short-term lease expenses, insurance premiums and fees.

Also reported under other operating income and expenses are results generated from proprietary trading, which are presented net in order to clarify the presentation of the respective underlying commodities. The total income from proprietary trading in fiscal 2021 before netting was €22,559 million (2020: €9,082 million). The corresponding gross expenses totaled €22,677 million (2020: €9,068 million).

(8) Cost of Materials

The expenses from the consumption of raw materials and supplies are measured at the lower of their acquisition or production cost and their net selling price. Write-downs of inventories to net realizable value, and reversals of such write-downs if the net selling price has risen again, are recognized respectively as increases and decreases in the cost of materials (see also Note 19 for details on the measurement of inventories).

For physically settled transactions that are not within the scope of IFRS 9 (own-use transactions), contract prices, which reflect the economic character of these transactions and the contractually agreed consideration amounts, are used to determine cost of materials, unless a different method exists, e.g., to account for constraint of variable consideration. For physically settled transactions that must be accounted for as derivatives pursuant to IFRS 9 criteria (e.g., failed own-use transactions), the expense is recognized in income or capitalized as inventory or emission rights at the market price applicable at the time of recognition. Accordingly, such contracts are presented as physical spot contracts with a financial hedge.

The cost of materials resulting from the rendering of services is recognized on an ongoing basis as services are rendered and recognized in the amount that Uniper is billed for them (less any price reductions).

Also included within cost of materials are expenses for emission rights that were purchased in order to satisfy obligations under the EU Emissions Trading System (ETS). They are presented at cost. The corresponding asset item is recognized at the spot price applicable on the reporting date under miscellaneous operating assets or, in the case of an allowance shortfall, under miscellaneous provisions.

The following table provides details of the cost of materials for the periods indicated:

Cost of Materials

€ in millions	2021	2020
Expenses for raw materials and supplies and for purchased goods	155,871	47,970
Expenses for purchased services	1,141	740
Total	**157,012**	**48,710**

The significant increase in the cost of materials resulted particularly from higher average market prices in the power and gas business relative to the previous year, since a significant portion of the contracts involving physical settlement that Uniper enters into (failed own-use contracts) is realized at the spot price applicable on the settlement date, 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 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. The principal factors responsible for the increase are discussed accordingly in Note 5, “Revenues.”

Expenses for raw materials and supplies and for purchased goods consisted especially of purchases of gas and electricity in the amount of €130,961 million (2020: €38,778 million). Network usage charges of €741 million (2020: €696 million) are also included in this line item.

Expenses for purchases of emission rights amounted to €1,896 million (2020: €494 million). The year-over-year increase is due to higher emissions resulting from increased use of fossil-fuel power plants and to significantly higher prices.

Expenses for purchased services mainly comprised recharged transportation fees totaling €527 million (2020: €298 million), as well as maintenance costs totaling €237 million (2020: €245 million) and other purchased services totaling €377 million (2020: €198 million).

(9) Financial Results

Interest income and expenses are recognized pro rata using the effective interest method. Dividend income is recognized when the right to receive the distribution payment arises. The implementation of the loss allowance model is described in detail in Note 29. Note 24 contains further discussion of the accounting for the Swedish Nuclear Waste Fund ("Kärnavfallsfonden" or "KAF").

The following table provides details of financial results for the periods indicated:

Financial Results

€ in millions	2021	2020
Income from companies in which equity investments are held	9	7
Impairment charges/reversals on other financial assets	-2	-17
Net income/loss from equity investments	**7**	**-9**
Interest and similar income	158	121
Amortized cost	*117*	*102*
Other interest and similar income	*42*	*20*
Interest and similar expenses	-134	-349
Amortized cost	*-52*	*-30*
Other interest and similar expenses	*-82*	*-319*
Net interest income	**24**	**-228**
Impairment charges/reversals	1	1
Net income from securities	10	1
Result from the Swedish Nuclear Waste Fund	221	168
Other financial results	**231**	**171**
Financial results	**262**	**-67**

Income from equity investments rose by €16 million to €7 million (2020: -€9 million), mainly due to a decrease in impairments on other financial assets in the Global Commodities segment.

Interest and similar income in fiscal 2021 rose by €37 million year over year to €158 million (2020: €121 million) to €158 million. Capitalized borrowing costs of €13 million (2020: €64 million) were lower than in the previous year owing especially to the commissioning of the Datteln 4 coal-fired power plant in May 2020 and of Unit 3 of the Berezovskaya power plant, which returned to service in May 2021, and also to the year-over-year decline in the capitalization interest rate.

Interest and similar expenses fell to -€134 million (2020: -€349 million). This decrease resulted primarily from time value of money effects in the measurement of non-current provisions. Having fallen in the previous year, the interest rates applied in the hydropower and storage businesses were slightly higher in the 2021 fiscal year; accordingly, the interest expense arising from effects of changes in interest rates in the measurement of associated non-current provisions in the Uniper Group fell year over year. The principal effect, however, arose from the application of the country-specific discount rate for the nuclear power sector in Sweden (see also the discussion in Note 24), which remained constant year over year and therefore resulted in no measurement effect from changes in interest rates in fiscal 2021 (2020: effect of -€216 million due to a decline in the discount rate).

Other financial results rose to €231 million as of the end of fiscal 2021 (2020: €171 million). This change was mainly due to the increased valuation result from the Swedish Nuclear Waste Fund in the amount of €221 million (2020: €168 million) and to the increased valuation result from other securities in the amount of €10 million (2020: €1 million).

(10) Income Taxes

Current taxes for the reporting period and for prior periods are measured at the amount expected to be paid to or recovered from the tax authorities.

Deferred taxes are the result of temporary differences between the carrying amounts of the assets and liabilities on the IFRS balance sheet and their corresponding tax bases. Deferred tax assets also include tax relief entitlements resulting from the expected use of existing loss carryforwards in future years. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences and unused loss carryforwards can be offset. Deferred taxes are not taken into consideration for the portion of the deferred tax assets to which these assumptions do not apply.

Deferred taxes are measured using the tax rates that are applicable, or expected to be applicable, in the affected country when they are realized. Deferred tax assets and liabilities are netted for each company or tax group.

The change in the deferred taxes presented on the balance sheet is composed primarily of deferred taxes recognized in income and in equity, and further includes currency effects.

Income taxes are determined company by company, taking into account the tax regulations applicable in the respective countries. Uncertain tax positions are recognized at their most likely value.

Taxes on income, including deferred taxes, break down as follows:

Income Taxes

€ in millions	2021	2020
Domestic	473	47
Foreign	78	71
Current taxes	**550**	**118**
Domestic	-645	96
Foreign	-413	-76
Deferred taxes	**-1,058**	**21**
Total income taxes	**-507**	**139**

Earnings before taxes resulted in net tax income in 2021 and an associated effective tax rate of 11% (2020: 26%), which primarily reflects the effect of deferred taxes on derivative financial instruments. Of the amount reported as current income taxes in the 2021 fiscal year, -€19 million related to prior periods (2020: -€29 million). Of the -€1,058 million in deferred taxes reported in total, an amount of -€1,076 million (2020: €25 million) resulted from changes in temporary differences, and an amount of €18 million (2020: -€4 million) from changes in loss carryforwards.

Deferred tax liabilities were not recognized as of the reporting date in respect of differences between the net assets and the tax bases of subsidiaries and associates (“outside basis differences”) to the extent that Uniper can control the reversal effect and it is probable that temporary differences will not be reversed in the foreseeable future. Accordingly, no deferred taxes were recognized on these outside basis differences totaling €81 million (2020: €101 million).

The income tax rate of 31% applicable in Germany is made up of corporate income tax (15%), trade tax (15%) and the solidarity surcharge (1%). The differences between this rate and the effective rate of tax are reconciled as follows:

Reconciliation to Effective Income Taxes / Tax Rate

	2021		2020	
	€ in millions	%	€ in millions	%
Income/Loss before taxes	**-4,613**	**100**	**541**	**100**
Expected income taxes	-1,430	31	168	31
Foreign tax rate differentials	154	-3	-48	-9
Changes in tax rates / tax law	-31	1	-15	-3
Tax effects on tax-exempt income	0	–	-22	-4
Tax effects of non-deductible outlays and permanent differences	3	–	1	–
Tax effects on net income from companies accounted for under the equity method	-6	–	-14	-3
Tax effects of goodwill impairment and deconsolidation	–	–	-7	-1
Tax effects of changes in value and non-recognition of deferred taxes[1]	821	-18	65	12
Tax effects of other taxes on income	-8	–	26	5
Tax effects of income taxes related to other periods	-16	–	-9	-2
Other	6	–	-6	-1
Effective income taxes / tax rate	**-507**	**11**	**139**	**26**

[1]Primarily reflects the effect of excluded deferred taxes within and outside Germany.

Deferred tax assets and liabilities break down as shown in the following table:

Deferred Tax Assets and Liabilities

	December 31, 2021		December 31, 2020	
€ in millions	Tax assets	Tax liabilities	Tax assets	Tax liabilities
Intangible assets	26	189	43	194
Property, plant and equipment	51	881	124	616
Financial assets	3	12	5	6
Inventories	43	148	20	42
Receivables	138	27,943	59	3,745
Provisions	1,977	164	1,741	30
Liabilities	28,855	147	3,299	90
Loss carryforwards	90	–	110	–
Other	21	30	82	26
Subtotal	**31,204**	**29,514**	**5,483**	**4,748**
Changes in value	-2	–	-7	–
Deferred taxes (gross)	**31,202**	**29,514**	**5,476**	**4,784**
Offsetting	-29,081	-29,081	-4,416	-4,416
Deferred taxes (net)	**2,121**	**433**	**1,061**	**333**
Current	*1,683*	*7*	*279*	*12*

The deferred tax assets on liabilities and the deferred tax liabilities on assets primarily arise from derivative financial instruments.

Of the deferred taxes reported, a total of €278 million was recognized directly in equity (2020: €344 million).

Income taxes recognized in other comprehensive income in the reporting year break down as follows:

Income Taxes on Components of Other Comprehensive Income

€ in millions	2021 Before income taxes	2021 Income taxes	2021 After income taxes	2020 Before income taxes	2020 Income taxes	2020 After income taxes
Cash flow hedges	-175	54	-122	2	–	2
Remeasurements of equity investments	-69	–	-69	177	–	177
Currency translation adjustments	169	–	169	-687	–	-687
Remeasurements of defined benefit plans	392	-122	270	-327	107	-220
Companies accounted for under the equity method	-1	–	-1	2	–	2
Total	**316**	**-68**	**247**	**-832**	**106**	**-726**

The tax loss carryforwards as of the dates indicated are as follows:

Tax Loss Carryforwards

€ in millions	December 31 2021	December 31 2020
Domestic tax loss carryforwards	304	305
Foreign tax loss carryforwards	564	752
Total	**868**	**1,057**

German domestic tax loss carryforwards can be offset against a combined maximum of €1 million plus 60% of the total amount of taxable income over €1 million reported for the respective assessment period ("minimum taxation" rule); any remaining loss carryforward can be carried forward without limitation as to time. This rule relating to minimum taxation for corporate income tax purposes also applies to trade tax loss carryforwards. The domestic tax loss carryforwards result from adding corporate income tax loss carryforwards amounting to €164 million (2020: €163 million) and trade tax loss carryforwards amounting to €140 million (2020: €141 million).

Foreign tax loss carryforwards consist primarily of corporate income tax loss carryforwards. A significant portion of the foreign tax loss carryforwards relates to previous years.

Deferred taxes were not recognized, or no longer recognized, as of the December 31, 2021, reporting date on €4 million (2020: €132 million) in domestic tax loss carryforwards and on €338 million (2020: €208 million) in foreign loss carryforwards that, for the most part, do not expire.

No deferred tax assets were recognized in respect of temporary differences amounting to €4,733 million (2020: €2,340 million).

As of December 31, 2021, Uniper reported deferred tax assets for companies that incurred losses in the reporting period or in the prior-year period that exceed the reported deferred tax liabilities by €19 million (2020: €34 million). The basis for recognizing deferred tax assets is an estimate by management of the extent to which it is probable that the respective companies will achieve taxable earnings in the future against which the as yet unused tax losses, tax credits and deductible temporary differences can be offset. This estimate is based on various company-specific factors that, in addition to the actual and planned earnings of the past, take account particularly of internal corporate medium-term or long-term planning. The existence of regulated fees, for instance, has a positive effect on earnings planning. Furthermore, appropriate consideration is given to the length of the respective planning period.

(11) Personnel-Related Information

Personnel Costs

Personnel Costs

€ in millions	2021	2020
Wages and salaries	952	796
Social security contributions	121	111
Expenses for retirement and other employee benefits	127	105
Occupational retirement benefits	*126*	*104*
Total	**1,200**	**1,012**

The personnel costs of the Uniper Group rose by €188 million year over year to €1,200 million (2020: €1,012 million). One of the reasons for the increase is that, following a strategic review, Uniper announced plans in early October 2021 to fundamentally restructure its Engineering business, which has a total of about 1,100 employees mainly located in Germany and the United Kingdom. The implementation of the plans will involve wide-ranging organizational changes and a significant reduction in headcount, including divestment of individual business activities. The resulting organizational changes are governed by an existing plan of action, the detailed configuration of which is still being finalized with the co-determination bodies. Corresponding provisions were recognized for the planned restructuring.

Additional causes for the increase in personnel expenses relative to fiscal 2020 included, in particular, the higher average number of persons employed at the Uniper Group and negotiated pay adjustments, as well as expenses incurred for the settlement of amounts still payable to former members of the Board of Management of Uniper SE. Moreover, expenses for occupational retirement benefits were higher. There were partially offsetting effects – compared with the previous year – arising from lower personnel costs overall for the implementation of Uniper's strategy, which includes a proactive coal exit plan in Europe and especially in Germany, and from the non-recurrence of the one-time expense from the revaluation and settlement of allocations under the long-term incentive (LTI) packages for the years 2018, 2019 and 2020 in connection with the occurrence of the change-of-control event that took place when Fortum Deutschland SE acquired over 75% of Uniper's shares.

Employees

During the reporting year, Uniper employed an average of 11,709 persons (2020: 11,649). Not included in this figure are 170 apprentices (2020: 175), nor are interns, work-study students, members of the Board of Management and managing directors.

In the European Generation segment, the increase in the average number of employees is primarily attributable to the growth of new business fields, and it was partially offset by the transfer of the Schkopau lignite power plant stake in the fourth quarter of 2021. The employee headcount in the Global Commodities segment was slightly higher in fiscal 2021 than in the previous year because of the expansion of new business fields. In the Russian Power Generation segment, the employee headcount shrunk noticeably relative to the previous year owing to the completion of repairs in Unit 3 of the Berezovskaya power plant unit in Russia. The average number of employees in Administration/Consolidation rose primarily following the integration of Uniper HR Services Hannover GmbH into the Group in the fourth quarter of 2020 and in the course of the expansion in fiscal 2021 of support functions for the renewable energy business field and in the area of IT.

The average employee headcount by segment broke down as shown in the table below:

Employees[1]

	2021	2020
European Generation	4,826	4,787
Global Commodities	1,337	1,283
Russian Power Generation	4,416	4,545
Administration/Consolidation	1,130	1,035
Total	**11,709**	**11,649**
Domestic	*4,911*	*4,770*
Foreign	*6,798*	*6,879*

[1]Figures do not include members of the Board of Management, managing directors, apprentices, work-study students and interns.

Share-Based Payment

To the extent that share-option plans exist within the Uniper Group, such plans are classified as cash-settled share-based payments. A provision in the amount of the prorated fair value of the payment obligation is recognized as of the balance sheet date. Changes in the fair value are recognized in income. The fair value is determined using accepted financial-industry methods. No virtual shares are allocated for non-share-based compensation, and the Uniper SE share price is not considered in any other respect either. Provisions are recognized at the prorated expected settlement amounts as of each balance sheet date. Expected settlement amounts are based on best estimates of the relevant parameters. Changes in expected settlement amounts are recognized in income.

In the 2020 fiscal year, selected employees of the Uniper Group participated in the share-based payment programs of the Uniper Group. The allocations granted in the 2018, 2019 and 2020 fiscal years under the share-based 2016 Performance Cash Plan and the share-based 2020 Performance Share Plan were paid out effective August 17, 2020, following the occurrence of the change-of-control event that arose when Fortum Deutschland SE acquired 75.01% of Uniper SE's shares. Accordingly, other than the employee stock purchase program in the United Kingdom, there were no share-based payments for Uniper Group employees in fiscal 2021. Since the 2021 fiscal year, employees of the Uniper Group have been participating in the non-share-based 2021 Performance Cash Plan in the form of other long-term compensation. The 2021 Performance Cash Plan is not allocated in the form of virtual shares, and the Uniper SE share price is not considered in any other respect.

Up to and including the 2020 fiscal year, Uniper Group Supervisory Board members had additionally received a component of their compensation in the form of virtual shares. Since the 2021 fiscal year, Supervisory Board compensation is paid out entirely as fixed compensation, but Supervisory Board members who served before 2021 still hold virtual shares that have not yet been paid out.

In 2021, expenses were incurred for share-based payments (the employee stock purchase program in the UK and the Supervisory Board's virtual shares) in the amount of €0.5 million (2020: €16.2 million; including the change-of-control event described below) and for non-share-based payments (non-share-based 2021 Performance Cash Plan) in the amount of €3.5 million (2020: €0 million).The change in expenses for share-based payments resulted primarily from the early realization in fiscal 2020 – due to the change-of-control event – of the 2018, 2019 and 2020 tranches of the share-based 2016 Performance Cash Plan and the share-based 2020 Performance Share Plan.

Employee Stock Purchase Program

Uniper employees in the United Kingdom have the opportunity to purchase Uniper shares as part of an employee stock purchase program and to acquire bonus shares in addition. The expense for the Uniper companies resulting from the issue of these shares amounted to €0.3 million in 2021 (2020: €0.3 million) and is reported under “Wages and salaries” as personnel costs.

Long-Term Variable Compensation

The following discussion includes reports on the non-share-based 2021 Performance Cash Plan introduced in fiscal 2021 for members of the Board of Management of Uniper SE and for selected management personnel of the Uniper Group, and on the long-term variable Supervisory Board compensation granted in the form of virtual shares.

The allocations granted in the 2018 and 2019 fiscal years under the share-based 2016 Performance Cash Plan, which had been introduced in 2016, as well as the allocation granted for the 2020 fiscal year under the Performance Share Plan applicable in fiscal 2020, were realized and paid out effective August 17, 2020, following the occurrence of the change-of-control event that arose when Fortum Deutschland SE acquired 75.01% of Uniper SE’s shares. Accordingly, there was no share-based payment for the Board of Management and selected management personnel in fiscal 2021.

Non-Share-Based 2021 Performance Cash Plan

The non-share-based 2021 Performance Cash Plan is granted in annual tranches, with a performance period of three years for each tranche, since the 2021 fiscal year, and replaces the 2020 Performance Share Plan. The non-share-based 2021 Performance Cash Plan is not allocated in the form of virtual shares, and the Uniper SE share price is not considered in any other respect. The payout under the non-share-based 2021 Performance Cash Plan is based on a target amount contractually agreed with each board member and promised at the start of the performance period as a future entitlement, as well as on two financial performance targets with a total weight of 60% and on two non-financial performance goals weighted together at 40%. Adjusted net income and cash capital expenditures are applied as financial performance targets. The non-financial performance goals and targets considered relate to portfolio transformation and to relevant, measurable ESG goals. In terms of portfolio transformation, the Supervisory Board, with respect to the Board of Management, follows the Uniper Group’s corporate strategy and evaluates which positive or negative impacts the portfolio transformation has on Uniper’s business performance, and the Board of Management proceeds similarly with respect to the management personnel. Regarding ESG goals, relevant and measurable ESG targets that are based on the Uniper Group’s sustainability strategy are defined for each tranche of the non-share-based 2021 Performance Cash Plan. The total payout is limited to 250% of the target amount allocated at the start of the performance period (payout cap), and payout takes place after the end of the three-year performance period.

The provision for the non-share-based 2021 Performance Cash Plan as of December 31, 2021, is roughly €3.5 million. The total expense for fiscal 2021 thus also amounted to roughly €3.5 million.

2020 Performance Share Plan

The members of the Board of Management of Uniper SE and selected management personnel of the Uniper Group had received allocations under the 2020 Uniper Performance Share Plan in fiscal 2020. The annual tranches were granted in the form of virtual shares, and each tranche was subject to a performance period of four years. To determine the number of virtual shares initially granted in each tranche, an individual target amount was divided by the equal-weighted average closing price (arithmetic mean) of the last 60 trading days prior to the beginning of the respective performance period (the “Uniper Starting Share Price”).

At the end of the four-year performance period, the number of virtual shares granted at the beginning of the performance period was multiplied by a performance factor to determine the final number of virtual shares. The performance factor on which the payout is based is determined at the end of the performance period using the absolute total shareholder return (TSR). The gross payout amount is determined by multiplying the final number of virtual shares by the equal-weighted average closing price (arithmetic mean) of the last 60 trading days prior to the end of the performance period (the "Uniper Ending Share Price"). Beneficiaries additionally receive a dividend equivalent derived from the total accumulated dividends paid for each virtual share over the performance period. The total payout is capped at 250% of the individual target amount (payout cap), and payout generally takes place at the end of the four-year performance period.

Through the acquisition of additional voting rights of Uniper SE, Fortum Deutschland SE had increased its stake in Uniper SE to 75.01% on August 17, 2020. That triggered a change-of-control event. This led to the premature ending of the terms of the allocations granted under the 2020 Performance Share Plan in the 2020 fiscal year. The corresponding obligations were required to be remeasured as of July 31, 2020, with all expenses still to be incurred for the performance period still open previously brought forward and recognized as a one-time expense.

The total expense recognized in 2020 thus amounted to €9.4 million. Owing to the payouts that took place in 2020, no provisions were recognized for the 2020 Performance Share Plan as of both December 31, 2021, and December 31, 2020.

2016 Performance Cash Plan

In 2018 and 2019, the members of the Board of Management of Uniper SE received allocations under the 2016 Uniper Performance Cash Plan. In addition, selected management personnel of the Uniper Group received allocations for fiscal 2019. The amounts paid out under the Performance Cash Plan were based on an LTI target amount granted at the start of the performance period as a future entitlement and on a performance factor determined after the end of a four-year performance period. The performance factor on which the payout is based was determined at the end of the performance period using the absolute total shareholder return (TSR). The payout amount is capped at 400% of the target amount (payout cap).

Through the acquisition of additional voting rights of Uniper SE, Fortum Deutschland SE had increased its stake in Uniper SE to 75.01% on August 17, 2020. That triggered a change-of-control event. This led to the premature ending of the terms of the allocations granted under the 2016 Performance Cash Plan in the 2018 and 2019 fiscal years. The corresponding obligations were required to be remeasured as of July 31, 2020, with all expenses still to be incurred for the performance period still open previously brought forward and recognized as a one-time expense.

The total expense recognized in 2020 thus amounted to €5.9 million. Owing to the payouts that took place in 2020, no provisions were recognized for the 2016 Performance Cash Plan as of both December 31, 2021, and December 31, 2020.

Supervisory Board's Virtual Shares

Since the 2021 fiscal year, Supervisory Board compensation is paid out entirely as fixed compensation; there is no conversion into virtual shares. Prior to the 2021 fiscal year, Supervisory Board members had received a component of 20% of their compensation in the form of variable compensation. That compensation was allocated as a right to a future payment in the form of virtual shares. Supervisory Board members serving at that time therefore still hold virtual shares that have not yet been paid out.

The virtual shares are used purely for calculation purposes and do not confer on the beneficiary any entitlements or shareholder rights – particularly voting rights or dividend rights. To determine the number of virtual shares, the variable compensation from the previous year is divided in January of each calendar year by the volume-weighted average share price of the Company from the last 60 trading days prior to January 1 of the reporting year. After four calendar years, the virtual shares are multiplied by the average share price of the Company from the last 60 trading days prior to January 1 of the fourth calendar year and increased by the amount of dividends paid to shareholders on each share of the Company over the previous four years. The variable compensation is paid within the first month after the end of the four-year period and is limited to 200% of the allocation amount (payout cap).

In accordance with the Articles of Association of Uniper SE, the early departure of four Supervisory Board members triggered the early settlement and payout of any variable compensation converted into virtual shares during their respective service periods. The payouts totaled roughly €132 thousand and took place in the third quarter of 2021. In addition, the four-year lock-up periods for the Supervisory Board compensation converted into virtual shares as of January 1, 2017, and January 1, 2018, expired effective December 31, 2020, and December 31, 2021, respectively. The payout of the virtual shares whose lock-up period expired as of December 31, 2020, totaled €123 thousand and took place in the first quarter of 2021. The payout of the virtual shares whose lock-up period expired as of December 31, 2021, totaling €160 thousand, will take place in the first quarter of 2022.

The provision for the Supervisory Board's virtual shares as of December 31, 2021, is roughly €0.8 million (2020: €0.9 million). The expense for fiscal 2021 amounted to roughly €0.2 million in total (2020: €0.6 million).

(12) Other Disclosures

Compensation of Board of Management and Supervisory Board

Board of Management

Total compensation paid to members of the Board of Management amounted to roughly €7.2 million (2020: €9.3 million). They receive a fixed base salary and other compensation elements (fringe benefits) unrelated to performance, as well as performance-based compensation including the annual bonus and, as a long-term incentive, the non-share-based 2021 Performance Cash Plan.

The non-share-based 2021 Performance Cash Plan is granted in annual tranches, with a performance period of three years for each tranche, since the 2021 fiscal year. In 2021, the allocation amounts for the members of the Board of Management, which are based on target amounts contractually agreed with each member and promised at the start of the performance period as a future entitlement, totaled roughly €2.9 million.

Uniper SE and its subsidiaries granted no advances or loans to and did not enter into any contingencies benefiting members of the Board of Management in the 2021 fiscal year.

Due to severances and the payout of a benefit account balance, the total compensation of former members of the Board of Management and their surviving dependents for fiscal 2021 amounted to roughly €14.4 million (2020: €4.6 million). The settlement amount of the pension obligations for former members of the Board of Management and their surviving dependents totaled roughly €9.3 million as of December31, 2021 (2020: €9.2 million).

Additional information about the members of the Board of Management is provided in the “Related Persons” section of Note 30.

Supervisory Board

Total compensation paid to the Supervisory Board for the 2021 fiscal year amounted to roughly €1.3 million (2020: €1.2 million). Aside from their annual fixed compensation, Supervisory Board members also receive additional compensation for committee work on the Uniper SE Supervisory Board and for serving on supervisory boards of Uniper Group subsidiaries. Outlays were reimbursed for a total of €1 thousand (2020: €34 thousand).

As in the previous year, there were no outstanding loans or advances to members of the Supervisory Board in the 2021 fiscal year, nor have any contingencies been entered into in favor of the Supervisory Board.

Additional information about the members of the Supervisory Board is provided in the “Related Persons” section of Note 30.

Fees and Services of the Independent Auditor

During the 2021 fiscal year, the following fees for services provided by the independent auditor of the Consolidated Financial Statements, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("PwC Germany"), and by companies in the international PwC network, were recorded as expenses:

Independent Auditor Fees

€ in millions	2021	2020
Financial statement audits	11.0	10.8
PwC Germany	*8.6*	*8.5*
Other attestation services	0.5	0.4
PwC Germany	*0.5*	*0.4*
Tax advisory services	0.0	0.0
PwC Germany	*0.0*	–
Other services	0.4	1.1
PwC Germany	*0.1*	*0.3*
Total	**11.9**	**12.3**
PwC Germany	*9.2*	*9.2*

The fees for financial statement audits concern the audit of the Consolidated Financial Statements and the financial statements of Uniper SE and its affiliates, including the examination of the internal control system for intragroup services, as well as the review of the interim financial statements. Additionally included within this category is the project-related review performed in the context of the introduction of IT and internal control systems.

Fees for other attestation services concern, in particular, fees charged for other mandatory and voluntary audits.

Fees for tax advisory services in 2021 included ongoing consulting related to the preparation of tax returns outside Germany. No material tax advisory services were performed.

Fees for other services consist primarily of energy-industry advisory services, specialist support in regulatory issues, and advisory on accounting issues for planned transactions.

As in the previous year, non-audit-related advisory fees made up less than 30% of the financial statement audit fees in the 2021 fiscal year.

(13) Earnings per Share

The computation of basic and diluted earnings per share for the periods indicated is shown below:

Earnings per Share

€ in millions	2021	2020
Income/Loss from continuing operations	-4,106	402
Less: non-controlling interests	-63	-6
Income/Loss from continuing operations (attributable to shareholders of Uniper SE)	**-4,169**	**397**
Net income/loss attributable to shareholders of Uniper SE	**-4,169**	**397**
€		
Earnings per share (attributable to shareholders of Uniper SE)		
From continuing operations	-11.39	1.08
From net income/loss	**-11.39**	**1.08**
Weighted-average number of shares outstanding (in millions)	366	366

The computation of diluted earnings per share is identical to that of basic earnings per share because Uniper SE has issued no potentially dilutive ordinary shares.

(14) Goodwill and Intangible Assets

Goodwill is not amortized. It is instead tested for impairment at the level of the group of cash-generating units (CGUs) on at least an annual basis (see also Note 17). Goodwill created by acquisition activities is allocated to those CGUs expected to benefit from the business combination. The group of CGUs to which goodwill is allocated are generally equivalent to the operating segments, since goodwill is reported and considered in management performance indicators only at that level.

Intangible assets are capitalized at their cost. If an intangible asset's useful life is determinable, it is amortized over that useful life on a straight-line basis. Useful lives and amortization methods are subject to annual verification.

Development costs are capitalized as an intangible asset if they can be clearly attributed to a newly developed product or process whose completion is technically feasible and that will be available for own use or for sale. At Uniper, this is true particularly for self-developed software. Research costs are recognized in income as incurred.

Assets subject to amortization and assets not subject to amortization – especially goodwill – are tested for impairment at least annually and whenever events or changes in circumstances indicate that such assets may be impaired (see also Note 17). Impairment charges on intangible assets other than goodwill are reversed and recognized in income if the reasons for the previously recognized impairment losses no longer exist. The reversal of an impairment charge may not exceed the amortized cost that would have been determined had no charge been recognized.

The following are the useful lives of the Group's intangible assets:

Useful Lives of Intangible Assets

Marketing-related, customer-related and contract-based intangible assets	5 to 30 years
Technology-based intangible assets (particularly software)	3 to 5 years

The changes in goodwill and intangible assets are presented in the following table:

Goodwill and Intangible Assets

€ in millions	Goodwill	Customer-related intangible assets	Contract-based intangible assets	Technology-based intangible assets	Internally generated intangible assets	Intangible assets not subject to amortization	Advance payments on intangible assets	Total
Acquisition and production costs								
January 1, 2021	4,707	16	1,326	190	237	50	55	6,583
Exchange rate differences	191	–	7	1	1	-1	–	199
Changes in scope of consolidation	–	–	–	–	–	–	–	–
Additions	–	–	–	5	8	–	38	52
Disposals	–	–	-1	-7	–	–	–	-8
Transfers	–	–	–	7	33	–	-39	1
December 31, 2021	4,898	16	1,332	196	279	49	54	6,826
Accumulated depreciation								
January 1, 2021	-2,956	-16	-792	-164	-168	-1	1	-4,097
Exchange rate differences	-160	–	-7	-1	–	–	–	-168
Changes in scope of consolidation	–	–	–	–	–	–	–	–
Additions	–	–	-20	-13	-34	–	–	-68
Disposals	–	–	1	7	–	–	–	8
Transfers	–	–	–	–	–	–	–	–
Impairment charges	–	–	-7	-3	–	–	–	-10
Reversals	–	–	–	–	–	–	–	–
December 31, 2021	-3,116	-16	-826	-175	-203	-1	1	-4,335
Net carrying amounts								
December 31, 2021	1,783	–	507	21	76	48	55	2,491

Goodwill and Intangible Assets

€ in millions	Goodwill	Customer-related intangible assets	Contract-based intangible assets	Technology-based intangible assets	Internally generated intangible assets	Intangible assets not subject to amortization	Advance payments on intangible assets	Total
Acquisition and production costs								
January 1, 2020	5,027	17	1,337	187	195	49	64	6,876
Exchange rate differences	-322	–	-6	-3	–	2	–	-330
Changes in scope of consolidation[1]	–	–	-23	–	–	–	–	-22
Additions	–	–	–	6	1	–	37	44
Disposals	–	-1	–	-6	-4	–	–	-11
Transfers	2	–	18	6	45	–	-46	26
December 31, 2020	4,707	16	1,326	190	237	50	55	6,583
Accumulated depreciation								
January 1, 2020	-3,141	-17	-791	-154	-143	-1	1	-4,246
Exchange rate differences	187	–	6	2	–	–	–	195
Changes in scope of consolidation[1]	–	–	23	–	–	–	–	23
Additions	–	–	-20	-17	-30	–	–	-66
Disposals	–	-1	–	6	4	–	–	10
Transfers	-2	–	-18	–	–	–	–	–21
Impairment charges	–	–	–	-1	–	–	–	-1
Reversals	–	–	8	–	–	–	–	8
December 31, 2020	-2,956	-16	-792	-164	-168	-1	1	-4,097
Net carrying amounts								
December 31, 2020	1,751	0	534	26	69	49	55	2,485

[1]The change in the scope of consolidation also relates to the reclassification of the investment in the Schkopau lignite-fired power plant to assets held for sale (see Note 4 to the consolidated financial statements).

As in the previous year, there were no restricted interests in intangible assets as of the balance sheet date.

(15) Property, Plant and Equipment

Items of property, plant and equipment and their components are capitalized at cost and depreciated on a straight-line basis over their expected useful lives, up to the most likely date of their being taken out of use. When determining useful life, energy policy and legal aspects are taken into consideration alongside technical and commercial ones, as are voluntary commitments. Accordingly, especially in coal-fired power plants due to coal phase-out scenarios addressing the challenges of climate change, the actual useful life can be shorter than the technical useful life. If there are indications of impairment, an impairment test (see also Note 17) is performed. The costs arising from an obligation to retire an item of property, plant and equipment after its use has ended are additionally capitalized at the time of its acquisition or production.

Borrowing costs are capitalized as part of the cost of a qualifying asset. For non-specific financing arrangements, a uniform Company-specific financing rate of 1.73% was applied within the Uniper Group for the 2021 fiscal year (2020: 4.68%). This rate covers the interest rates of all financial liabilities, including those for long-term leases; its decline reflects the changes in the Uniper Group's funding structure during 2021, which lowered the relative proportion of lease liabilities.

Government investment subsidies are reported on the balance sheet as deferred income. They are then reclassified to the income statement on a straight-line basis over the associated asset's expected useful life.

Gains and losses on the disposal of property, plant and equipment are recognized in income under other operating income or expenses (see also Note 7).

The useful lives of the major categories of property, plant and equipment are presented below:

Useful Lives of Property, Plant and Equipment

Buildings	10 to 50 years
Technical equipment, plant and machinery	10 to 65 years
Other equipment, fixtures, furniture and office equipment	3 to 25 years

The changes in property, plant and equipment are presented in the following table:

Property, Plant and Equipment

€ in millions	Real estate and leasehold rights	Buildings	Technical equipment, plant and machinery	Other equipment, fixtures, furniture and office equipment	Advance payments and construction in progress	Total
Acquisition and production costs						
January 1, 2021	1,761	3,139	26,828	364	1,236	33,327
Exchange rate differences	-24	55	348	2	37	417
Changes in scope of consolidation	–	–	-123	-5	–	-128
Additions	5	30	364	18	423	840
Disposals	-14	-16	-281	-15	-8	-333
Transfers	1	147	648	17	-849	-36
December 31, 2021	1,728	3,355	27,784	380	839	34,086
Accumulated depreciation						
January 1, 2021	-278	-2,031	-20,809	-283	-157	-23,558
Exchange rate differences	–	-25	-252	-2	2	-278
Changes in scope of consolidation	–	–	97	3	–	100
Additions	-8	-73	-497	-27	–	-605
Disposals	10	7	277	15	–	308
Transfers	–	–	39	–	-8	31
Impairment charges	-	-99	-486	-4	-36	-625
Reversals	–	57	538		–	595
December 31, 2021	-275	-2,165	-21,094	-299	-198	-24,031
Net carrying amounts						
December 31, 2021	1,453	1,190	6,690	82	641	10,055

Property, Plant and Equipment

€ in millions	Real estate and leasehold rights	Buildings	Technical equipment, plant and machinery	Other equipment, fixtures, furniture and office equipment	Advance payments and construction in progress	Total
Acquisition and production costs						
January 1, 2020	1,695	3,210	26,484	374	3,187	34,950
Exchange rate differences	48	-231	-578	-10	-188	-959
Changes in scope of consolidation	17	-141	-1,278	-7	–	-1,409
Additions	2	84	490	19	412	1,007
Disposals	-2	-10	-193	-29	-22	-257
Transfers	2	227	1,903	16	-2,153	-6
December 31, 2020	1,761	3,139	26,828	364	1,236	33,327
Accumulated depreciation						
January 1, 2020	-270	-2,064	-20,884	-294	-1,237	-24,749
Exchange rate differences	-	101	308	7	-3	413
Changes in scope of consolidation	–	118	1,149	5	–	1,272
Additions	-8	-70	-495	-27	–	-600
Disposals	–	9	152	21	7	189
Transfers	–	-98	-844	–	941	–
Impairment charges	–	-69	-475	-4	135	-412
Reversals	–	42	280	8	–	330
December 31, 2020	-278	-2,031	-20,809	-283	-157	-23,558
Net carrying amounts						
December 31, 2020	1,483	1,108	6,018	80	1,079	9,769

Borrowing costs were capitalized in the reporting year in the amount of €13 million (2020: €64 million) as part of the cost of property, plant and equipment. The reduction resulted particularly from the commissioning of the Datteln 4 coal-fired power plant in May 2020 and of Unit 3 of the Berezovskaya power plant, which returned to service in May 2021, and also from the year-over-year decline in the capitalization interest rate.

In addition to owned assets, property, plant and equipment also includes right-of-use assets from leases in which the Uniper Group acts as the lessee. Note 31 contains additional information about leases.

As in the previous year, there were no restricted interests in property, plant and equipment as of the balance sheet date.

(16) Companies Accounted for Under the Equity Method

Interests in associated companies (significant influence) and joint ventures (joint control) are accounted for using the equity method. Interests in associated companies accounted for using the equity method are reported on the balance sheet at cost, including all directly attributable incidental acquisition expenses, and adjusted for changes in the Uniper's share of the net assets after the date of acquisition and for any impairment charges. Losses that might exceed the Group's interest in an associated company or joint venture when attributable long-term loans are taken into consideration are generally not recognized. If there are indications of impairment, an impairment test (see also Note 17) is performed. Any difference between the cost of the investment and the remeasured value of its net assets is recognized in the consolidated financial statements as part of the carrying amount. Any dividends received are deducted from the recognized value to prevent double recognition. Unrealized gains and losses arising from transactions with associated companies accounted for using the equity method are eliminated within the consolidation process on a pro-rata basis if and insofar as these are material. The financial statements of investments accounted for under the equity method are generally prepared using accounting that is uniform within the Group.

In the 2021 fiscal year, as in the previous year, no companies were classified as material associates.

The carrying amounts of individually immaterial companies accounted for under the equity method break down as follows:

Companies Accounted for Under the Equity Method

	December 31, 2021			December 31, 2020		
€ in millions	Uniper Group	Associates[1]	Joint ventures[1]	Uniper Group	Associates[1]	Joint ventures[1]
Companies accounted for under the equity method	322	227	96	380	372	7

[1]The associates and joint ventures presented as equity investments are associated companies and joint ventures accounted for at cost on materiality grounds.

Dividends and other profit distributions received by Uniper from companies accounted for under the equity method amounted to €41 million in the reporting year (2020: €47 million).

The following table summarizes significant line items of the aggregated statements of comprehensive income of the individually immaterial associates and joint ventures that are accounted for under the equity method:

Aggregated Financial Information for Individually Immaterial Associates and Joint Ventures Accounted for Under the Equity Method

	Associates		Joint ventures		Total	
€ in millions	2021	2020	2021	2020	2021	2020
Proportional share of net income	28	47	19	1	46	48
Proportional share of other comprehensive income	–	–	–	–	–	–
Proportional share of total comprehensive income	28	47	19	1	46	48

As in the previous year, no companies were accounted for under the equity method as of the balance sheet date whose shares are marketable. Similarly, no investments in associates were restricted as collateral for financing.

There are no material restrictions apart from those contained in standard legal and contractual provisions.

(17) Impairment Testing in Accordance with IAS 36

An impairment loss is charged to an asset if its recoverable amount is less than its carrying amount. For individual assets that generate no independent cash inflows, the recoverable amount for the smallest identifiable group of assets is determined. If the reason for a previously recognized impairment charge no longer exists, the charge is reversed and recognized in income – except in the case of goodwill.

Goodwill and other intangible assets not subject to amortization are tested for impairment at least annually.

Uniper performs its annual goodwill impairment test in the fourth quarter of the fiscal year. The test involves comparing the recoverable amount of the group of cash-generating units (CGUs) with its carrying amount. The recoverable amount is defined as the higher of the fair value less costs to sell of the group of CGUs and its value in use. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Goodwill impairment tests are generally derived from the respective individual measurements of the separate subunits ("sum of the parts" measurement). Uniper determines recoverable amounts for the Global Commodities and Russian Power Generation CGUs on the basis of value in use and applies a discounted cash flow (DCF) valuation model to measure these amounts. The European Generation CGU carries no goodwill.

Material estimations and judgments made by management in the context of impairment testing are described in the following overview.

Goodwill:
Valuations for the Global Commodities CGU and the Russian Power Generation CGU are based on the medium-term corporate planning authorized by the Board of Management.

The following special considerations apply respectively for each segment:

Global Commodities	Russian Power Generation
Calculations of the value in use are generally based on the three planning years of the medium-term plan plus a period of long-term planning. Subsequent to the long-term planning calculations, a terminal value is assessed. Long-term planning was based on a period ending in 2035, particularly against the backdrop of long-term contractual relationships in trading and in the gas-storage business.	The value in use is determined by the Russian generation activities. It is measured in local currency and reflects the regulatory framework over a detailed planning period of 25 years.

The cash flow assumptions extending beyond the detailed planning period are determined using segment-specific growth rates that are based on historical analysis and prospective forecasting. The growth rates used are generally derived from the inflation rates in the respective countries where the CGUs operate.

The principal assumptions underlying the determination by management of the recoverable amount are the respective forecasts for commodity market prices, emission allowances (including allowances that are required to offset the impact of unavoidable emissions in line with CO2 reduction targets), future electricity and gas prices in the traded markets, the seasonal price difference in gas markets (known as the "summer-winter spread") in the gas-storage business, Uniper's investment activity, changes in the regulatory and statutory framework, as well as for rates of growth and the cost of capital. These assumptions are based on publicly available market data, on external market analyses and on internal estimates based on past experience.

Non-current assets:
Intangible assets, property, plant and equipment, including right-of-use assets, and groups of these assets, as well as companies accounted for under the equity method, are tested for impairment as indicated at the level of the individual asset or the CGU. Impairment testing of the aforementioned assets or CGUs is performed whenever there are indications of impairment. In the European Generation segment, for example, the tests are based on remaining useful life, which can be shorter than the technical useful life specifically in coal-fired power plants, due to measures taken in specific countries to mitigate climate change, and on other plant-specific valuation parameters. Uncertainties relating to a variable regulatory environment are generally accounted for by means of scenario evaluations. Recoverable amounts were usually determined using the value in use.

Growth rates and cost of capital:
The growth rates and the cost of capital are described in the following overview. They relate solely to those units making a significant value contribution to the respective CGU.

Impairment Testing Parameters

	European Generation		Global Commodities		Russian Power Generation[1]	
	2021	2020[2]	2021	2020[2]	2021	2020[2]
Goodwill						
Growth rate (in %)	N/A	N/A	1.0	1.0	5.8	3.75
Cost of capital before taxes (in %)	N/A	N/A	6.8	6.8	14.2	11.6
Cost of capital after taxes (in %)	N/A	N/A	4.8	4.8	11.3	9.3
Other non-current assets						
Cost of capital before taxes (in %)	6.3–9.2	6.1–7.3	4.7–7.4	4.7–7.4	14.2	N/A
Cost of capital after taxes (in %)	4.7–5.5	4.7–5.7	3.3–6.5	3.3–7.1	11.3	N/A

[1]Growth rate and cost of capital in local currency.
[2]Cost of capital of 2020 have been used for trigger-based tests during the year 2021.

The goodwill of the European Generation segment has been written down in its entirety. The growth rate and the cost of capital do not, therefore, have to be disclosed.

In addition to the growth rates and cost of capital shown in the table, the following key aspects of energy and climate policy and the regulatory environment, including related voluntary commitments, were taken into account when testing other non-current assets for impairment: specifications of the Paris climate accord, the Uniper Group's voluntary commitments to achieve carbon neutrality and legislated coal phase-out scenarios.

Some of the coal phase-out pathways already adopted in specific countries have been considered accordingly in the impairment tests performed. In cases where Uniper sees the use of fossil energy sources ending early, this has been reflected accordingly. No fossil-fuel power plants were modeled Group-wide from 2050 forward. In the European Generation segment, a 50% reduction of Scope 1 and Scope 2 emissions by 2030 (compared with 2019 levels) and climate neutrality by 2035 were applied in the modeling. In the Global Commodities segment, a 35% reduction of indirect (Scope 3) carbon emissions by 2035 (compared with 2021 levels) and climate neutrality (in terms of Scope 1 through 3) from 2050 were planned and modeled. In the Russian Power Generation segment, conversion of the CCGT fleet to hydrogen is assumed for the achievement of carbon neutrality after 2050.

Impairment Testing Result

Changes in Goodwill and in Other Reversals and Impairment Charges by Segment from January 1, 2021

€ in millions	European Generation	Global Commodities	Russian Power Generation	Uniper Group
Net carrying amount of goodwill as of January 1, 2021	**0**	**1,312**	**439**	**1,751**
Changes resulting from acquisitions and disposals	–	–	–	–
Impairment charges	–	–	–	–
Exchange rate differences	–	–	32	32
Net carrying amount of goodwill as of December 31, 2021	**0**	**1,312**	**471**	**1,783**
Other non-current assets[1]				
Impairment charges	300	47	288	635
Reversals	557	37	–	595

[1]Other non-current assets consist of intangible assets (Note 14) and of property, plant and equipment (Note 15).

Changes in Goodwill and in Other Reversals and Impairment Charges by Segment from January 1, 2020

€ in millions	European Generation	Global Commodities	Russian Power Generation	Uniper Group
Net carrying amount of goodwill as of January 1, 2020	**0**	**1,312**	**574**	**1,886**
Changes resulting from acquisitions and disposals	–	–	–	–
Impairment charges	–	–	–	–
Exchange rate differences	–	–	-135	-135
Net carrying amount of goodwill as of December 31, 2020	**0**	**1,312**	**439**	**1,751**
Other non-current assets[1]				
Impairment charges	299	17	97	413
Reversals	176	161	–	338

[1]Other non-current assets consist of intangible assets (Note 14) and of property, plant and equipment (Note 15).

Goodwill Impairment Testing

Impairment Testing Results in 2021 and 2020

As in the previous year, the annual goodwill impairment tests performed in the fourth quarter of 2021 necessitated no recognition of impairment losses. The recoverable amount of the Global Commodities segment is composed of a group of CGUs and significantly exceeded the carrying amount in both years. The group of CGUs in the Russian Power Generation segment likewise has a recoverable amount exceeding its carrying amount, as they had in the previous year. In both years, reasonably possible changes in the key assumptions would not necessitate the recognition of an impairment loss.

Impairment Testing of Non-Current Assets

Because impairments had been recognized on a large number of generation assets in previous years, especially in the European Generation and Russian Power Generation segments, the assets involved will be particularly sensitive in subsequent years to changes in the key assumptions used to determine their recoverable amounts.

The following paragraphs show both event-triggered and regular impairment tests and their results. For event-triggered tests, the relevant dates of those tests, which are not always comparable with the corresponding prior-year test dates, are presented.

Impairment Testing Results in the First Half of 2021

Impairment charges on property, plant and equipment totaled €22 million in the first quarter of 2021. They related to the Datteln 4 hard-coal power plant. This review was triggered by a necessary adjustment of applied scenarios due to a revised legal assessment and by the application of increased costs for future contractually stipulated capital expenditures.

Reversals in the first half of 2021 of impairment charges previously recognized on power plants amounted to €13 million. They related primarily to a generation asset in the United Kingdom that will benefit from higher receipts following the capacity market auction results.

No material event-triggered impairment tests were performed in the second quarter of 2021.

Impairment Testing Results in the Second Half of 2021

In the event-triggered review conducted in the third quarter of 2021, an update of legal scenarios was necessitated by a court ruling. This adjustment resulted in an impairment charge of €181 million to the Datteln 4 hard-coal power plant.

The successful conclusion of a heat supply contract for a power plant resulted in the reversal in the third quarter of an impairment on an asset in the Netherlands in the amount of €9 million.

The regular medium-term corporate planning in the fourth quarter of 2021 is also affected by the events and uncertainties described previously. Based on the medium-term corporate planning approved by resolution of the Board of Management, combined with the regular updates of the cost of capital and of the forecasts for market prices of commodities and emission allowances and for future electricity and gas prices in the traded markets, many individual impairments and reversals were recognized as indicated in the European Generation, Global Commodities and Russian Power Generation segments. Impairment charges of €415 million recognized in the fourth quarter of 2021 related primarily to power plants held by the European Generation and Russian Power Generation segments.

Reversals of €547 million recognized in the fourth quarter of 2021 related primarily to impairments recognized on power plants within and outside Germany in preceding years (at an amount of €510 million).

Full-Year Presentation for 2021

A total of roughly €626 million in impairments was charged to property, plant and equipment in the 2021 fiscal year, of which €296 million related to the European Generation segment and roughly €288 million to the Russian Power Generation segment. Immaterial impairments totaling €42 million were recognized in the Global Commodities segment.

The most substantial individual impairment in the European Generation segment in fiscal 2021 in terms of amount related to the Datteln 4 hard-coal power plant and amounted to €261 million. Aside from the price-driven adjustments made in the context of regular medium-term corporate planning that reflected especially the impact of the increased cost of carbon and the costs incurred for climate neutrality, revised legal assessments resulted in these impairment losses both during the year and at year-end. Current regulatory and legal developments were considered accordingly.

In addition, a total of €32 million in impairments were also recognized on assets yet to be constructed within and outside Germany. The acceptance by the Bundesnetzagentur of the bid for the Wilhelmshaven power plant in the second round of auctions for decommissioning hard-coal-fired power plants shortened the plant's operating life, which resulted in an impairment loss of €3 million.

In the Russian Power Generation segment, the most substantial individual impairment in terms of amount related to the return to service in the second quarter of 2021 of the Berezovskaya 3 power plant unit and amounted to €267 million. The main reasons for this effect were the consideration of measures to achieve Group-wide climate neutrality in line with the climate objectives communicated by Uniper, as well as the increased cost of capital. These factors negatively affected another of the segment's assets in the amount of €9 million.

The most substantial individual impairments in the Global Commodities segment in terms of amount related to gas-storage infrastructure within Germany in the amount of €34 million and outside Germany in the amount of €7 million and was due to reduced summer-winter spreads in the short-to-medium-term time horizon.

Reversals of impairments recognized in previous years amounted to €593 million in fiscal 2021. They related to the European Generation segment in the amount of €556 million and to the Global Commodities segment in the amount of €37 million.

The most substantial reversal in the European Generation segment in terms of amount related to an asset in England and amounted to €162 million. The main reason was the short-to-medium-term price increases benefiting this asset. A further five assets in that country are also benefiting from the current price situation and contributed a total of €132 million in impairment reversals. Within Germany as well, three assets benefited from recent price developments and reversed impairments of €127 million in total; the largest individual reversal here amounted to €57 million. An asset in Hungary contributed an additional €68 million to this positive result because of the price developments. Impairments previously recognized on two assets in the Netherlands were similarly reversed on price grounds in the amount of €32 million and €9 million, respectively.

The signing of an agreement to sell the stake in Öresundsverket (ÖVT) resulted in a reversal of €25 million recognized prior to reclassification as an asset held for sale.

Reversals of €37 million in the Global Commodities segment related to two gas storage facilities within Germany due to increased summer-winter spread in the long-term time horizon.

Assets in the European Generation segment for which an impairment loss was recognized or reversed during the 2021 fiscal year have a total recoverable amount of more than €2.9 billion. The total recoverable amount of assets in the Russian Power Generation segment for which an impairment loss was recognized is €0.7 billion. In the Global Commodities segment, the total recoverable amount of assets for which an impairment loss was recognized or reversed is €0.8 billion.

No impairment charges were recognized on companies accounted for under the equity method in the 2021 fiscal year (2020: €1 million).

Impairment Testing Results in the First Half of 2020

Impairment charges on property, plant and equipment totaled €237 million in the first half of 2020 and were not materially changed by currency translation effects as of the December 31, 2020, reporting date. They related primarily to power plants within and outside Germany held by the European Generation and Russian Power Generation segments, where they were necessitated by changes in market conditions due to the Covid-19 pandemic and, specifically in the case of the Berezovskaya 3 power plant unit under construction, additionally by continuing delays in the unit's return to service, some of which were Covid-19-related.

Reversals of impairment charges previously recognized on power plants amounted to €148 million in the first half of 2020. They related primarily to two gas-fired power plants in Germany held by the European Generation segment, which were written back to reflect their planned return to the market.

Impairment Testing Results in the Second Half of 2020

The regular medium-term corporate planning in the fourth quarter of 2020 was also affected by the events and uncertainties described previously. It, too, took into account the assumed duration of the Covid-19 pandemic as described previously. Based on the medium-term corporate planning approved by Management Board resolution, combined with the regular updates of the cost of capital and of the forecasts for commodity market prices and for future electricity and gas prices in the traded markets, many individual impairments and reversals were recognized as indicated in the European Generation and Global Commodities segments. In the Russian Power Generation segment, on the other hand, there were no further indications necessitating additional impairment testing in the second half of 2020. Impairment charges of €176 million recognized in the second half of 2020 related primarily to power plants within and outside Germany held by the European Generation segment, where they were necessitated by changed market conditions.

Reversals of €190 million recognized in the second half of 2020 related primarily to impairments recognized on gas-storage infrastructure in Germany in preceding years in the amount of €149 million.

Full-Year Presentation for 2020

A total of roughly €413 million in impairments was charged to property, plant and equipment in the 2020 fiscal year, of which €299 million related to the European Generation segment and roughly €97 million to the Russian Power Generation segment. Immaterial impairments totaling €17 million were recognized in the Global Commodities segment.

The most substantial individual impairment in the 2020 fiscal year in terms of amount related to the European Generation segment's Maasvlakte 3 hard-coal power plant in the Netherlands and totaled €78 million. In the context of the update of the measurement assumptions in the fourth quarter of 2020, a further impairment charge was necessitated by the changed industry environment.

The Dutch government's draft legislation, published in December 2020, to limit the use of coal between 2021 and 2024, which is aimed at attaining the Netherlands' climate targets and intends to provide commensurate compensation for operators of coal-fired power plants, promises no material opposing effect on assets and earnings in the Netherlands.

In addition, a charge of €82 million was recognized for the Berezovskaya 3 power plant unit then under construction, reflecting the impact of changed market conditions, as well as continuing delays in the unit's return to service. This impairment in the Russian Power Generation segment related entirely to the first half of 2020.

Another material individual impairment in fiscal 2020 in terms of amount related to the Datteln 4 hard-coal power plant, which was commissioned in late May 2020, and totaled €71 million. The charges in 2020 resulted from the updated impact of changed market conditions. The useful-life scenarios applied in the previous year were applied again, as they remained valid even after the enactment of Germany's coal phase-out law.

Additional impairments totaling €103 million were recognized on various power plants in the United Kingdom because of the changed market environment. The uncertainty as of the December 31, 2020, reporting date surrounding a future trade agreement between the EU and the United Kingdom following the completion of the UK's withdrawal from the EU (Brexit) was given the best possible consideration when testing British generation assets for impairment by making an adjustment to the cost of capital.

Reversals of impairments recognized in previous years amounted to €338 million in fiscal 2020. The most substantial reversals in terms of amount related to German gas-storage infrastructure in the amount of €153 million and to gas-fired power plants in Germany in the amount of €149 million.

Assets in the European Generation segment for which an impairment loss was recognized or reversed during the 2020 fiscal year had a total recoverable amount of more than €2.2 billion, with four power plants written down to a carrying amount of zero. The total recoverable amount of assets in the Russian Power Generation segment for which an impairment loss was recognized was €1.0 billion. In the Global Commodities segment, the total recoverable amount of assets for which an impairment loss was recognized or reversed was €1.2 billion.

Impairment losses of €1 million were recognized in fiscal 2020 on companies accounted for under the equity method.

(18) Other Financial Assets

See also Note 29 for discussion of accounting policies and of material judgments and estimations made by management.

Associated companies and joint ventures that are not included in the Consolidated Financial Statements on materiality grounds, but are instead presented as equity investments, are accounted for outside the scope of IFRS 9 and measured at cost less any loss allowances. Inflows of shares in the earnings of these companies are immediately recognized in income.

Other Financial Assets

	December 31, 2021			December 31, 2020		
€ in millions	**Uniper Group**	**Associates**	**Joint ventures**	**Uniper Group**	**Associates**	**Joint ventures**
Equity investments	747	17	5	827	18	5
Non-current securities	111	–	–	98	–	–
Total	**859**	**17**	**5**	**925**	**18**	**5**

The amount shown for non-current securities relates mainly to fixed-income securities.

As of December 31, 2021, impairment losses on other financial assets amounted to €4 million (2020: €16 million). The carrying amount of other financial assets that were impaired during the fiscal year was less than €1 million (2020: less than €1 million).

Also included within equity investments are other equity investments for which Uniper has elected to present changes in fair value in other comprehensive income. The following table shows the corresponding equity investments and their fair values:

Other Equity Investments – Measured at Fair Value Through Other Comprehensive Income (2021)

€ in millions	**Fair value**	**Dividends**	**Equity transfer**	**Reason for equity transfer**
AS Latvijas Gaze	75	2	N/A	N/A
European Energy Exchange AG	33	1	N/A	N/A
Forsmarks Kraftgrupp AB	490	–	N/A	N/A
Holdigaz SA	8	0	N/A	N/A
Mellansvensk Kraftgrupp AB	78	–	N/A	N/A
Other strategic equity investments	5	–	N/A	N/A
Total	**689**	**3**	**N/A**	**N/A**

Other Equity Investments – Measured at Fair Value Through Other Comprehensive Income (2020)

€ in millions	Fair value	Dividends	Equity transfer	Reason for equity transfer
AS Latvijas Gaze	75	3	N/A	N/A
European Energy Exchange AG	33	1	N/A	N/A
Forsmarks Kraftgrupp AB	562	–	N/A	N/A
Global Commodities Holdings Limited	1	0	N/A	N/A
GSB-Sonderabfall-Entsorgung Bayern GmbH	1	–	N/A	N/A
Holdigaz SA	8	0	N/A	N/A
Mellansvensk Kraftgrupp AB	90	–	N/A	N/A
Other strategic equity investments	2	0	N/A	N/A
Total	**771**	**4**	**N/A**	**N/A**

Disposal of Non-Strategic Activities

€ in millions	Reason for disposal	Fair value at the date of disposal	Cumulative fair value
2021			
Total		**–**	**–**
2020			
ENAG Energiefinanzierungs AG	Termination of sub-participation agreement	14	14
Total		**14**	**14**

(19) Inventories

Inventories are measured at the lower of acquisition or production cost and net realizable value. To determine the acquisition cost of inventories from physical settlement of forward transactions that are excluded from the scope of IFRS 9 (own-use transactions), contract prices, which reflect the economic character of these transactions and the contractually agreed consideration amounts, are used. If physically settled transactions are included within the scope of IFRS 9 (failed own-use transactions) and must be accounted for accordingly, the acquisition cost is equal to the market price applicable at initial recognition.

The cost of raw materials, finished products and goods purchased for resale is generally determined based on the average cost method. Valuation allowances and their reversals up to the original cost of acquisition or production are recognized as necessary. Especially the net realizable value of Uniper's goods purchased for resale is highly sensitive to fluctuations in market prices.

Inventories

	December 31	
€ in millions	2021	2020
Raw materials and supplies	518	477
Goods purchased for resale	1,232	583
Work in progress and finished products	98	105
Total	**1,849**	**1,166**

Raw materials and supplies include, in particular, coal, uranium and nuclear fuel rods, as well as crude oil and other raw materials and supplies. The main reason for the increase in raw materials and supplies was the increase in oil inventories, which reflects both increased volumes and higher prices. This effect was partially offset primarily by lower coal inventories in the power generation business. The main components of goods purchased for resale are gas and coal inventories. Their appreciation in value is attributable particularly to the very sharp increases in commodity prices during fiscal 2021 and the associated higher cost. Work in progress and finished products mainly comprise oil products. The change in finished products resulted largely from sales of oil products.

In 2021, there were valuation allowances of €84 million (2020: €22 million) and reversals of valuation allowances totaling €1 million (2020: €93 million). The valuation allowances related mainly to coal inventories (€46 million; 2020: reversals of €12 million), LNG inventories (€12 million; 2020: reversals of €4 million) and gas inventories (€8 million; 2020: reversals of €55 million) purchased for resale.

As in the previous year, no inventories were transferred as collateral in 2021.

(20) Receivables, Other Assets and Contract Assets

The receivables reported also include receivables from finance leases. These receivables are measured at the present value of the outstanding lease payments. They result predominantly from electricity supply contracts that must be classified as leases.

The reimbursement right from KAF shown within other financial assets is presented in accordance with the provisions of IFRIC 5, "Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds."

The recognition and measurement of all other financial assets is discussed in detail in Note 29.

Assets reported as miscellaneous operating assets include emission rights. These rights are capitalized at cost at the time of acquisition. The acquisition cost for transactions that are included within the scope of IFRS 9 (failed own-use transactions) is equal to the market price applicable at initial recognition. Contracts that are excluded from the scope of IFRS 9 (own-use transactions) are recognized with the contract price as the acquisition cost. Emission rights that are held in order to satisfy obligations relating to the Group's power-plant emissions are subsequently measured at amortized cost.

Receivables and Other Assets

	December 31, 2021		December 31, 2020	
€ in millions	**Current**	**Non-current**	**Current**	**Non-current**
Receivables from finance leases	14	119	16	180
Other financial receivables and financial assets	8,117	3,946	1,112	3,866
Financial receivables and other financial assets	**8,131**	**4,065**	**1,128**	**4,047**
Trade receivables	11,629	–	6,522	–
Receivables from derivative financial instruments	64,732	16,913	7,284	2,723
Other operating assets and contract assets	1,875	247	1,999	182
Trade receivables and other operating assets	**78,236**	**17,160**	**15,805**	**2,905**
Total	**86,367**	**21,226**	**16,933**	**6,952**

Note 31 contains detailed disclosures about leases.

The reimbursement right from KAF is included within other financial assets in the amount of €2,565 million (2020: €2,495 million). Of this total, €165 million (2020: €180 million) is reported under current financial assets and €2,400 million (2020: €2,315 million) under non-current financial assets. Since this asset is designated for a particular purpose, the Uniper Group's access to it is restricted (see also Note 24).

In addition, current financial receivables include margin deposits for forward transactions (margining receivables) amounting to €7,866 million (2020: €898 million) and shareholder loans amounting to €3 million (2020: €3 million), while non-current financial receivables include shareholder loans in the amount of €566 million (2020: €570 million).

Other financial receivables included restricted cash of €2 million (2020: €95 million) deposited in the context of over-the-counter transactions.

Note 5 contains disclosures about contract assets that are reported as miscellaneous operating assets.

(21) Liquid Funds

Liquid funds include cash on hand and bank balances, as well as current available-for-sale securities. Liquid funds with an original maturity of less than three months are considered to be cash and cash equivalents, unless they are restricted, in which case they are presented separately.

Liquid Funds

	December 31	
€ in millions	**2021**	**2020**
Current securities with an original maturity greater than 3 months	47	46
Cash and cash equivalents	2,919	243
Total	**2,966**	**289**

Cash and cash equivalents include €2,919 million (2020: €243 million) in cash on hand and bank balances with an original maturity of less than three months.

(22) Equity

Capital Stock

The capital stock (share capital) of Uniper SE remains unchanged at €622 million. It consists of 365,960,000 registered no-par-value shares. The notional interest in the share capital is €1.70 per registered share.

Authorized Capital

The Board of Management, with the approval of the Supervisory Board, is authorized to increase until May 18, 2026, the registered share capital of the Company by up to €145,112,289 by the issuance, one or several times, of up to 85,360,170 new registered no-par-value shares against contributions in cash and/or in kind (authorized capital according to Sections 202 et seq. of the German Stock Corporation Act, "2021 Authorized Capital"). The Board of Management may, subject to the Supervisory Board's consent, exclude the subscription right that must, in principle, be granted to shareholders. Such exclusion of subscription rights is possible if shares are issued against cash contributions in an amount of up to 10% of the registered share capital at the time this authorization takes effect or, should this value be lower, at the time of the utilization of this authorization.

Subscription rights may also be excluded when shares are issued against contributions in kind, however, only to the extent that the aggregate amount of shares issued under this authorization against contributions in kind with an exclusion of the shareholders' subscription right does not exceed 10% of the registered share capital at the time this authorization takes effect or, should this value be lower, at the time of the utilization of this authorization. Furthermore, shareholder subscription rights may also be excluded with regard to fractional amounts and when shares are issued to persons employed by the Company or one of its affiliates.

Conditional Capital

The Board of Management is authorized, subject to the approval of the Supervisory Board, to issue debt instruments (hereinafter "Bonds") once or several times on or before May 18, 2026, with a total nominal amount of up to €1,000,000,000 and to grant the holders or creditors of Bonds (hereinafter "Holders") conversion or option rights to a total of up to 85,360,170 registered no-par-value shares in the Company with a proportionate amount of the share capital in the total amount of up to €145,112,289 in accordance with the more detailed provisions of the terms and conditions of the Bonds. The Bonds may be issued against contribution or consideration in cash or in kind. Here, too, the Board of Management is authorized, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription rights to which shareholders are entitled in principle. In connection with these convertible bonds and warrant-linked bonds, conditional capital was created by shareholder resolution. Pursuant thereto, the capital stock is conditionally increased by up to €145,112,289 through the issue of up to 85,360,170 new registered no-par-value shares with a proportionate amount of the share capital of €1.70 for the purpose of granting registered no-par-value shares upon exercise of rights and obligations of conversion or purchase.

Treasury Shares

By resolution dated May 19, 2021, the Company is authorized to acquire treasury shares in an amount equivalent to up to a total of 10% of its share capital until May 18, 2026. The shares acquired under this authorization, together with other treasury shares held by the Company or attributable to the Company pursuant to Sections 71a et seq. AktG, must not at any time account for more than 10% of the share capital. At the Board of Management's discretion, such purchase may take place on the stock exchange, by way of a public offer addressed to all shareholders or a public solicitation to submit offers (an "acquisition offer"), by way of a public offer or a public solicitation to submit offers for the exchange of liquid shares for Company shares (an "exchange offer"), or through the use of derivatives (put or call options or a combination of both).
The Board of Management is also authorized, subject to the Supervisory Board's consent and excluding shareholder subscription rights, to use shares of the Company in a specified manner. The Board of Management is further authorized to cancel treasury shares without requiring a separate shareholder resolution to that effect.

Additional Paid-in Capital

As of December 31, 2021, additional paid-in capital is unchanged from the previous year at €10,825 million. This figure consists primarily of additional paid-in capital pursuant to Section 272 (2), no. 1, HGB.

Retained Earnings

Retained Earnings

	December 31	
€ in millions	**2021**	**2020**
Statutory reserves	–	–
Other retained earnings	-1,388	3,082
Total	**-1,388**	**3,082**

As of December 31, 2021, retained earnings amounted to -€1,388 million (2020: €3,082 million). An amount of €40.5 million (2020: €41.2 million) is subject to the distribution restriction pursuant to Section 268 (8), sentence 3, in conjunction with sentence 1, of the German Commercial Code (HGB) and in accordance with Section 253 (6), sentence 2, HGB.

Dividend

At the Annual General Meeting on May 18, 2022, the Board of Management and the Supervisory Board will propose that the net income available for distribution of €145,759,013.35 reported in the annual financial statements of Uniper SE be used in part to distribute a dividend of €0.07 per share (365,960,000 shares) of the dividend-paying capital stock of €622.1 million. Furthermore, a proposal will be made to the Annual General Meeting that the remainder of the distributable net income be allocated to increase other retained earnings.

Accumulated Other Comprehensive Income

The principal components of accumulated OCI are cumulative currency translation differences and changes in fair value of derivatives for which hedge accounting is applied.

The share of accumulated OCI attributable to companies accounted for under the equity method is illustrated in the table below:

Share of Accumulated OCI Attributable to Companies Accounted for Under the Equity Method

€ in millions	2021	2020
Balance as of December 31 (before taxes)	**-21**	**-20**
Taxes	3	3
Balance as of December 31 (after taxes)	**-18**	**-17**

Accumulated OCI further includes gains and losses amounting to €80 million (2020: €93 million) from an effective, but expired, hedge of a net investment in a foreign operation.

Non-Controlling Interests

Non-controlling interests by segment as of the dates indicated are shown in the following table:

Non-Controlling Interests

	December 31	
€ in millions	2021	2020
European Generation	368	301
Global Commodities	–	–
Russian Power Generation	117	136
Administration/Consolidation	–	–
Total	**485**	**437**

The increase of €48 million in non-controlling interests in 2021 resulted primarily from current earnings of companies with non-controlling interests in the European Generation segment.

The table below illustrates the share of accumulated OCI that is attributable to non-controlling interests:

Share of Accumulated OCI Attributable to Non-Controlling Interests

€ in millions	Cash flow hedges	Currency translation adjustments	Remeasurements of defined benefit plans	Remeasurements of equity investments
Balance as of January 1, 2020	**0**	**-512**	**-1**	**0**
Changes	–	-112	2	–
Balance as of December 31, 2020	**0**	**-624**	**1**	**0**
Changes	–	24	–	–
Balance as of December 31, 2021	**0**	**-600**	**2**	**0**

The currency translation adjustments mostly reflect the translation of Russian and Swedish operations.

Uniper companies with significant non-controlling interests operate primarily in the power generation sector. Information relating to company names, registered offices and equity interests for subsidiaries with non-controlling interests can be found in the disclosures relating to the list of shareholdings (see also Note 35).

The following tables provide a summary overview of the cash flow and significant line items in the aggregated income statements and aggregated balance sheets of Uniper companies with material non-controlling interests:

Subsidiaries with Material Non-Controlling Interests – Balance Sheet Data

	PAO Unipro		OKG AB	
€ in millions	**2021**	**2020**	**2021**	**2020**
Non-controlling interests in equity	117	136	53	19
Non-controlling interests in equity (in %)	16.3	16.3	45.5	45.5
Dividends paid out to non-controlling interests	37	28	–	–
Operating cash flow	318	272	-47	25
Non-current assets	2,314	2,428	2,499	2,375
Current assets	143	109	240	228
Non-current liabilities	179	198	2,442	2,338
Current liabilities	148	91	181	224

Subsidiaries with Material Non-Controlling Interests – Earnings Data

	PAO Unipro		OKG AB	
€ in millions	**2021**	**2020**	**2021**	**2020**
Share of earnings attributable to non-controlling interests	-7	20	35	-35
Sales	1,010	909	250	247
Net income	-43	120	77	-76
Total comprehensive income	113	-576	75	-75

There are no material restrictions apart from those contained in standard legal and contractual provisions. Foreign exchange transactions out of the Russian Federation may be subject to restrictions in certain cases.

Information on Stockholders of Uniper SE

Uniper did not receive any voting rights notifications pursuant to Section 160 (1), no. 8, of the German Stock Corporation Act in 2021. Uniper has received the following notifications concerning the existence of ownership interests pursuant to Section 160 (1), no. 8, of the German Stock Corporation Act:

Information on Stockholders of Uniper SE (as of Dec. 31, 2021)

					Voting rights		Percentages of instruments as defined by Section 38 WpHG
Stockholder	**Date of notice**	**Threshold exceeded**	**Gained voting rights on**	**Allocation**	**Percentage**	**Absolute**	
Republic of Finland, Helsinki, Finland (through Fortum Deutschland SE)	Aug. 18, 2020	75%	Aug. 17, 2020	Indirect	75.01%	274,523,227	0.00%
Paul E. Singer	Mar. 30, 2020	3%	Mar. 26, 2020	Indirect	1.38%	5,049,459	2.46%
BlackRock Inc., Wilmington, USA	Jun. 24, 2019	3%	Jun. 18, 2019	Indirect	2.86%	10,453,468	0.35%

(23) Provisions for Pensions and Similar Obligations

Provisions for pensions and similar obligations are composed of the present value of the benefit obligations under the defined benefit plans existing in the Uniper Group, reduced by the fair value of the corresponding plan assets.

The present value of the defined benefit obligations is determined using the projected unit credit method. In addition to the pension obligations and pension entitlements that are known on the reporting date, the actuarial valuation to determine present value also takes into account demographic and economic trend assumptions such as assumptions on expected employee turnover and long-term wage and salary growth rates and pension increase rates, as well as discount rates determined as of the balance sheet date.

Any net asset position that might arise from offsetting the present value of the defined benefit obligations against the corresponding fair value of plan assets is recognized taking into account the applicable asset restrictions. Such an asset position is recognized in the "Other operating assets and contract assets" line item.

Current and past service cost, as well as gains or losses from settlements, are reported under personnel costs.

The net interest on the net liability or asset, which is reported under financial results, is essentially derived from the net defined benefit liability or asset existing at the beginning of the reporting year, adjusted for expected cash flows from benefit payments and contributions, and the discount rate determined at the beginning of the fiscal year.

In the case of a plan amendment, curtailment or settlement (each a "plan event") occurring in a defined benefit plan during an annual reporting period, the current service cost and the net interest on the net liability or asset are remeasured for the remainder of the reporting period after the plan event. The actuarial assumptions applicable as of the date of the plan event shall be used as the basis for such remeasurement.

Remeasurements of the net defined benefit liability or asset include actuarial gains and losses that may arise especially from differences between estimated and actual variations in underlying assumptions about demographic and financial variables and, additionally, from developments in these assumptions as of each reporting date. Additionally included is the difference between the actual return on plan assets and the interest income on plan assets contained in the net interest result, as well as any change in the effect of the asset ceiling, excluding amounts already included in net interest. Remeasurement results and related deferred taxes are recognized in full in the period in which they occur and are not reported within the income statement; they are instead shown in the statement of recognized income and expenses.

For defined contribution pension plans, regular, fixed contributions are paid to external insurers or similar institutions and recognized in income as personnel costs. Other than paying the plan contributions, Uniper has no further obligations to eligible individuals under these plans. Contributions to state pension plans are treated like payments for defined contribution pension plans to the extent that the obligations under these pension plans generally correspond to those under defined contribution pension plans. Contributions to state plans are reported mostly under social security contributions within personnel costs.

As of December 31, 2021, the present value of the defined benefit obligations, the fair value of plan assets and the net defined benefit liability or asset represent a funding level of 74% (2020: 66%) and break down as shown in the following table:

Provisions for Pensions and Similar Obligations

€ in millions	December 31 2021	2020
Present value of all defined benefit obligations		
Germany	3,173	3,424
United Kingdom	719	655
Other countries	7	8
Total	**3,900**	**4,087**
Fair value of plan assets		
Germany	2,122	2,074
United Kingdom	756	642
Other countries	0	0
Total	**2,878**	**2,716**
Net defined benefit liability (+) / asset (-)		
Germany	1,051	1,350
Net liability	*1,058*	*1,350*
Net asset	*-7*	–
United Kingdom	-36	12
Other countries	7	8
Total	**1,022**	**1,371**
Presented as provisions for pensions and similar obligations	*1,065*	*1,371*
Presented as other operating assets and contract assets[1]	*-43*	–

[1]Aside from the net defined benefit asset from plans in the United Kingdom, a similar net asset also exists for a benefit plan in Germany as of December 31, 2021. These net assets are presented on the balance sheet in the “Other operating assets and contract assets” line item.

Description of the Benefit Plans

In addition to their entitlements under government retirement systems and the income from private retirement planning, most active and former Uniper Group employees are also covered by occupational benefit plans. Both defined benefit plans and defined contribution plans are in place at Uniper. The commitments under these plans primarily involve retirement, disability and survivor benefits and are structured differently in line with the legal, tax and regulatory conditions prevailing in the respective country.

The pension plans within the Uniper Group are regularly reviewed with respect to their financial risks. Typical risk factors for defined benefit plans are longevity and changes in nominal interest rates, as well as increases in inflation and rising wages and salaries. Depending on global investment market performance, there also are risks and opportunities associated with changes in the plan assets that are in place to cover commitments under existing defined benefit plans. To avoid exposure to future risks from occupational benefit plans, newly designed pension plans in which a majority of the risk factors can be better calculated and controlled had previously been introduced at the major Uniper Group companies within and outside Germany.

Described below are the configurations of the major defined benefit and defined contribution pension plans within the Uniper Group.

Germany

Active employees at German Uniper companies are predominantly covered by defined contribution benefit plans. In addition, some final-pay arrangements, and a small number of fixed-amount arrangements, still exist under individual contracts.

The majority of the reported benefit obligation toward active employees is centered on the “BAS Plan,” a pension unit system launched in 2001, and on the “Zukunftssicherung” plan, a variant of the “BAS Plan” that emerged from the harmonization in 2004 of numerous benefit plans granted in the past. In the “Zukunftssicherung” benefit plan, vested final-pay entitlements are considered in addition to the defined contribution pension units when determining the benefit. The plans described in the preceding normally provide for ongoing pension benefits that generally are payable upon reaching the age threshold, but also in the event of disability or death. These plans have been closed to new hires since 2008.

The only plan open to new hires is a defined contribution plan. This plan is a “units of capital” system that provides for the alternative payout options of a prorated single payment and payments of installments in addition to the payment of a regular pension. In addition to the pension benefits paid upon reaching the age threshold, employees are also covered for disability, as are their survivors in the event of death.

The benefit expense for all the defined contribution plans mentioned above is dependent on compensation and is determined at different percentage rates based on the ratio between compensation and the contribution limit in the statutory retirement pension system in Germany. Employees can additionally choose to defer compensation and, in the open defined contribution plan, receive matching employer contributions, subject to compliance with specified deferral limits.

The defined contribution plans contain different interest rate assumptions for the pension units and the units of capital, respectively. Up to and including December 31, 2018, fixed interest rate assumptions had applied for both the “BAS Plan” and the “Zukunftssicherung” plan. Since January 1, 2019, the pension units established under both the “BAS Plan” and the “Zukunftssicherung” plan have earned interest at a rate that is linked to market rates and hedged by applying guaranteed minimum interest rates. An annual review is performed, taking market developments into account, to determine whether the pension units should be formed based on the guaranteed minimum interest rates or by applying a higher rate. The interest rate can be increased to a maximum of 6.0% p.a. Pension units granted through December 31, 2018, remain unchanged by this adjusted interest calculation. The units of capital established under the open defined contribution plan earn interest based on the average yield of long-term government bonds of the Federal Republic of Germany observed in the fiscal year.

Future pension increases at a rate of 1% p.a. are guaranteed pursuant to the German law for the improvement of occupational retirement pensions (“BetrAVG”) for a portion of the eligible individuals including, in particular, a large number of active employees. For the remaining eligible individuals, pensions are adjusted mostly in line with the rate of inflation, usually in a three-year cycle.

Pension plans at the German Uniper companies are funded through designated pension vehicles that are legally distinct from the Company.

In addition to plan assets administered by German pension vehicles ("Pensionskassen"), plan assets in the form of a Contractual Trust Arrangement (CTA) were established to fund domestic pension plans for most of the German Uniper companies. The plan assets of the CTA are administered by Uniper Pension Trust e. V. as trustee on the basis of the investment principles specified for it.

Furthermore, payments were made to a Group-wide pension fund, which is qualified as plan assets, when the method of occupational retirement provision was changed to a pension fund commitment for a segment of the retirement benefit commitments. The assets contributed to the pension fund thus provide the funding for the obligations transferred to the pension fund.

The pension vehicles described pursue the primary objective of providing full coverage of benefit obligations at all times for the payments due under the respective benefit plans. The investment strategy and portfolio structure required to achieve this is implemented, reviewed regularly and adjusted, if necessary, using asset-liability management studies based on specified investment principles, the structure of the benefit obligations and the prevailing condition of the capital markets. Further goals of the investment strategy are to offset the changes in the defined benefit obligation partially with corresponding changes in the fair value of plan assets and to influence positively the funding level of the German pension obligations over the long term by means of investments providing returns in excess of those of fixed-rate bonds and the discount rate.

Only the "Pensionskassen" vehicles and the pension fund are subject to regulatory provisions in relation to the investment of capital and funding requirements. For the CTA, there are funding rules stipulated in a corporate agreement.

United Kingdom

In the reporting period, Uniper employees in the United Kingdom participated in one of the three existing pension plans, one being a defined contribution plan, one a final salary plan, and one a retirement balance plan. The latter two defined benefit plans make up the majority of the pension obligations reported for Uniper's former and active employees in the United Kingdom and have been closed to new hires since 2005 and 2008, respectively. Since the closure of the retirement balance plan in 2008, new hires have been joining the open defined contribution plan.

Benefit payments to the beneficiaries of the existing defined benefit pension plans are adjusted either by fixed increases or by reference to an index, as measured by the UK Retail Price Index (RPI) or the Consumer Price Index (CPI) (the increases are limited to a fixed maximum amount).

Plan assets in the United Kingdom covering the benefit obligations under the final salary and retirement balance plans (excluding those covering the defined contribution plan, which are established under a contract between the employee and the provider) are administered by Uniper UK Trustees Limited in its capacity as trustee of the Uniper Group of the Electricity Supply Pensions Scheme ("Uniper Group of the ESPS"). The trustees are chosen by the members of the Uniper Group of the ESPS or appointed by Uniper UK Limited. In their capacity as such, the trustees are wholly responsible for the investment of the plan assets, and to that end they have appointed a fiduciary manager.

Within the confines of previously defined general terms, the fiduciary manager invests the plan assets with a dual purpose – to hedge a portion of the fixed-interest and inflation-linked pension liabilities using government and corporate bonds, derivatives and cash, while also seeking to achieve asset growth in excess of the growth of the liabilities over the long term by investing in a range of diversified public and private markets. The trustees monitor the percentage of the liability hedging component and the amount of the liabilities to be hedged, as well as the performance of the growth-oriented parts of the portfolio.

The Pensions Regulator in the United Kingdom requires that a valuation of the funding of pension plans in the United Kingdom be performed at least once every three years. The actuarial assumptions underlying the valuation are agreed between the Uniper Group of the ESPS and Uniper UK Limited. They include presumed life expectancy, wage and salary growth rates, investment returns, inflationary assumptions and interest rate levels. The last valuation of the Uniper Group of the ESPS took place as of March 31, 2019, and showed a funding deficit of £25.8 million. The agreed deficit repair plan provides for repair payments totaling £14.6 million in 2020, and a further conditional payment of £4.87 million to the Uniper Group of the ESPS by January 1, 2022, both of which were made as due.

Other Countries

The remaining benefit plans are attributable to various international activities of the Uniper Group.

The defined benefit and defined contribution plans in Belgium, the Netherlands, Russia, Sweden, Canada and the United States, however, are largely of minor significance from the perspective of the Uniper Group.

Explanation of Figures from the Defined Benefit Pension Plans

The recognized net defined benefit liability or asset from the Uniper Group’s defined benefit plans results from the difference between the present value of the defined benefit obligations and the fair value of plan assets:

Changes in Net Defined Benefit Liability / Asset

€ in millions	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (+) / asset (-)
Uniper Group			
January 1, 2021	**4,087**	**-2,716**	**1,371**
Domestic			
January 1, 2021	**3,424**	**-2,074**	**1,350**
Current employer service cost	43	–	43
Past service cost	14	–	14
Gains (-) and losses (+) on settlements	-2	–	-2
Interest expense (+) / income (-) on the net defined benefit liability/asset	27	-17	11
Remeasurements	-273	-58	-331
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	*–*	*–*	*–*
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	*-270*	*–*	*-270*
Actuarial gains (-) / losses (+) arising from experience adjustments	*-4*	*–*	*-4*
Return on plan assets recognized in equity, not including amounts contained in the interest income on plan assets	*–*	*-58*	*-58*
Benefit payments	-65	64	-1
From plan assets	*-64*	*64*	*0*
From the Company	*-1*	*–*	*-1*
Employer contributions	–	-36	-36
Changes in scope of consolidation[1]	6	-2	4
December 31, 2021	**3,173**	**-2,122**	**1,051**
Net liability			*1,058*
Net asset			*-7*
Foreign			
January 1, 2021	**663**	**-643**	**20**
Current employer service cost	23	–	23
Past service cost	17	–	17
Interest expense (+) / income (-) on the net defined benefit liability/asset	12	-11	1
Remeasurements	-22	-39	-61
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	*-1*	*–*	*-1*
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	*-20*	*–*	*-20*
Actuarial gains (-) / losses (+) arising from experience adjustments	*-2*	*–*	*-2*
Return on plan assets recognized in equity, not including amounts contained in the interest income on plan assets	*–*	*-39*	*-39*
Benefit payments	-12	12	0
From plan assets	*-12*	*12*	*0*
From the Company	*0*	*–*	*0*
Employer contributions	–	-29	-29
Exchange rate differences	47	-46	0
December 31, 2021	**727**	**-756**	**-29**
Net liability			*7*
Net asset			*-36*
Uniper Group			
December 31, 2021	**3,900**	**-2,878**	**1,022**
Net liability			*1,065*
Net asset			*-43*

[1]For further information on the “Changes in scope of consolidation” see Note 4.

Changes in Net Defined Benefit Liability

€ in millions	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (+) / asset (-)
Uniper Group			
January 1, 2020	**3,563**	**-2,532**	**1,031**
Domestic			
January 1, 2020	**2,927**	**-1,950**	**977**
Current employer service cost	36	–	36
Past service cost	11	–	11
Interest expense (+) / income (-) on the net defined benefit liability/asset	45	-30	15
Remeasurements	449	-105	344
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	*–*	*–*	*–*
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	*459*	*–*	*459*
Actuarial gains (-) / losses (+) arising from experience adjustments	*-10*	*–*	*-10*
Return on plan assets recognized in equity, not including amounts contained in the interest income on plan assets	*–*	*-105*	*-105*
Benefit payments	-52	50	-1
From plan assets	*-50*	*50*	*0*
From the Company	*-1*	*–*	*-1*
Employer contributions	–	-31	-31
Changes in scope of consolidation	46	-30	15
Reclassification to assets held for sale and liabilities associated with assets held for sale[1]	-38	22	-15
December 31, 2020	**3,424**	**-2,074**	**1,350**
Foreign			
January 1, 2020	**636**	**-582**	**54**
Current employer service cost	23	–	23
Past service cost	0	–	0
Interest expense (+) / income (-) on the net defined benefit liability/asset	13	-12	1
Remeasurements	40	-57	-17
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	*2*	*–*	*2*
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	*41*	*–*	*41*
Actuarial gains (-) / losses (+) arising from experience adjustments	*-3*	*–*	*-3*
Return on plan assets recognized in equity, not including amounts contained in the interest income on plan assets	*–*	*-57*	*-57*
Benefit payments	-13	13	*0*
From plan assets	*-13*	*13*	*0*
From the Company	*0*	*–*	*0*
Employer contributions	–	-36	-36
Exchange rate differences	-37	32	-4
December 31, 2020	**663**	**-643**	**20**
Uniper Group			
December 31, 2020	**4,087**	**-2,716**	**1,371**

[1]For further information on the reclassification to assets held for sale and liabilities associated with assets held for sale, see Note 4.

The present value of the defined benefit obligations outside Germany is attributable at €719 million (2020: €655 million) to the United Kingdom and at €7 million (2020: €8 million) to Russia. The fair value of plan assets outside Germany is attributable at €756 million (2020: €642 million) to the United Kingdom.

The present value of the defined benefit obligations existing as of the balance sheet date is attributable to active employees in the amount of roughly €1.7 billion (2020: €1.8 billion), to retirees and surviving dependents in the amount of roughly €1.3 billion (2020: €1.2 billion) and to former employees with vested entitlements in the amount of roughly €0.9 billion (2020: €1.1 billion).

The past service cost recognized in 2021 resulted predominantly from plan amendments in connection with the planned fundamental restructuring of the Uniper Group's Engineering business (see also Note 11) and with the strategy implementation by Uniper that includes, among other things, a proactive phase-out plan for coal in Europe, for which past service cost had already been recognized in 2020.

The net actuarial gains that were recognized in 2021 are predominantly attributable to the increase in the discount rates used within the Uniper Group to measure the defined benefit obligations.

The net actuarial losses generated in 2020 resulted mostly from the reduction in the discount rates used within the Uniper Group.

The actual return on plan assets in 2021 was a gain of €125 million (2020: €204 million).

In addition to the total net periodic pension cost for defined benefit plans, contribution expenses of €28 million were recognized for occupational retirement benefit plans in 2021 (2020: €23 million).

Contributions to state plans totaled €0.1 billion in 2021 (2020: €0.1 billion).

Actuarial Parameters and Sensitivities

The actuarial assumptions used to measure the defined benefit obligations and to compute the net periodic pension cost for the Uniper companies within and outside of Germany as of the respective balance sheet dates are as follows:

Actuarial Assumptions

Percentages	2021	December 31 2020	January 1 2020
Discount rate			
Domestic	1.20	0.80	1.50
Foreign	2.06	1.56	2.17
United Kingdom	*2.00*	*1.50*	*2.10*
Wage and salary growth rate			
Domestic	2.25	2.25	2.25
Foreign	3.04	2.64	3.14
United Kingdom	*3.00*	*2.60*	*3.10*
Pension increase rate			
Domestic[1]	1.75	1.75	1.75
Foreign	3.07	2.67	2.95
United Kingdom	*3.10*	*2.70*	*3.00*

[1]The pension increase rate for Germany applies to eligible individuals not subject to an agreed guarantee adjustment.

The discount rates used in the Uniper Group are essentially based on the currency-specific returns available at the end of the respective fiscal year on high-quality corporate bonds and take into account the average duration of the respective underlying obligations. The weighted-average duration of the defined benefit obligations measured within the Uniper Group as of December 31, 2021, is 21.9 years (2020: 22.8 years).

To measure the Uniper Group's occupational pension obligations for accounting purposes, the Company has employed the current versions of the biometric tables recognized in each respective country for the calculation of pension obligations:

Actuarial Assumptions (Mortality Tables)

Germany	2021: 2018 G versions of the Klaus Heubeck biometric tables (2018) 2020: 2018 G versions of the Klaus Heubeck biometric tables (2018)
United Kingdom	2021: 'S3' series base mortality tables, taking into account future changes in mortality (CMI 2020 projection table) 2020: 'S3' series base mortality tables, taking into account future changes in mortality (CMI 2019 projection table)

Changes in the actuarial assumptions described previously would lead to the following changes in the present value of the defined benefit obligations at the respective reporting dates:

Sensitivities

	Changes in the present value of the defined benefit obligations			
	December 31, 2021		December 31, 2020	
Change in the discount rate by (basis points)	+50	-50	+50	-50
Change in percent	*-9.20*	*10.70*	*-9.80*	*11.41*
Change in wage and salary growth rate by (basis points)	+25	-25	+25	-25
Change in percent	*0.51*	*-0.50*	*0.49*	*-0.48*
Change in the pension increase rate by (basis points)	+25	-25	+25	-25
Change in percent	*1.28*	*-1.17*	*1.25*	*-1.19*
Change in mortality by (percent)	+10	-10	+10	-10
Change in percent	*-2.80*	*3.15*	*-2.92*	*3.29*

A 10% decrease in mortality would result in a higher life expectancy of beneficiaries, depending on the age of each individual beneficiary. As of the December 31 reporting dates of 2021 and 2020, the life expectancy of a 63-year-old male Uniper retiree would increase by approximately one year if mortality were to decrease by 10%.

The sensitivities indicated are computed based on the same methods and assumptions used to determine the present value of the defined benefit obligations. If one of the actuarial assumptions is changed for the purpose of computing the sensitivity of results to changes in that assumption, all other actuarial assumptions are included in the computation unchanged. Potential correlation effects between the individual actuarial assumptions are not taken into account in the computation of sensitivities.

When considering sensitivities, it must be noted that the change in the present value of the defined benefit obligations resulting from changing multiple actuarial assumptions simultaneously is not necessarily equivalent to the cumulative effect of the individual sensitivities.

Description of Plan Assets

The individual plan asset components have been allocated to corresponding asset classes based on their substance. The plan assets thus classified break down as shown in the following table:

Classification of Plan Assets

Percentages	December 31, 2021 Uniper Group	Domestic	Foreign[1]	December 31, 2020 Uniper Group	Domestic	Foreign[1 2]
Plan assets listed in an active market						
Equity securities (stocks)	41	48	24	31	41	0
Debt securities	32	32	32	32	42	0
Government bonds	*16*	*18*	*11*	*17*	*23*	*0*
Corporate bonds	*16*	*14*	*21*	*15*	*19*	*0*
Other investment funds	14	9	28	4	5	0
Total listed plan assets	**87**	**88**	**84**	**67**	**87**	**0**
Plan assets not listed in an active market						
Equity securities not traded on an exchange	–	–	–	6	–	26
Debt securities	3	–	11	2	–	10
Real estate	8	10	–	8	10	2
Cash and cash equivalents	2	2	5	4	3	9
Other[3]	0	0	0	13	0	53
Total unlisted plan assets	**13**	**12**	**16**	**33**	**13**	**100**
Total	**100**	**100**	**100**	**100**	**100**	**100**

[1]Asset management in the United Kingdom is performed by an appointed fiduciary manager. In 2021, a new fiduciary manager was appointed for the investment of UK plan assets. This has resulted in shifts between asset classes in the United Kingdom between December 31, 2020, and December 31, 2021.
[2]As of December 31, 2020, plan assets in the United Kingdom are invested in investment funds ("pooled funds") that are not listed in an active market.
[3]The "Other" category of assets as of December 31, 2020, consists primarily of "liability hedging" assets and hedge funds.

The investment of plan assets within the Uniper Group involves the use of derivatives (e.g., interest rate swaps and inflation swaps, as well as currency hedging instruments) to facilitate the control of specific risk factors of pension liabilities. In the table above, these derivatives have been allocated, based on their substance, to the respective asset classes in which they are used.

Plan assets during the reporting period included virtually no owner-occupied real estate, and virtually no equity or debt instruments, of Uniper companies.

Presentation of Future Contributions and of the Maturity Profile of the Benefit Obligations

For the 2022 fiscal year, it is expected that employer contributions to plan assets for the Uniper Group will amount to a total of €65 million and primarily involve the funding of new and existing benefit obligations, with an amount of €22 million attributable to foreign companies.

The table below shows the maturity profile of the undiscounted defined benefit obligation as of December 31, 2021:

Maturity Profile of the Undiscounted Defined Benefit Obligation

€ in millions	Total	Domestic	Foreign
Due within 1 year	80	69	11
Due in 1 to 5 years	352	299	53
Due in 5 to 10 years	572	480	92
Due in 10 to 20 years	1,371	1,121	250
Due in 20 to 30 years	1,296	1,005	291
Due in more than 30 years	1,456	1,091	365

(24) Miscellaneous Provisions

Miscellaneous provisions are liabilities of uncertain timing or amount. They are recognized when there are legal or constructive present obligations toward third parties resulting from events that occurred in the past, it is probable that a future outflow of resources will be required to settle these obligations, and the amounts of the obligations can be measured with sufficient reliability. A provision is recognized at the present value of the expected settlement amount; future cost increases that are foreseeable and likely to occur on the balance sheet date must also be included in the measurement. The accretion amounts and the effects of changes in interest rates are generally presented within financial results. A reimbursement related to the provision that is virtually certain to be collected is capitalized as a separate asset.

Liabilities for obligations arising from the decommissioning or dismantling of property, plant and equipment are recognized at their discounted settlement amounts. The carrying amounts of the respective items of property, plant and equipment are increased by the same amounts. In subsequent periods, capitalized asset retirement costs are amortized over the expected remaining useful lives of the related items of property, plant and equipment, while the provision is accreted to its present value on an annual basis.

In the case of changes in estimates, the adjustment of provisions for the decommissioning or dismantling of property, plant and equipment for changes to estimates is generally recognized by way of a corresponding adjustment to these assets, with no effect on income. If the item of property, plant and equipment to be decommissioned has already been fully depreciated, changes in estimates that would lead to a further reduction are recognized in the income statement. Changes in estimates for all other miscellaneous provisions are recognized directly in the income statement.

Under Swedish law, Uniper is required to pay fees to the Swedish Nuclear Waste Fund ("Kärnavfallsfonden" or "KAF") for its Swedish nuclear operations. For each nuclear power plant operating company, the Swedish Radiation Safety Authority proposes the fees for disposal of high-level radioactive waste and for decommissioning on the basis of the amount of electricity produced or on a time basis, taking into account nuclear-specific inflation rates and risk premiums. The proposed fees are then submitted to government offices for approval and the corresponding payments are made by the owners of the power plant operating companies. In accordance with IFRIC 5, a right of reimbursement for asset retirement expenditure is recognized as an asset within other financial assets for payments to the KAF (see also Note 20). The KAF reimbursement right is measured specifically for each power plant operating company at the lower of the recognized asset retirement obligation and the contributor's share of the fair value of the net assets of this fund.

As of December 31, 2021, the long-term real discount rate used in the nuclear power sector in Sweden was 1.2% (2020: 1.2%). A change of 0.1 percentage points in the applied real interest rate leads to a change in the provision of approximately €47 million (2020: €33 million).

Provisions for losses from open transactions under onerous contracts are recognized at the lower of the excess obligation upon performance under the contract and any potential penalties or compensation arising in the event of non-performance. Obligations under an open contractual relationship are determined from a customer perspective; their measurement is thus influenced by fluctuating market prices.

Provisions for restructuring are recognized once a detailed restructuring plan has been decided on by management and publicly announced or communicated to the employees or their representatives. Only those expenses that are directly attributable to the restructuring measures are used in measuring the amount of the provision. Expenses associated with future operations are not taken into consideration.

A provision is recognized for the obligations arising from CO_2 emissions produced within the framework of the EU Emissions Trading System. The obligations are measured at the carrying amount of the emission rights held or, in the case of a shortfall, at the current fair value of the emission rights needed, and they respond correspondingly sensitively to fluctuations in the price of emission rights. The expenses incurred for the recognition of the provision are reported under cost of materials.

The miscellaneous provision amounts relate predominantly to issues in euro-area countries, as well as in the United Kingdom and in Sweden. The interest rates used regarding these issues ranged from 0% to 1.14%, depending on the term (2020: 0% to 0.75%).

The following table lists the miscellaneous provisions as of the dates indicated:

Miscellaneous Provisions

	December 31, 2021		December 31, 2020	
€ in millions	**Current**	**Non-current**	**Current**	**Non-current**
Nuclear waste management obligations	171	2,769	186	2,730
Personnel-related obligations	150	219	70	177
Other asset retirement obligations	29	824	26	776
Supplier-related obligations	1,816	1,030	322	469
Generation-related obligations	1,897	653	494	643
Distribution-related obligations	57	297	81	297
Customer-related obligations	21	27	31	58
Environmental remediation and similar obligations	11	195	13	200
Other	209	334	233	306
Total	**4,361**	**6,346**	**1,456**	**5,657**

The following table shows the changes in miscellaneous provisions:

Changes in Miscellaneous Provisions

€ in millions	January 1, 2021	Exchange rate differences	Changes in scope of consolidation	Accretion	Additions	Utilization	Reclassifications	Reversals	Changes in estimates	December 31, 2021
Nuclear waste management obligations	2,916	-62	–	36	13	-147	–	–	184	2,940
Personnel-related obligations	247	1	–	-4	216	-72	–	-20	–	368
Other asset retirement obligations	802	9	–	-2	17	-6	-1	–	34	853
Supplier-related obligations	791	–	–	-2	2,322	-159	–	-106	–	2,847
Generation-related obligations	1,137	14	–	-4	1,998	-571	–	-25	–	2,549
Distribution-related obligations	378	–	–	-2	142	-107	–	-56	–	354
Customer-related obligations	90	4	–	–	33	–	–	-78	–	48
Environmental remediation and similar obligations	213	1	–	–	9	-14	–	-2	–	206
Other	538	-3	-1	-3	138	-65	11	-73	–	542
Total	**7,112**	**-37**	**-1**	**20**	**4,886**	**-1,141**	**10**	**-360**	**218**	**10,707**

The additions to supplier-related provisions relate primarily to procurement for electricity sales contracts for which the own-use exemption under IFRS 9 is applied. The provisions had to be increased to account for increased electricity prices and the associated higher purchasing cost. Purchases are, however, hedged using derivative financial instruments, whose fair value measurement has offsetting effects recognized as other operating income. Future cash outflows on utilization of the provision are offset by cash inflows from the hedges.

Additions to and utilizations of generation-related provisions relate especially to the creation (for the 2021 reporting year) and the settlement (for the preceding 2020 fiscal year) of European emissions trading obligations.

Provisions for Nuclear Waste Management Obligations

As of December 31, 2021, the provision based on the requirements of Swedish nuclear energy law amounted to €2.9 billion (2020: €2.9 billion). The provisions comprise all those nuclear obligations relating to the disposal of spent nuclear fuel rods and low-level nuclear waste and to the retirement and decommissioning of nuclear power plant components that are determined on the basis of external studies and cost estimates, taking into account nuclear-specific cost inflation rates and risk premiums.

The provisions recognized for nuclear asset retirement obligations include the anticipated costs of post-operation and service operation of the facility, dismantling costs, and the cost of removal and disposal of the nuclear components of the nuclear power plant.

Based on current expectations, Uniper assumes that the provisions for most of the obligations will be utilized between 2022 and 2081.

Changes in estimates affecting provisions for the Swedish operations were recognized in the amount of €184 million (2020: €334 million). The increase is predominantly attributable to the increase in costs. Provisions were utilized in the amount of €147 million (2020: €146 million), of which €86 million (2020: €84 million) is attributable to the decommissioned reactor units 1 and 2 of the Oskarshamn nuclear power plant and €61 million (2020: €62 million) to the Barsebäck nuclear power plant, which is in post-operation.

The following table lists the provisions by technical specification and presents the funding situation of the nuclear waste management obligations as of the dates indicated:

Provisions for Nuclear Waste Management Obligations

	December 31	
€ in millions	**2021**	**2020**
Decommissioning	779	848
Disposal of nuclear fuel rods and operational waste	2,161	2,068
Total	**2,940**	**2,916**
Uniper's recognized interest in the Swedish Nuclear Waste Fund (see also Note 20)	**2,565**	**2,495**
Uniper's share of the fair value of the net assets of the Swedish Nuclear Waste Fund	2,776	2,718
Receivables from the Swedish Nuclear Waste Fund ineligible for capitalization	211	223

As provided for by IFRIC 5, a reimbursement right of €2,565 million in total (2020: €2,495 million) was recognized, based on a power-plant-specific determination, within other financial assets (see also Note 20). This precluded the recognition of a claim for €211 million against the KAF (2020: €223 million). The actual claim against the KAF in the amount of €2,776 million (2020: €2,718 million) is offset by provisions amounting to €2,902 million (2020: €2,879 million). No reimbursement right from the KAF exists for provisions amounting to €38 million (2020: €37 million).

Personnel-Related Obligations

The provisions for personnel costs primarily comprise provisions for performance-based compensation components, long-service bonus obligations, in-kind obligations, restructuring (see also Note 11) and other deferred personnel costs. Based on current expectations, Uniper assumes that the provisions for most of the obligations will be utilized between 2022 and 2063.

Provisions for Other Asset Retirement Obligations

Provisions for other asset retirement obligations involve obligations for conventional and renewable-energy power plants, including the conventional plant components in the nuclear power segment, that are based on legally binding civil agreements and public regulations. Also reported here are provisions for environmental improvements at gas storage facilities and for the dismantling of installed infrastructure. Based on current expectations, Uniper assumes that the provisions for most of the obligations will be utilized between 2022 and 2066.

Supplier-Related Obligations

Provisions for supplier-related obligations include, among others, provisions for potential losses on open purchase contracts and for onerous contracts in the amount of €2.6 billion (2020: €0.5 billion). These provisions relate to procurement for electricity sales contracts for which the own-use exemption under IFRS 9 is applied. Future cash outflows on utilization of the provision are offset by cash inflows from hedges. Also included here are provisions for infrastructure used by Uniper in the gas-storage business on the basis of long-term contracts.

Generation-Related Obligations

Generation-related provisions consist mainly of provisions in the hydropower business and of provisions for emission rights. Based on current expectations, Uniper assumes that the provisions for most of the obligations will be utilized between 2022 and 2081.

Distribution-Related Obligations

Distribution-related provisions consist principally of provisions for gas transportation and for regasification. Based on current expectations, Uniper assumes that the provisions for most of the obligations will be utilized between 2022 and 2034.

Customer-Related Obligations

Provisions for customer-related obligations consist largely of potential losses on rebates and open sales contracts. Based on current expectations, Uniper assumes that the provisions for most of the obligations will be utilized between 2022 and 2024.

Environmental Remediation and Similar Obligations

Provisions for environmental remediation relate primarily to redevelopment and water protection measures, the rehabilitation of contaminated sites, and other environmental improvement measures. Based on current expectations, Uniper assumes that the provisions for most of the obligations will be utilized between 2022 and 2043.

Other

Aside from a large number of individual items, other provisions also include provisions for potential obligations arising from taxes other than income taxes. Based on current expectations, Uniper assumes that the provisions for most of the obligations will be utilized between 2022 and 2039.

(25) Liabilities and Contract Liabilities

See also Note 29 for discussion of accounting policies and of material judgments and estimations made by management.

Liabilities

€ in millions	December 31, 2021 Current	Non-current	Total	December 31, 2020 Current	Non-current	Total
Financial liabilities and liabilities from leases	**7,320**	**1,655**	**8,975**	**716**	**1,027**	**1,743**
Trade payables	11,568	–	11,568	6,804	–	6,804
Liabilities from derivatives	70,397	16,336	86,733	7,550	2,477	10,027
Other operating liabilities and contract liabilities	1,443	260	1,703	1,153	193	1,345
Trade payables, other operating liabilities and contract liabilities	**83,408**	**16,596**	**100,004**	**15,506**	**2,670**	**18,176**
Total	**90,728**	**18,251**	**108,979**	**16,222**	**3,697**	**19,919**

Financial Liabilities

Other financial liabilities as of December 31, 2021, comprise financial liabilities to Fortum amounting to €2,764 million (2020: €245 million). These have resulted primarily from a utilized credit facility in the amount of €2,500 million (2020: €0 million) and from a Fortum Group company's share in the financing of the Oskarshamn 3 nuclear power plant in Sweden that is jointly operated under Uniper's management in the amount of €264 million (2020: €245 million). Furthermore, commercial paper in the amount of €1,480 million was outstanding at December 31, 2021 (2020: €65 million). At the same time, €1,800 million of the revolving credit facility was drawn at December 31, 2021 (2020: no drawdown).

Uniper plans to repay the outstanding amounts under the credit facility provided by Fortum, as well as the revolving credit facility provided by Uniper's core banks, within the next twelve months. Consequently, the outstanding amounts are recognized as short-term liabilities. However, both instruments will remain available to Uniper for future drawings. The maturity of the multi-tranche credit and guarantee facility with Fortum is in January 2024; Uniper's revolving credit facility has a maturity date in September 2025.

They further include financial liabilities to unrelated parties amounting to €168 million (2020: €136 million) and to companies in which Uniper holds an equity interest in the amount of €70 million (2020: €84 million). Margin payments in connection with exchange-traded futures transactions amounting to €783 million (2020: €193 million) are also reported under other financial liabilities.

Financial Liabilities by Segment

Financial Liabilities by Segment as of December 31, 2021

€ in millions	Commercial paper	Bank loans / Liabilities to banks	Liabilities from leases	Other financial liabilities	Financial liabilities
European Generation	–	6	165	432	602
Global Commodities	–	90	568	784	1,442
Russian Power Generation	–	–	10	41	51
Administration/Consolidation	1,480	2,869	2	2,529	6,880
Uniper Group	1,480	2,964	745	3,785	8,975

Financial Liabilities by Segment as of December 31, 2020

€ in millions	Commercial paper	Bank loans / Liabilities to banks	Liabilities from leases	Other financial liabilities	Financial liabilities
European Generation	–	33	174	416	623
Global Commodities	–	12	571	193	776
Russian Power Generation	–	–	13	5	18
Administration/Consolidation	65	214	3	43	325
Uniper Group	65	259	761	658	1,743

Information on the commercial paper program, liabilities to banks and other financial liabilities – which also include financial liabilities to Fortum – is provided in Note 29, "Financial Instruments," in the section titled "Capital Structure Management and Enhanced Disclosures for Net Debt."

Trade Payables, Other Operating Liabilities and Contract Liabilities

Trade payables amounted to €11,568 million as of December 31, 2021 (2020: €6,804 million).

Other operating liabilities and contract liabilities principally comprised contract liabilities totaling €824 million (2020: €628 million) and liabilities for taxes in the amount of €188 million (2020: €158 million).

As in the previous year, Uniper has no non-controlling interests as of the reporting date in fully consolidated partnerships with legal structures that give their investors a statutory right of withdrawal combined with a compensation claim.

Note 5 contains disclosures about contract liabilities.

(26) Contingent Liabilities, Contingent Assets and Other Financial Obligations

As part of its business activities, the Uniper Group is subject to contingencies and other financial obligations involving a variety of underlying matters. These include, in particular, guarantees, obligations arising from litigation and claims for damages (see also Note 27), as well as short- and long-term contractual, statutory and other obligations and commitments.

Contingent Liabilities and Contingent Assets

Unless required to be recognized as part of a business combination, contingent liabilities are possible or present obligations arising from past events that are not recognized on the balance sheet, and for which an outflow of resources is probable. The amounts disclosed correspond to the potential obligations expected on the balance sheet date. Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company.

The Uniper Group has issued direct and indirect guarantees to third parties and to parties outside of the Uniper Group, which require Uniper to make contingent payments based on the occurrence of certain events. They consist primarily of financial guarantees and warranties.

In addition, the Uniper Group has also entered into indemnification agreements. Along with other guarantees, these indemnification agreements are incorporated in agreements entered into by Uniper companies concerning the disposal of shareholdings and, above all, cover the customary representations and warranties, as well as environmental damage and tax contingencies. Any obligations that may exist are covered in the first instance by provisions of the companies sold before Uniper itself is required to make any payments.

Moreover, the Uniper Group has commitments under which it assumes joint and several liability arising from its interests in civil-law companies (“GbR”), non-corporate commercial partnerships and consortia in which it participates.

For the activities of the Swedish nuclear power plants, the companies of the Swedish generation units have issued guarantees to governmental authorities in accordance with Swedish law. The guarantees were issued to cover possible additional costs related to the disposal of high-level radioactive waste and to the decommissioning of nuclear power plants. These costs could arise if actual costs exceed accumulated funds. In addition, the companies of the Swedish generation unit are responsible for all costs related to the disposal of low-level radioactive waste.

The guarantees referred to above are issued by Sydkraft Nuclear Power AB, a fully consolidated subsidiary of Uniper SE.

Owners of nuclear facilities in Sweden are additionally liable under the Law Concerning Nuclear Liability for damages resulting from accidents occurring in those nuclear facilities and for accidents involving any radioactive substances connected to the operation of those facilities. On July 1, 2010, the Swedish parliament passed a law that requires the operator of a nuclear power plant in operation to have liability insurance or other financial cover in an amount equivalent to €1.2 billion per incident. The corresponding Swedish law entered into force on January 1, 2022. The Swedish government's decision to increase the insured amount from January 1, 2019, by amending the existing legislation remained in force unchanged until the new law took effect. Accordingly, the liability per incident is already limited to SEK 12,680 million as of December 31, 2021 (December 31, 2020: SEK 11,961 million). The necessary insurance for the affected nuclear power plants has been purchased by Uniper.

The European Generation segment operates nuclear power plants exclusively in Sweden. Accordingly, there are no additional comparable contingencies beyond those mentioned above.

The law on the restriction of coal use (implementation due to the Urgenda ruling) was passed by the Dutch Senate in July 2021 and provides for a right to compensation for the affected companies operating coal-fired power plants. Receipt of the compensation and ultimately also its amount is subject to legally regulated conditions and the Dutch State announced it was seeking approval from the European Commission (state aid clearance) before payment will take place. Due to the existing uncertainties, a reliable estimate is not yet possible. There were no contingent assets in the previous year.

The total settlement amount of the Uniper Group's contingent liabilities arising from existing contingencies was €90 million as of December 31, 2021 (2020: €116 million; comparative prior-year figure restated). The Uniper Group does not currently have any significant settlement rights relating to these contingent liabilities.

No material claim for reimbursement currently exists regarding these contingent liabilities.

Other Financial Obligations

Other financial obligations result from unencumbered open transactions or from public regulations, and further include other economic obligations that are neither recognized as liabilities on the balance sheet nor included within contingent liabilities.

As of December 31, 2021, purchase commitments for investments in intangible assets and in property, plant and equipment amounted to €0.5 billion (2020: €0.6 billion). This item mainly includes financial obligations totaling €0.4 billion (2020: €0.5 billion) for as yet outstanding investments in connection with the expansion and modernization of existing generation assets, particularly in the Russian Power Generation segment. Of the total purchase commitments mentioned above, an amount of €0.2 billion (2020: €0.2 billion) is due within one year.

Additional long-term contractual obligations in place at the Uniper Group as of the balance sheet date related primarily to the purchase of fossil fuels. Financial obligations under these purchase contracts amounted to approximately €80.9 billion on December 31, 2021 (due within one year: €14.9 billion) and to approximately €105.3 billion on December 31, 2020 (due within one year: €5.2 billion).

Gas for supplying industrial customers is usually procured by means of long-term purchase contracts with major international producers of natural gas. Such contracts are generally of a take-or-pay nature. The prices paid for natural gas are normally tied to market reference prices, as dictated by market conditions and the procurement behavior of wholesale market customers. The conditions of these long-term contracts are reviewed at certain specific intervals (usually every three years) as part of contract negotiations and may thus change accordingly. In the absence of agreement on a pricing review, a neutral board of arbitration makes a final binding decision. Financial obligations arising from these contracts are calculated based on the same principles that govern internal budgeting. Furthermore, the take-or-pay conditions in the individual contracts are also considered in the calculations.

The contractual obligations for purchases of fossil fuels registered a decline in the 2021 fiscal year compared with the previous year. The decrease in contractual obligations for purchases of fossil fuels is primarily attributable to the discontinuation of a long-term LNG supply contract.

Contractual obligations for the purchase of electricity amounted to approximately €0.4 billion as of December 31, 2021 (due within one year: €0.2 billion) and to approximately €0.2 billion as of December 31, 2020 (due within one year: €0.1 billion), and they relate in part to purchases from resellers and energy utilities, especially those under procurement contracts in the context of trading master agreements.

Further purchase obligations amounted to approximately €0.6 billion as of December 31, 2021 (due within one year: €0.1 billion) and to approximately €0.6 billion as of December 31, 2020 (due within one year: €0.1 billion). This relates mainly to the procurement of fuel rods for use in Swedish nuclear power plants within the Uniper Group and to purchase obligations for heat and alternative fuels.

There were additional financial obligations of approximately €6.4 billion as of December 31, 2021 (due within one year: €0.9 billion) and approximately €6.5 billion as of December 31, 2020 (due within one year: €0.9 billion). A significant portion of such obligations arises especially from booked transportation, storage and regasification capacities in the Global Commodities segment.

(27) Litigation

Various court actions, arbitration proceedings and regulatory investigations and proceedings are currently pending against entities of the Uniper Group, and further actions or proceedings may be instituted or asserted in the future. In addition to disputes under public law, this in particular includes legal actions and proceedings on contract amendments and price adjustments initiated in response to market upheavals and the changed economic situation in the gas and electricity sectors (also as a consequence of the energy transition) and concerning anticompetitive and fraudulent practices, as well as general commercial contract disputes.

The aforementioned proceedings include several court and arbitration proceedings with major customers and major suppliers, also initiated in some instances by the Uniper Group, concerning contract amendments and price adjustments in long-term supply contracts and procurement options for electricity and gas, as well as long-term contracts for storage capacity in response to the altered situation brought about by market upheavals, and also reimbursements of costs. In some of these cases, the validity of the price-adjustment clauses applied, and of the contracts in their entirety, is in dispute. Long-term LNG and gas-procurement contracts generally include the option for producers and importers to adjust the terms in line with changed market conditions. On this basis, Uniper is currently involved in court and arbitration proceedings and continuously conducts extensive negotiations with producers. The possibility of further legal disputes cannot be excluded.

Applying the provisions of IAS 37.92, Uniper is making no additional disclosures on the proceedings presented or on the associated risks or measures taken, particularly because such disclosure could prejudice their outcome.

Furthermore, proceedings are pending concerning the clarification of regulatory requirements.

Applying the provisions of IAS 37.92, Uniper is making no additional disclosures on the proceedings presented or on the associated risks or measures taken, particularly because such disclosure could prejudice their outcome.

Public-law disputes are pending, in particular, in connection with the operating license and the planning basis for the hard-coal power plant in Datteln.

Applying the provisions of IAS 37.92, Uniper is making no additional disclosures on the proceedings presented or on the associated risks or measures taken, particularly because such disclosure could prejudice their outcome.

(28) Supplemental Cash Flow Disclosures

The Statement of Cash Flows presents the changes in the Group's funds arising from cash flows during the fiscal year. Cash flows are classified by operating, investing and financing activities. Interest received and paid, income taxes paid and refunded, as well as dividends received are classified as operating cash flows, whereas dividends paid are classified as financing cash flows. The cash and cash equivalents exchanged in acquisitions and disposals of investments in companies are shown as cash used for or provided by investing activities if the transaction involves a change of control. In the case of transactions that do not involve a change of control, the corresponding cash flows are reported under financing activities. The effect of foreign exchange rates on cash and cash equivalents is disclosed separately.

There were no exchange and contribution transactions in 2021 and 2020.

Cash provided by operating activities (operating cash flow) rose by €2,380 million in 2021 to €3,621 million (2020: €1,241 million). The increase resulted primarily from liquidity optimization measures for assets in the gas and emission rights business to cover temporary collateral pledges for commodity transactions, which likewise rose significantly due to the sharp price increases in the commodity markets.

Cash provided by investing activities was reduced by €6,392 million, from a cash outflow of €1,128 million in the previous year to a cash outflow of €7,520 million in the 2021 fiscal year. This development resulted primarily from changes in collateral to be provided by Uniper for futures and forward transactions (margining receivables), which changed by -€6,440 million in fiscal 2021. Where there had been a cash outflow of €524 million in the previous year, there was a cash outflow of €6,964 million in 2021. Compared with the previous year (€743 million), cash payments for investments in intangible assets, in property, plant and equipment, and in equity investments decreased by €23 million, to €720 million. Cash proceeds from disposals declined by €18 million, from a cash inflow of €83 million in the previous year to a cash inflow of €65 million in fiscal 2021.

Cash provided by financing activities amounted to €6,561 million in 2021 (2020: -€679 million). The increase in margin deposits received for futures and forward transactions led to a cash inflow of €586 million (2020: cash outflow of €305 million) and increased margining liabilities accordingly. The issuance of commercial paper in fiscal 2021 produced a further cash inflow of €1,415 million (2020: cash inflow of €65 million), as did the increase of €2,705 million in liabilities to banks (2020: cash inflow of €138 million). The latter was brought about primarily by the utilization of a revolving credit facility in the amount of €1,800 million and by the execution of promissory notes in the amount of €630 million. Furthermore, through utilization of the multi-tranche facility, Uniper SE received a short-term loan from its majority shareholder, which resulted in a cash inflow of €2,500 million, while the remaining liabilities from shareholder loans produced a cash inflow of €58 million (2020: cash outflow of €16 million). Repayments of lease liabilities in fiscal 2021 in the amount of €121 million (2020: €135 million) had an offsetting effect. The dividend paid to the shareholders of Uniper SE in the amount of €501 million (2020: €421 million) also led to a reduction in cash and cash equivalents.

Reconciliation of Financial Liabilities[1]

€ in millions	2021	2020
Balance as of January 1	**1,743**	**1,935**
Cash proceeds from financial liabilities	8,978	450
Cash repayments of financial liabilities	-1,870	-684
Change in scope of consolidation	–	-45
Foreign currency translation	24	-13
Other non-cash changes	100	100
Balance as of December 31	**8,975**	**1,743**

[1]Interest on financial liabilities accrues via operating liabilities, but is substantially recognized as cash flow. Accrued accretion of interest on lease liabilities is similarly recognized under operating liabilities.

(29) Financial Instruments

Financial Assets

Financial assets other than trade receivables are measured at their fair value on the settlement date when acquired. Trade receivables are measured at their transaction price at initial recognition. For financial assets that are not subsequently measured at fair value through profit or loss, transaction costs are taken into account. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value shall use relevant observable inputs to the greatest extent possible – and minimize the use of unobservable inputs. The valuation methods used for each class of assets are disclosed in accordance with IFRS 13.

Subsequent measurement of financial assets is governed by the measurement categories defined in IFRS 9.

A financial asset is carried at amortized cost if it is held within a business model whose objective is to collect contractual cash flows and these cash flows represent solely payments of principal and interest on the principal amount outstanding. At Uniper, this relates primarily to trade receivables, liquid funds and certain individual loans to external or associated companies. Amortized cost is determined using the effective interest method.

For other equity investments that are not held for trading, Uniper has elected to present changes in fair value in other comprehensive income, and to maintain this recognition in equity even on the disposal of such investments. Fair value is determined using standard market valuation methods. Dividends from other equity investments are recognized in income.

All other financial assets are measured at fair value through profit or loss. Unless they form part of an effective hedging relationship, gains and losses from changes in fair value are immediately recognized in income. At Uniper, this relates especially to derivative financial instruments (currency and commodity forwards, as well as options), embedded derivatives and securities. Changes in the fair value of derivative financial instruments subject to recognition in income are presented as other operating income or expenses. To the extent that these instruments are physically settled commodity derivatives included within the scope of IFRS 9 (failed own-use transactions) entered into for asset optimization, they are presented at the market price applicable at the time of their physical settlement as either revenues, cost of materials or inventories. All realized and unrealized financial commodity derivatives relating to asset optimization are presented gross within other operating income or expenses. All realized and unrealized transactions conducted in connection with proprietary trading are presented as a net position within either other operating income or other operating expenses. Gains and losses on securities (especially investment funds, equity funds, bond funds, etc.) are reported within other financial results.

As part of fair value measurement, the counterparty risk is also taken into account for financial instruments. The counterparty risks determined are allocated to the individual financial instruments by applying the relative fair value method on a net basis.

Unrealized gains and losses resulting from the initial measurement of a derivative ("day one" gains and losses) are recognized in income only if they are supported by quoted market prices in an active market, verified by comparison with other observable current market transactions, or determined using a valuation technique that relies on observable market data. For derivatives whose fair value is determined based on valuation models, these initial-measurement effects are eliminated against the corresponding derivative assets or liabilities.

Contracts for receipt or delivery of non-financial items in accordance with the Uniper Group's anticipated purchase, sale or usage requirements are classified as own-use contracts. They are not accounted for as derivative financial instruments measured at fair value, but as open transactions. Physically settled commodity contracts entered into as part of the sales business are partially classified as own-use contracts. Upon physical settlement, these contracts are presented either as revenues or cost of materials, or as inventories at their contract prices.

Primary and derivative financial instruments are netted on the balance sheet if the Uniper Group has both an unconditional right and the intention to settle offsetting positions simultaneously or on a net basis.

Financial Liabilities

Financial liabilities are initially measured at fair value. For financial liabilities that are not subsequently measured at fair value through profit or loss, transaction costs are taken into account. Non-derivative financial liabilities, including trade payables, are subsequently measured at amortized cost, using the effective interest method.

Derivative liabilities are measured at fair value through profit or loss. The explanations concerning fair value and the presentation of derivative assets apply by analogy.

The fair value option for financial liabilities is currently not in use.

Hedging Transactions

Derivative financial instruments are entered into predominantly for hedging future cash flows in order to optimize and safeguard the Uniper portfolio. They are accounted for and presented in accordance with the aforementioned provisions. Until September 30, 2021, Uniper applied hedge accounting pursuant to IFRS 9 only to an immaterial extent. Since October 1, 2021, Uniper applies "all-in-one" hedge accounting for physically settled fixed-price forwards and futures for which the own-use exemption cannot be applied (failed own-use contracts). Corresponding documentation on the respective hedging relationship regarding the hedging instruments being used and the items being hedged, as well as the type of risk being hedged and the evaluation of the hedge's effectiveness, including specification of the hedge ratio, is prepared at the date of designation. A hedging relationship satisfies all effectiveness requirements if an economic relationship exists between the hedged item and the hedging instrument, if credit risk does not dominate changes in value, and if the hedge ratio corresponds to the quantities actually used for risk management. In cash flow hedges and hedges of a net investment in a foreign operation, the effective gains and losses on the hedging instrument are recognized in other comprehensive income. Reclassification to the income statement takes place when the hedged item is recognized in income. Ineffective portions of the hedging instrument are immediately recognized in income. Uniper carries no fair value hedges in its financial statements at this time.

Measurement of Derivative Financial Instruments

The fair value of derivative financial instruments is sensitive to movements in the underlying market variables. The Uniper Group assesses and monitors the fair value of derivatives at regular intervals. The fair value to be determined for each derivative financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date (exit price). Uniper also takes into account the counterparty credit risk when determining fair value. The Uniper Group determines this risk based on a portfolio valuation in a bilateral approach covering both its own credit risk (debt value adjustment) and the credit risk of the corresponding counterparty (credit value adjustment). This approach also implicitly considers the effects of the Covid-19 pandemic. The fair values of derivative financial instruments are calculated using standard market valuation methods, with reference to market data available on the measurement date.

The following is a summary of the methods and assumptions for the valuation of utilized derivative financial instruments:

- Currency, electricity, gas, oil and coal forward contracts and swaps, and emissions-related derivatives, are valued separately at their forward rates and prices as of the balance sheet date. Whenever possible, forward rates and prices are based on market quotations, with any applicable forward premiums and discounts taken into consideration.
- Market prices for electricity and gas options are determined using standard market pricing models. The fair values of caps, floors and collars are determined using quoted market prices or on the basis of option pricing models.
- Equity forwards are valued on the basis of the stock prices of the underlying equities, taking account of time components.
- Exchange-traded futures and option contracts are valued individually at daily settlement prices determined on the futures markets that are published by their respective clearing houses. Initial margins paid are reported under other assets. Variation margins received or paid during the term of such contracts are reported under other liabilities or other assets, respectively.
- In the absence of market prices, certain long-term energy contracts and equity investments are measured by means of internal valuation models that use fundamental data and are based on long-term price assumptions.

A hypothetical 10% increase or decrease in the valuation models based on internal fundamental data and the underlying long-term price assumptions would, as of the balance sheet date, lead to a theoretical decrease in market values of €103 million (2020: €85 million) or a theoretical increase of €103 million (2020: €85 million), respectively.

Additional Disclosures on Financial Instruments

The carrying amounts of the financial instruments, their grouping into IFRS 9 measurement categories, their fair values and their measurement sources by class are presented in the following table:

Carrying Amounts, Fair Values and Measurement Categories by Class within the Scope of IFRS 7 as of December 31, 2021

€ in millions	Carrying amounts	Total carrying amounts within the scope of IFRS 7	IFRS 9 measure-ment category[1]	Fair value	Determined using market prices	Derived from active market prices
Other equity investments	689	689	FVOCI	689	71	46
Other equity investments IFRS 5	83	83	N/A	83		
Financial receivables and other financial assets	4,330	4,330		4,541	–	–
Receivables from finance leases	*133*	*133*	*N/A*	*133*	–	–
Financial reimbursement rights relating to asset retirement obligations	*2,565*	*2,565*	*N/A*	*2,776*	–	–
Other financial receivables and financial assets	*1,632*	*1,632*	*AmC*	*1,632*	–	–
Trade receivables and other operating assets	94,893	94,777		94,777	26,916	53,878
Trade receivables	*11,629*	*11,629*	*AmC*	*11,629*	–	–
Derivatives without hedge accounting	*81,311*	*81,311*	*FVTPL*	*81,311*	*26,916*	*53,864*
Derivatives with hedge accounting	*335*	*335*	*N/A*	*335*		
Other operating assets: loans and receivables	*1,604*	*1,489*	*AmC*	*1,489*	–	–
Other operating assets measured at fair value through profit or loss	*13*	*13*	*FVTPL*	*13*		*13*
Securities and fixed-term deposits	47	47	FVTPL	47	47	–
Securities and fixed-term deposits measured at fair value through profit or loss	111	111	FVTPL	111	111	–
Cash and cash equivalents: loans and receivables	2,919	2,919	AmC	2,919	–	–
Assets held for sale: loans and receivables intended for sale	25	25	N/A	25	–	–
Total assets	**103,014**	**102,899**		**103,110**	**27,145**	**53,924**
Financial liabilities	8,191	8,191		8,191		
Commercial paper	*1,480*	*1,480*	*AmC*	*1,480*	–	–
Bank loans / Liabilities to banks	*2,964*	*2,964*	*AmC*	*2,964*	–	–
Lease liabilities	*745*	*745*	*N/A*	*745*	–	–
Other financial liabilities	*3,002*	*3,002*	*AmC*	*3,002*	–	–
Trade payables and other operating liabilities	98,687	98,687		98,687	24,817	59,866
Trade payables	*11,568*	*11,568*	*AmC*	*11,568*	–	–
Derivatives without hedge accounting	*84,983*	*84,983*	*FVTPL*	*84,983*	*24,817*	*59,866*
Derivatives with hedge accounting	*1,750*	*1,750*	*N/A*	*1,750*		
Other liabilities intended for sale	-	-	*N/A*	-	–	–
Other operating liabilities	*386*	*386*	*AmC*	*386*	–	–
Total liabilities	**106,879**	**106,879**		**106,879**	**24,817**	**59,866**

[1]AmC: amortized cost; FVOCI: fair value through other comprehensive income; FVTPL: fair value through profit or loss. The amounts determined using valuation techniques with unobservable inputs (Level 3 of the fair value hierarchy) correspond to the difference between the total fair value and column of the value of using market prices and the value derived from active market prices.

Carrying Amounts, Fair Values and Measurement Categories by Class within the Scope of IFRS 7 as of December 31, 2020

€ in millions	Carrying amounts	Total carrying amounts within the scope of IFRS 7	IFRS 9 measure-ment category[1]	Fair value	Determined using market prices	Derived from active market prices
Other equity investments	771	771	FVOCI	771	76	43
Financial receivables and other financial assets	4,339	4,340		4,562	–	–
Receivables from finance leases	*196*	*196*	*N/A*	*196*	–	–
Financial reimbursement rights relating to asset retirement obligations	*2,495*	*2,496*	*N/A*	*2,718*	–	–
Other financial receivables and financial assets	*1,648*	*1,648*	*AmC*	*1,648*	–	–
Trade receivables and other operating assets	17,897	17,874		17,874	3,630	6,295
Trade receivables	*6,522*	*6,522*	*AmC*	*6,522*	–	–
Derivatives	*10,006*	*10,006*	*FVTPL*	*10,006*	*3,630*	*6,233*
Other operating assets: loans and receivables	*1,306*	*1,283*	*AmC*	*1,283*	–	–
Other operating assets measured at fair value through profit or loss	*62*	*62*	*FVTPL*	*62*	–	*62*
Securities and fixed-term deposits	46	46	FVTPL	46	46	–
Securities and fixed-term deposits measured at fair value through profit or loss	98	98	FVTPL	98	98	–
Cash and cash equivalents: loans and receivables	243	243	AmC	243	–	–
Assets held for sale: loans and receivables intended for sale	239	239	N/A	239	–	–
Total assets	**23,634**	**23,610**		**23,833**	**3,851**	**6,337**
Financial liabilities	1,549	1,549		1,549		
Commercial paper	*65*	*65*	*AmC*	*65*	–	–
Bank loans / Liabilities to banks	*259*	*259*	*AmC*	*259*	–	–
Lease liabilities	*761*	*761*	*N/A*	*761*	–	–
Other financial liabilities	*465*	*465*	*AmC*	*465*	–	–
Trade payables and other operating liabilities	17,594	17,594		17,287	2,953	6,824
Trade payables	*6,804*	*6,804*	*AmC*	*6,804*	–	–
Derivatives	*10,027*	*10,027*	*FVTPL*	*10,027*	*2,953*	*6,824*
Other liabilities intended for sale	*205*	*205*	*N/A*	*205*	–	–
Other operating liabilities	*558*	*558*	*AmC*	*251*	–	–
Total liabilities	**19,143**	**19,143**		**18,836**	**2,953**	**6,824**

[1]AmC: amortized cost; FVOCI: fair value through other comprehensive income; FVTPL: fair value through profit or loss. The amounts determined using valuation techniques with unobservable inputs (Level 3 of the fair value hierarchy) correspond to the difference between the total fair value and column of the value of using market prices and the value derived from active market prices.

The carrying amounts of cash and cash equivalents and of trade receivables, as well as those of borrowings under short-term credit facilities and of trade payables, are considered reasonable estimates of their fair values because of the short maturities of these items.

Where the value of a financial instrument can be derived from an active market without the need for an adjustment, that value is used as the fair value. This is the case, for example, for equities held.

The fair value of shareholdings in unlisted companies and of financial receivables and financial liabilities that are not actively traded is determined by discounting future cash flows. Any necessary discounting takes place using current standard market interest rates over the remaining terms of the financial instruments. Shareholdings for which fair value measurement was not applied as the cash flows could not be reliably determined are not material compared with the overall position of the Uniper Group, nor were they material in the previous year.

As in the previous year, there were no material reclassifications between Levels 1 and 2 of the fair value hierarchy in the 2021 fiscal year. At the end of each reporting period, Uniper assesses whether there might be grounds for reclassification between hierarchy levels. Apart from measurement effects, the class of other equity investments did not change materially in the reporting year.

The input parameters of Level 3 of the fair value hierarchy for equity investments are specified taking into account economic developments and available industry and corporate data. In 2021, one equity investment was added to the scope of IFRS 9 and classified at Level 3 of the fair value hierarchy. The inclusion resulted from a modification of the shareholder agreement and the coincident loss of significant influence over the investment. This equity investment was reclassified out of Level 3 at year-end, with a value of €83 million, because it was held for sale as of the reporting date and is therefore subject to IFRS 5 accounting. No reclassifications out of Level 3 into Level 2 took place in fiscal 2021. The fair values determined using valuation techniques for financial instruments carried at fair value are reconciled as shown in the following table:

Fair Value Hierarchy Level 3 Reconciliation (Values Determined Using Valuation Techniques)

€ in millions	December 31, 2020	Purchases (including additions)	Sales (including disposals)	Settlements	Gains/Losses in income statement	Transfers into Level 3	Transfers out of Level 3	Gains/Losses in OCI	December 31, 2021
Equity investments	652	4	–	–	0	54	-58	-80	572
Derivative financial instruments (assets)	143	–	66	–	321	–	–	–	530
Derivative financial instruments (liabilities)	-249	–	–	–	-51	–	–	–	-300
Total	**547**	**4**	**66**	**0**	**270**	**54**	**-58**	**-80**	**801**

The changes in initial-measurement effects of derivatives in Level 3 of the fair value hierarchy are shown in the following table:

Reconciliation of the Initial-Measurement Effect in Level 3 of the Fair Value Hierarchy

€ in millions	December 31, 2020	Purchases and sales (including additions and disposals)	Change in fair value during the reporting period	December 31, 2021
Gross fair value	395	166	244	805
Gain on initial measurement	-466	-107	-9	-582
Loss on initial measurement	-35	7	35	7
Net fair value	**-106**	**65**	**270**	**230**

The extent to which the offsetting of financial assets and financial liabilities is covered by netting agreements is presented in the following table:

Netting Agreements for Financial Assets and Liabilities as of December 31, 2021

€ in millions	Gross Amount	Conditional netting amount (netting agreements)	Financial collateral received/pledged	Net value
Financial assets				
Trade receivables	*11,629*	*5,651*	*–*	*5,978*
Interest-rate and currency derivatives	*168*	*55*	*113*	*0*
Commodity derivatives	*81,478*	*55,955*	*-1,576*	*27,099*
Total	**93,275**	**61,662**	**-1,463**	**33,076**
Financial liabilities				
Interest-rate and currency derivatives	*60*	*–*	*2*	*58*
Commodity derivatives	*86,672*	*55,955*	*4,293*	*26,425*
Trade payables and other operating liabilities	*11,568*	*5,651*	*–*	*5,917*
Total	**98,301**	**61,607**	**4,294**	**32,399**

Netting Agreements for Financial Assets and Liabilities as of December 31, 2020

€ in millions	Gross Amount	Conditional netting amount (netting agreements)	Financial collateral received/pledged	Net value
Financial assets				
Trade receivables	*6,522*	*3,692*	*–*	*2,830*
Interest-rate and currency derivatives	*89*	*–*	*–*	*89*
Commodity derivatives	*9,917*	*5,122*	*-100*	*4,896*
Total	**16,529**	**8,814**	**-100**	**7,815**
Financial liabilities				
Interest-rate and currency derivatives	*159*	*–*	*–*	*159*
Commodity derivatives	*9,868*	*5,122*	*151*	*4,595*
Trade payables and other operating liabilities	*6,804*	*3,692*	*–*	*3,112*
Total	**16,831**	**8,814**	**151**	**7,865**

Transactions and business relationships resulting in the derivative financial receivables and liabilities presented are generally concluded on the basis of standard contracts that permit the netting of open transactions in the event that a counterparty becomes insolvent.

The netting agreements are derived from netting clauses contained in master agreements including those of the International Swaps and Derivatives Association (ISDA) and the European Federation of Energy Traders (EFET), as well as the German Master Agreement for Financial Derivatives Transactions (DRV) and the Financial Energy Master Agreement (FEMA). For commodity derivatives, the netting option is not presented in the accounting because the legal enforceability of netting agreements varies by country. As of December 31, 2021, other financial assets amounting to € 7,866 million (2020: €898 million) have been deposited as collateral.

The net gains and losses from financial instruments by IFRS 9 category are shown in the following table:

Net Gains and Losses by Category

€ in millions	2021	2020
Measured at amortized cost	-221	-230
Measured at fair value through profit or loss	-9,571	419
Measured at fair value through other comprehensive income	-69	170
Total	**-9,861**	**359**

The net gains and losses in the "amortized cost" category are mainly due to loss allowances on financial receivables.

The net result in the "fair value through profit or loss" category is influenced especially by the fair value measurement of commodity and currency derivatives.

Included in the "fair value through other comprehensive income" category are solely the valuation results of the other equity investments.

Disclosures on Interest Rate Benchmarks

Following a fundamental review and reform of key interest rate benchmarks, some previously standard market benchmarks (interbank offered rates, "IBORs") will no longer be published from 2022 and are being replaced by alternative interest rates.

As of December 31, 2021, no financial instruments exist at the Uniper Group whose future cash flows depend on interest rates affected by the benchmark reform.

Contracts based on the EONIA (Euro Overnight Index Average) benchmark were moved to the new benchmark €STR (Euro Short-Term Rate) during the 2021 fiscal year. No material cash flows resulted from the transition.

Risk Management

Principles

The Uniper Group's risk management system is based on centrally developed principles applicable throughout the Group.

Organizational structure, specialist expertise, systems, processes and policies are material components of the Group's risk management system and ensure that risks are appropriately identified, analyzed, quantified, aggregated and managed.

The risk from derivative financial instruments is primarily bundled within the Group's trading unit and managed centrally. The risk management system for derivative financial instruments is based on the fundamental principle that risks are accepted and authorized according to existing policies and mandates if they are kept within permissible limits and continuously analyzed, monitored and managed. Key to the risk management system for derivative financial instruments are the principles of managing market-price and credit risks, as well as financing activities and associated liquidity risks.

The management and control of the aforementioned risks is organized along three "lines of defense," each of which operates separately from the other two. The first line consists of the Group's trading operations, which decide on the assumption of risk and, as risk owners, actively manage those risks. The second line consists of risk and control units that are responsible for the processing of trades and for risk analysis and monitoring. The third line of defense is the realm of internal audit, which reviews and supervises the activities of the first and second lines.

One of the central responsibilities of Uniper SE's Board of Management is to ensure that an effective risk management system is put in place. Functions and tasks to support and aid the operational implementation of the central risk management principles are delegated appropriately within the Uniper organization, with due consideration given to functional responsibilities.

The Risk Committee of the Uniper Group is the supreme body in charge of monitoring the risks associated with the Uniper Group's business activities. Headed by the Group's Chief Financial Officer, it further comprises the Group Chief Risk Officer, the Group Chief Commercial Officer, the Group Chief Operating Officer and the Executive Vice President for Group Finance and Investor Relations, as well as the Group General Counsel / Chief Compliance Officer. This committee discusses material risk exposures and decides on their disposition. Risk monitoring and the management of countermeasures includes the determination of necessary risk capital, the allocation of risk limits and the development of effective risk management policies and risk control methods.

1. Liquidity Risks

The Uniper Group uses derivative financial instruments to optimize the asset portfolio. Those derivative instruments are traded via exchanges and over-the-counter with selected counterparties based on bilateral margining agreements. Both ways of trading require the exchange of cash to cover credit risks (margining payments). The amount of required cash depends on the size of the position traded via the above channels as well as the development of market prices for the respective underlying products. Considering this, Uniper is exposed to liquidity risks related to the provision of cash in case of unfavorable development of market prices (margining risk).

In addition to that, trading derivative financial instruments exposes the Uniper Group to a liquidity risk associated with having to provide rating-dependent financial collateral like liquid assets or bank guarantees. A potential downgrade of Uniper's current BBB rating to BBB- or below would allow Uniper's counterparties to exercise their contractually agreed right to ask for additional collateral. The extent of additional collateral potentially required depends, among other things, on the value of the existing claims against Uniper and thus on the development of market prices for the underlying products.

Additional liquidity risks from derivative financial instruments arise in connection with the market risks and credit risks discussed further below.

Due to the commodity price surge during 2021, the liquidity risks arising from derivative financial instruments have increased significantly.

Liquidity Risk Management

The liquidity risk associated with a potential downgrade and the margining risk are quantified separately, monitored and managed considering given limits, and taken into account in liquidity planning. Limit breaches are escalated and managed applying internal rules.

To mitigate the liquidity risk associated with a downgrade of Uniper SE's rating, Uniper strives to maintain a separate investment-grade rating of BBB. Against this background, Uniper continually observes all relevant developments affecting ratings, has regular exchanges with the rating agencies and has identified specific measures to manage and mitigate the impact of a downgrade.

In order to manage the increased margining risk, the Uniper Group has initiated a variety of countermeasures. Those comprise, among others, the development of risk management strategies to reduce the sensitivity of Uniper's margin payments against market price developments and operating measures. The remaining liquidity needs are managed in the scope of the liquidity management of the Fortum-Uniper Group.

Liquidity Management

The primary objectives of liquidity management consist of ensuring ability to pay at all times, the timely satisfaction of contractual payment obligations and the optimization of funding costs within the Uniper Group.

The key components of liquidity management are central cash pooling and centralization of external financing at Uniper SE. All liquid funds are provided to the other Group companies as needed on the basis of an "in-house banking" solution.

The liquidity needs from operating activities of the Uniper Group companies are determined on the basis of short- and medium-term liquidity planning. The financing of the Uniper Group is managed and implemented centrally on a forward-looking basis in accordance with the planned liquidity needs or surplus. Relevant planning factors taken into consideration include operating cash flow, capital expenditures, divestments, margin payments and the maturities of financial liabilities.

Uniper has a number of financing instruments available to cover liquidity requirements: a €1.8 billion Euro Commercial Paper program; a €1.8 billion revolving credit facility; an €8.0 billion multi-tranche facility with Fortum that provides for shareholder loans and parent-company guarantees; a €2.0 billion Debt Issuance Program; various promissory notes and bilateral credit lines with Uniper's financing banks and guarantee facilities with several banks to cover guarantee requirements in operations or for margin deposits. Furthermore, a €2.0 billion credit facility was signed with KfW Bank in January 2022. In addition to these financing instruments, Uniper may use operating measures, such as active working capital management, to generate liquidity.

The following tables illustrate the contractually agreed (undiscounted) cash outflows arising from the liabilities included in the scope of IFRS 7:

Cash Flow Analysis as of December 31, 2021

€ in millions	Cash outflows 2022	Cash outflows 2023	Cash outflows 2024–2026	Cash outflows from 2027
Commercial paper	1,480	–	–	–
Bank loans / Liabilities to banks	2,334	481	151	–
Lease liabilities	133	109	265	785
Other financial liabilities	2,626	1	17	387
Cash outflows for financial liabilities	**6,573**	**591**	**432**	**1,172**
Trade payables	11,569	–	–	–
Derivatives	19,974	2,584	4,162	136
Other operating liabilities	375	10	9	6
Other liabilities intended for sale	–	–	–	–
Cash outflows for trade payables and other operating liabilities	**31,918**	**2,594**	**4,171**	**142**
Cash outflows for liabilities within the scope of IFRS 7	**38,492**	**3,185**	**4,603**	**1,314**

Cash Flow Analysis as of December 31, 2020

€ in millions	Cash outflows 2021	Cash outflows 2022	Cash outflows 2023–2025	Cash outflows from 2026
Commercial paper	65	–	–	–
Bank loans / Liabilities to banks	246	12	–	–
Lease liabilities	148	100	247	838
Other financial liabilities	85	–	–	389
Cash outflows for financial liabilities	**544**	**112**	**247**	**1,227**
Trade payables	6,804	–	–	
Derivatives	7,487	2,694	880	26
Other operating liabilities	267	12	5	9
Other operating liabilities intended for sale	205	–	–	–
Cash outflows for trade payables and other operating liabilities	**14,763**	**2,706**	**885**	**35**
Cash outflows for liabilities within the scope of IFRS 7	**15,307**	**2,818**	**1,132**	**1,262**

For financial liabilities that bear floating interest rates, the rates that were fixed on the balance sheet date are used to calculate future interest payments for subsequent periods as well. Financial liabilities that can be terminated at any time are assigned to the earliest maturity band in the same way as put options that are exercisable at any time.

At the same time, the outstanding amounts under the credit facility provided by Fortum and the revolving credit facility provided by Uniper's core banks are assigned to the shortest maturity band, as Uniper intends to repay them within the next 12 months. However, both instruments are also available to Uniper for drawdowns beyond that time. The multi-tranche credit and guarantee facility with Fortum has a maturity date in January 2024, and the revolving credit facility has a maturity date in September 2025. Uniper has the discretion to determine the timing of the final repayment until the end of the respective facility's term – within the 2024–26 maturity band – depending on financing requirements (in the previous year, these instruments were not utilized, and the credit facility provided by Fortum was not established).

In gross-settled derivatives (usually currency derivatives and commodity derivatives), outflows are accompanied by related inflows of funds or commodities. Derivative liabilities are recognized at their expected cash flows.

2. Market Risks

The Uniper Group is exposed to the risk of changes in prices in foreign currencies, interest rates and commodities as part of its ordinary business and its proprietary trading activities. Proprietary trading activities are conducted in compliance with tight internal and regulatory restrictions. Uniper SE has developed risk-reduction strategies to limit the resulting fluctuations in earnings, equity, indebtedness and cash flows that are applicable across the entire Uniper Group. Derivative financial instruments are used mainly for the purpose of reducing risk and optimizing earnings.

Foreign Exchange Risk Management

Uniper SE is responsible for managing the currency risks to which the Uniper Group is exposed.

Because it holds interests in businesses outside of the euro area, currency translation risks arise within the Uniper Group. Fluctuations in exchange rates produce accounting effects attributable to the translation of items in the balance sheets and income statements of the consolidated foreign Uniper companies included in the Consolidated Financial Statements. Translation risks are hedged through borrowing in the corresponding local currency, which may also include foreign currency shareholder loans. In addition, derivative and primary financial instruments are employed as needed. The Uniper Group's translation risks are reviewed at regular intervals and the level of hedging is adjusted whenever necessary.

The Uniper Group is additionally exposed to transaction risks in connection with transactions in foreign currencies. These risks arise for the Uniper Group companies primarily from physical and financial trading in commodities, from business relationships within the Uniper Group and from capital-spending projects in foreign currency. The Uniper companies are responsible for controlling their operating transaction risks. Uniper SE is responsible for the overall coordination of the companies' hedging activities and makes use of external derivative financial instruments as needed.

These derivatives are generally measured at fair value through profit or loss. Uniper uses cash flow hedge accounting to a limited extent. As of December 31, 2021, cash flow hedges of existing foreign currency transactions had terms of up to 4 years (2020: up to 5 years). In the 2021 and 2020 fiscal years, no material ineffectiveness resulted from these hedging relationships. €1.5 million (2020: €2 million) will be reclassified from OCI to the income statement in subsequent periods. Of this amount, €0.5 million is attributable to the 2022 fiscal year and €1 million to the period after 2022.

Transaction risks also result from payments that arise from financial receivables and payables denominated in foreign currencies, which in turn arise both from external financing in different foreign currencies and from foreign currency shareholder loans within the Uniper Group.

Foreign exchange risks are analyzed and monitored daily by teams of specialists.

As of December 31, 2021, the one-day value-at-risk (99% confidence) from the translation of deposits and borrowings denominated in foreign currency, plus foreign exchange derivatives, was €19 million (2020: €18 million) and continued to result primarily from the positions in British pounds, U.S. dollars and Swedish kronor.

Interest Rate Risk Management

The subsidiaries of Uniper SE primarily fund themselves using the Uniper Group's cash pooling system. Cash pooling balances bear interest at market rates specific to maturities and currencies. Individual Uniper companies that are not included in the cash pool due to legal restrictions arrange financing independently or deposit their excess liquidity with leading local banks.

At this time, Uniper SE funds itself predominantly on the basis of short- and medium-term fixed and floating-rate financial liabilities and is exposed to interest rate risks only to a minor extent. Accordingly, a quantitative disclosure about interest rate risk is not made.

Interest rate risks are analyzed and monitored daily by teams of specialists.

Commodity Price Risk Management

The Uniper portfolio of physical assets, long-term contracts and wholesale customer contracts is exposed to substantial risks from fluctuations in commodity prices. The commodity price risks to which Uniper is exposed relate to electricity, gas, coal, freight charters, petroleum products, liquefied natural gas and emission allowances.

The Uniper Group manages the majority of its commodity risks through a central trading function. Risk management for commodity trading activities is based on general standards in the industry for trading operations and also involves the segregation of tasks, as well as daily income and risk calculation and reporting. The objective of commodity risk management is to optimize the value of the Uniper Group's commodity portfolio while limiting associated potential losses.

The key elements of commodity price risk management are governed by the market risk policy. These key elements include the new-product process, which supports the identification of new risks, a series of key indicators to aid the quantification of the commodity risk, and a system of risk controls and limits. Commodity price risks are measured based on a value-at-risk approach with a 95% confidence interval and take into account the amount of the open position, as well as the prices, their volatility and the liquidity on the respective markets. The value-at-risk figures are supplemented by stop-loss and volume-based indicators. Where necessary, additional portfolio-specific restrictions are set.

Commodity positions are aggregated into portfolios based on internal organizational responsibilities and trading strategies. In the calculations of commodity risk, market correlations and portfolio diversification are taken into account considering given risk policies. The methods for quantifying and analyzing commodity risk are reviewed and enhanced on a regular basis to ensure that they appropriately reflect the risk positions and the resulting exposure. Commodity price risks are taken within limits approved by the Board of Management.

Two complementary approaches are followed to manage commodity risks at Uniper. Viewed firstly from an economic perspective, risks are limited over the entire manageable time horizon, with market liquidity taken into account. At the same time, these risks are also limited considering accounting principles over a three-year planning horizon. The second approach supports the limitation of potential negative deviations from the targeted adjusted EBIT.

The specification and approval of commodity risk limits is embedded in the higher-level Group-wide risk-assessment procedure, in which all known obligations and quantifiable risks are incorporated.

Commodity price risks are analyzed and monitored daily by teams of specialists. Responsible management is informed daily about gains and losses associated with commodity-trading activities and about existing risks.

Based on the current Uniper portfolio, as of December 31, 2021, the calendar-year-based value-at-risk, which takes market liquidities into account and ignores correlations between the years, was €1,422 million for financial and physical commodity positions covering a planning horizon of three years (2020: €464 million). The overall risk increased due to an extreme increase of commodity prices and volatilities.

Commodity risk management as presented above is reflected in the internal Uniper Management reporting and also covers the derivative financial instruments within the scope of IFRS 7.

Commodity derivatives are generally measured at fair value. Since October 1, 2021, Uniper applies “all-in-one” hedge accounting for physically settled fixed-price forwards and futures it uses to hedge future cash flows, but for which the own-use exemption cannot be applied. The goal of these hedges is to fix the price for 30 terawatt-hours of gas volumes to be delivered in 2022 and thereby eliminate the variability of cash flows. The following table shows the details of the hedging relationship:

Commodity Cash Flow Hedge Accounting

Timing of nominal amount of the hedging instrument	2022
Nominal amount (€ in millions)	424
Average gas price of hedging instrument (€/MWh)	14.17
Volume (TWh)	30
Hedging instruments	
Carrying amounts (€ in millions)	-1,415
Assets	*335*
Liabilities	*-1,750*
Line item in financial statements	Other operating assets / liabilities
Change in fair value of hedging instrument, used as the basis for determining hedge ineffectiveness (€ in millions)	-172
Hedged items	
Change in value of hedged item, used as the basis for determining hedge ineffectiveness (€ in millions)	172
Continuing hedge	*172*
Ended hedge accounting	–

As of December 31, 2021, existing items covered by the all-in-one hedge with a maturity of under one year were included in the Gas Commodity business area. Ineffectiveness results from this hedging relationship if Uniper's credit risk or that of the counterparty increases. An ineffectiveness of €8 million arose in fiscal 2021 and was recognized as other operating income. €172 million will be reclassified from OCI to the income statement in the 2022 fiscal year.

3. Credit Risks

Uniper is exposed to credit risks associated with operating activities and the use of derivative financial instruments.

Credit risk is the risk that the Uniper Group might incur a financial loss as a consequence of the non-payment or partial payment of outstanding receivables by counterparties and from replacement risks for open transactions.

Credit Risk Management

As part of centralized credit risk management, the credit rating of business partners is systematically assessed and monitored on the basis of Group-wide minimum standards. Those minimum standards are supplemented by specific internal control procedures for business areas where most of the risks are incurred.

Uniper applies appropriate measures to manage credit risks. They include setting limits for individual counterparties, counterparty groups and at portfolio level, as well as securing collateral, structuring contracts and/or transferring credit risk to third parties (such as insurers). Credit risks are continuously measured and monitored to ensure that the measures taken are in fact appropriate. The Risk Committee is kept informed about material credit risks on a regular basis. An additional foundation for the management of risk is a conservative investment strategy and a broadly diversified portfolio.

Guarantees issued by the respective parent companies or evidence of profit-and-loss-transfer agreements in combination with letters of awareness are accepted as collateral for credit risks. The Company also requires bank guarantees and deposits of cash and securities as collateral to reduce credit risk. Collateral amounting to €5,158 million (2020: €4,526 million) has been accepted in the context of risk management.

To reduce credit risk, bilateral margining agreements are entered into with selected counterparties. In bilateral margining, cash payments are made into a margining account to cover credit risk (settlement and replacement risk) stemming from margin-based contracts. This concept applies for Uniper's credit risk exposure to a counterparty as well as for the credit risk exposure of a counterparty to Uniper. The inherent margining and liquidity risk is linked directly to actual or potential market price movements. The resulting margining risk is measured, monitored and managed using an overall limit for the entire Uniper Group.

To further reduce credit risk, physical as well as financial transactions are generally executed on the basis of standard agreements under which the netting of all open transactions can, in principle, be agreed with individual counterparties.

Liquid funds are generally invested with counterparties with good credit ratings. Uniper companies that are not included in the Uniper Group cash pool due to legal restrictions deposit money with leading local banks. Standardized credit assessment and limit-setting is complemented by monitoring of credit default swap (CDS) levels, stock prices and other market-relevant information for the banks and for other significant counterparties.

Allowances for Losses on Financial Assets

Loss allowances for expected credit losses are recognized on financial assets carried at amortized cost, lease receivables and contract assets, as well as on loan commitments. Loss allowances on trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses. This applies even for those trade receivables and contract assets that contain a significant financing component. For all other financial assets within the scope of the IFRS 9 loss allowance model, 12-month expected credit losses are measured as long as the credit risk of a financial instrument has not increased significantly since initial recognition. If the credit risk of a financial asset does increase significantly, loss allowances are also recognized in an amount equal to full lifetime expected credit losses. A quarterly assessment takes place to determine whether there has been a significant increase in credit risk since initial recognition. If the credit risk is low, it is assumed not to have increased significantly. A financial asset with an investment-grade rating is assumed to have low credit risk. On the other hand, if an asset loses its investment-grade rating after initial recognition, it is assumed that the credit risk has increased significantly. For all other assets, a downgrade by two Uniper-internal ratings leads to the same assumption.

A financial asset will continue to be directly written down if there are no reasonable expectations of recovering it in its entirety or a portion of it. Such is the case, for example, if it is probable that the borrower will enter bankruptcy or other financial reorganization or if it becomes known that the borrower is in significant financial difficulty. There need not necessarily be one specific event leading to the conclusion that the asset is credit-impaired; the combined effect of several events can give rise to the same conclusion. An asset also is usually written down if contractual payments are more than 180 days past due.

Uniper calculates expected credit losses using probabilities of default, which are determined for significant financial assets within credit risk management and applied both for expected credit losses pursuant to IFRS 13 and for the purposes of IFRS 9. Whenever possible, they are derived from available market data (liquid credit default swaps or liquid debt instruments). If there are no publicly available market data, an internal credit rating is applied. This ensures that forward-looking information is sufficiently considered.

The value of collateral and other measures taken to reduce credit risk (e.g., credit default insurance) is included in the calculation of expected credit losses in the “loss given default” ratio.

The following table provides a reconciliation of 2020 loss allowances in line with the classifications defined in IFRS 9:

Reconciliation of Loss Allowances by Asset Class 2021

€ in millions	Accumulated loss allowances as of Jan. 1, 2021	Stage 1: 12-month ECL[1]	Stage 2: Lifetime ECL[1]	Simplified approach: Lifetime ECL[1]	Stage 3: Lifetime ECL[1]	Accumulated loss allowances as of Dec. 31, 2021
Trade receivables and contract assets	-98	–	–	-8	-14	-120
Other financial assets	-4	1	–	–	–	-3
Total	**-102**	**1**	**0**	**-8**	**-14**	**-123**

[1]Expected credit loss (ECL).

Reconciliation of Loss Allowances by Asset Class 2020

€ in millions	Accumulated loss allowances as of Jan. 1, 2020	Stage 1: 12-month ECL[1]	Stage 2: Lifetime ECL[1]	Simplified approach: Lifetime ECL[1]	Stage 3: Lifetime ECL[1]	Accumulated loss allowances as of Dec. 31, 2020
Trade receivables and contract assets	-105	–	–	12	-5	-98
Other financial assets	-5	1	–	–	–	-4
Total	**-110**	**1**	**0**	**12**	**-5**	**-102**

[1]Expected credit loss (ECL).

There were no significant individual loss allowances related to credit quality in the 2021 fiscal year.

An immaterial expected credit loss – as in the previous year – was calculated for cash and cash equivalents. As in the previous year, the Uniper Group holds no financial assets that were already credit-impaired when they were purchased or originated. Lease receivables are presented under other financial assets.

Loss allowances for trade receivables and contract assets resulted from the following changes:

Loss Allowances for Trade Receivables and Contract Assets

	2021		2020	
€ in millions	Stage 2	Stage 3	Stage 2	Stage 3
Loss allowances as of January 1	**-11**	**-88**	**-24**	**-82**
Change in scope of consolidation	0	0	0	0
Impairments on currently existing receivables	-21	-7	-30	-31
Reversals/Repaid or derecognized receivables	13	-2	43	9
Other[1]	0	-6	0	16
Loss allowances as of December 31	**-19**	**-102**	**-11**	**-87**

[1]"Other" includes currency translation differences.

The increase in accumulated "stage 2" loss allowances resulted primarily from the higher receivables level compared with year-end 2020 even as the probabilities of default for Uniper's receivables portfolio did not change substantially. Uniper's receivables portfolio comprises mostly customers with investment-grade or comparable internal ratings.

As in the previous year, no financial assets or liabilities were modified in the 2020 fiscal year; accordingly, modification had no impact on the loss allowances reported.

Credit Risk Exposure

Management of credit risks within the Uniper Group is not limited to financial assets within the scope of the IFRS 9 loss allowance model, it also extends especially to credit risks from open transactions and derivative financial instruments that are, for example, measured at fair value through profit or loss.

The following table shows the gross carrying amounts by rating class for assets carried at amortized cost, for lease receivables and for loan commitments:

Gross Carrying Amounts by Rating Class 2021

in Mio €	Stage 1	Stage 2	2021 Stage 3	Loss allowance
Trade receivables and contract assets	0	11,654	110	-120
Investment-grade or comparable rating	*n/a*	*8,265*	*22*	*-19*
Non-investment-grade or comparable rating	*n/a*	*3,389*	*88*	*-101*
Other financial assets	1,766	0	0	-1
Investment-grade or comparable rating	*1,745*	–	–	*-1*
Non-investment-grade or comparable rating	*21*	–	–	*0*
Total	**1,766**	**11,654**	**110**	**-122**

Gross Carrying Amounts by Rating Class 2020

€ in millions	Stage 1	Stage 2	2020 Stage 3	Loss allowance
Trade receivables and contract assets	0	6,533	92	-98
Investment-grade or comparable rating	*N/A*	*4,986*	*6*	*-18*
Non-investment-grade or comparable rating	*N/A*	*1,546*	*86*	*-80*
Other financial assets	1,848	0	0	-4
Investment-grade or comparable rating	*1,789*	–	–	*-2*
Non-investment-grade or comparable rating	*59*	–	–	*-2*
Total	**1,848**	**6,533**	**92**	**-102**

Gross carrying amounts best reflect the maximum exposure of the assets to credit risk on the reporting date.

Cash and cash equivalents are generally invested with counterparties having good credit ratings. On December 31, 2021, holdings of cash and cash equivalents had a carrying amount of €2,919 million (2020: €243 million). 99% (2020: 99%) of this total was invested with investment-grade-rated banks.

Equity Instruments

IFRS defines equity, as distinct from debt, as the residual interest in the Uniper Group's assets after deducting all liabilities.

If shareholders of entities own statutory, non-excludable rights of termination (as in the case of German partnerships, for example), such termination rights require the reclassification of non-controlling interests in such entities held within the Group from equity into liabilities. The liability is reported at the present value of the expected settlement amount in the event of termination. The amount is recognized irrespective of the probability of termination. Changes in the value of the liability are reported within other operating income. Accretion of the liability and the non-controlling shareholders' share in net income are shown as interest expense.

Where Uniper has entered into purchase commitments to holders of non-controlling interests in subsidiaries, those non-controlling shareholders have the right to require Uniper to purchase their shares under previously specified conditions. In such a case, IAS 32 requires that a liability be recognized at the present value of the probable future exercise price. This amount is reclassified from a separate component within non-controlling interests and reported separately as a liability. The reclassification occurs irrespective of the probability of exercise. The subsequent measurement of the liability is recognized in financial results. If a purchase commitment expires unexercised, the liability reverts to non-controlling interests. Any difference between liabilities and non-controlling interests is recognized directly in retained earnings.

Capital Structure Management and Enhanced Disclosures for Net Debt

The most significant credit agreements and the Uniper Group's existing bond and commercial paper issuance programs are described below.

€1.8 Billion Euro Commercial Paper Program

The Euro Commercial Paper program is a flexible instrument for the issuance of short-term debt in the form of commercial paper notes that are compliant with the STEP (Short-Term European Paper) Market Convention. As of December 31, 2021, €1,480 million in commercial paper was outstanding (2020: €65 million in commercial paper outstanding).

€2.0 Billion Debt Issuance Program

Initially launched in November 2016, the Debt Issuance Program (DIP) is a flexible instrument for issuing debt securities to investors in public, syndicated and private placements. The volume, currencies and maturities of the bonds to be issued depend on Uniper's financing requirements. The total usable amount under the program is €2.0 billion.

As in the previous year, there was no issuance outstanding under the DIP as of year-end 2021.

€1.8 Billion Syndicated Bank Financing Agreement with Revolving Credit Facility

Uniper SE's syndicated bank financing is provided in the form of a revolving credit facility by a total of 16 banks. The revolving credit facility was refinanced in September 2018 in the amount of €1.8 billion. The maturity date is in September 2025. The revolving credit facility serves Uniper as a general liquidity reserve. As of December 31, 2021, Uniper had drawn €1.8 billion from the revolving credit facility (2020: no drawing).

€8.0 Billion Revolving Credit and Guarantee Facility with Fortum

In September 2021, Uniper established a credit facility with Fortum which was extended in December 2021 to a multi-tranche credit and guarantee facility with a total volume of €8.0 billion. As of December 31, 2021, the facility was utilized with €2.5 billion in cash drawings and €2.0 billion in guarantees. The credit facility agreement currently has a maturity date in January 2024.

€2.0 Billion Revolving Credit Facility with KfW

In December 2021, the establishment of a further credit facility with KfW Bank with a volume of €2.0 billion was initiated, which was signed on January 4, 2022. It ranks among the recent events after the balance sheet date and has a maturity on April 30, 2022.

Covenants

In its financing activities, Uniper SE has agreed to enter into covenants consisting primarily of change-of-control clauses, negative pledges and pari-passu clauses, each referring to a restricted set of significant circumstances.

Additional Financing in 2021

Uniper additionally has access to further financing instruments, which were used flexibly in 2021. These include various promissory notes and bilateral credit lines with Uniper's financing banks. Uniper also uses guarantee facilities with several banks to cover guarantee requirements in its operations or for margin deposits.

Capital Structure Management

Uniper measures its balance sheet stability particularly in a solid investment-grade rating of BBB and by a corresponding debt factor. The debt factor is defined as the ratio of current economic net debt to adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA). The BBB target rating can be translated into a debt factor of less than or equal to 2.5. Based on adjusted EBITDA in fiscal 2021 of €1,856 million (2020: €1,657 million) and economic net debt of €324 million as of the balance sheet date (2020: €3,050 million), the debt factor was 0.2 (2020: 1.8).

Economic Net Debt

Economic net debt is used by Uniper to manage the Group's capital structure. The items in the table Economic Net Debt are being shown in a changed order since June 30, 2021, beginning with financial liabilities and liabilities from leases and subsequent netting items. All items are shown with their respective (+) or (-) sign in the summation. The new representation of the table is meant to increase transparency and highlight the calculation logic.

Economic Net Debt

€ in millions	Dec. 31, 2021	Dec. 31, 2020
(+) Financial liabilities and liabilities from leases	8,975	1,743
(+) Bonds	–	–
(+) Commercial paper	*1,480*	*65*
(+) Liabilities to banks	*2,964*	*259*
(+) Lease liabilities	*745*	*761*
(+) Margining liabilities	*783*	*193*
(+) Liabilities from shareholder loans towards Uniper shareholders and co-shareholders	*2,931*	*378*
(+) Other financing	*70*	*87*
(-) Cash and cash equivalents	2,919	243
(-) Current securities	47	46
(-) Non-current securities	111	98
(-) Margining receivables[1]	7,866	898
Net financial position	**-1,969**	**457**
(+) Provisions for pensions and similar obligations	1,065	1,371
(+) Provisions for asset retirement obligations	1,228	1,223
(+) Other asset retirement obligations	*853*	*802*
(+) Asset retirement obligations for Swedish nuclear power plants	*2,940*	*2,916*
(-) Receivables from the Swedish Nuclear Waste Fund recognized on the balance sheet	*2,565*	*2,495*
Economic net debt	**324**	**3,050**
(-) For informational purposes: Receivables from the Swedish Nuclear Waste Fund (KAF) ineligible for capitalization[2]	211	223
For informational purposes: Fundamental economic net debt	**113**	**2,827**

[1]The line item "Margining receivables" contains additional securities beginning on June 30, 2021. These are akin to other margining receivables and have so far been reported as other financial receivables, which are not part of economic net debt. Margining receivables, net financial position, economic net debt and fundamental economic net debt as of December 31, 2020, have been adjusted for consistency.

[2]Due to IFRS valuation rules (IFRIC 5), €211 million (December 31, 2020: €223 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.

Overall, financial liabilities and liabilities from leases increased by €7,232 million to €8,975 million as of December 31, 2021 (December 31, 2020: €1,743 million). As of December 31, 2021, Uniper SE had drawn a short-term loan from Fortum of €2,500 million, its liabilities to banks increased by €2,705 million and margining liabilities increased by €590 million.

In addition, commercial paper of €1,480 million were outstanding on December 31, 2021 (December 31, 2020: €65 million). As an offsetting effect approximately equal to that of the increase in financial liabilities, posted collateral of €7,866 million led to an increase of €6,968 million in margining receivables. The operating cash flow (€3,621 million) and divestment inflows (€65 million) significantly exceeded dividend payments (-€501 million) and investment spending (-€720 million) in financial year 2021, leading to an improved net financial position as of December 31, 2021, by -€2,426 million to -€1,969 million, which corresponds to net financial assets.

The decrease in economic net debt by €2,726 million even exceeded the decrease in the net financial position, mainly because provisions for pensions and similar obligations were reduced by €306 million to €1,065 million (December 31, 2020: €1,371 million). This development was mainly caused by an increase in interest rates in Germany and the UK during fiscal 2021 leading to a reduction of the present value of pension liabilities. The fair value of plan assets slightly improved compared with year-end 2020, leading to overall lower provisions for pensions and similar obligations during fiscal 2021. In contrast, the provisions for asset retirement obligations increased to €1,228 million as of December 31, 2021 (December 31, 2020: €1,223 million).

(30) Transactions with Related Parties

Related Entities

Uniper exchanges goods and services with numerous entities as part of its continuing operations. In the reporting period, these also included related entities of the Fortum Group and the Uniper Group.

Uniper is an affiliated company of Fortum Oyj and includes it and its subsidiaries and joint ventures as related parties in the financial reporting. The same is true for the Republic of Finland – in its capacity as majority shareholder of Fortum Oyj – and the entities controlled by it.

Transactions with associated companies of the Uniper Group and their subsidiaries, as well as with joint ventures of the Uniper Group, are presented separately. Transactions with subsidiaries of the Uniper Group that are not fully consolidated are presented as transactions with other related parties. As in the previous year, the share of the transactions referred to in the following section made up by transactions with other related parties is not material.

Aside from the financing transactions discussed below, there have been no significant business transactions with the Republic of Finland, or with material entities controlled by it other than with Fortum Oyj, in the 2021 fiscal year. The following transactions with related parties took place in the periods indicated:

Related-Party Transactions – Income Statement

€ in millions	2021	2020
Income	**657**	**496**
Entities with control over Uniper (Fortum Group)[1]	*116*	*116*
Associates	*501*	*355*
Joint ventures	*10*	*13*
Other related parties	*31*	*12*
Expenses	**434**	**378**
Entities with control over Uniper (Fortum Group)[1]	*30*	*16*
Associates	*346*	*339*
Joint ventures	*40*	*4*
Other related parties	*18*	*19*

[1]Until March 25, 2020, significant influence by the Fortum Group.

Related-Party Transactions – Balance Sheet

€ in millions	Dec. 31, 2021	Dec. 31, 2020
Receivables	**514**	**566**
Entities with control over Uniper (Fortum Group)[1]	*28*	*25*
Associates	*417*	*499*
Joint ventures	*12*	*16*
Other related parties	*57*	*26*
Liabilities	**2,917**	**466**
Entities with control over Uniper (Fortum Group)[1]	*2,770*	*248*
Associates	*8*	*85*
Joint ventures	*44*	*36*
Other related parties	*95*	*97*

[1]Until March 25, 2020, significant influence by the Fortum Group.

Transactions for Goods and Services, Financing Activities and Other Financial Obligations

Income from transactions and from goods and services received, and other expenses from transactions within the Uniper Group and with the Fortum Group, were as follows in the 2021 fiscal year:

Business relationships with related entities reflected the Group-wide procurement and sales activities of Uniper Global Commodities SE, primarily in the electricity and gas business. These relationships result in extensive mutual obligations and trading relationships.

Income generated from transactions with related entities of the Uniper Group includes revenues from deliveries of electricity and gas in the amount of €13 million (2020: €144 million). The corresponding expenses from transactions with related entities of the Uniper Group consisted of material costs associated with electricity and gas procurement in the amount of €224 million (2020: €222 million). Both revenues and cost of materials result from spot and forward transactions concluded at market terms that were conducted by Uniper Global Commodities SE as part of the provision of market access for the Uniper Group's companies.

The income generated from transactions with Fortum Oyj and Fortum Group companies included especially revenues from electricity and gas deliveries amounting to €114 million (2020: €114 million). The corresponding expenses from transactions with Fortum Oyj and Fortum Group companies consisted especially of material costs for electricity procurement amounting to €19 million (2020: €13 million).

As of December 31, 2021, receivables from and liabilities to Fortum Oyj and Fortum Group companies exist in the amount of €28 million (December 31, 2020: €25 million) and €2,770 million (December 31, 2020: €248 million), respectively. Included in the liabilities are financial liabilities of €2,764 million (2020: €245 million) resulting from a utilized credit facility and from a Fortum Group company's share in the financing of the nuclear power plant in Sweden that is jointly operated under Uniper's management. The underlying contracts were concluded at market terms.

An Intercompany Financing Agreement between Fortum Finance Ireland DAC and Uniper SE was signed in September 2021 and subsequently amended several times. In December 2021, that Intercompany Financing Agreement between Uniper SE and Fortum Finance Ireland DAC was superseded by an €8.0 billion multi-tranche credit facility. The parties to this facility are Fortum Oyj (guarantee issuer) and Fortum Finance Ireland DAC (lender), as well as Uniper SE and Uniper Global Commodities SE (each a borrower and guarantee holder). As of year-end 2021, the facility was utilized to the amount of €2.5 billion in credit and to the amount of €2.0 billion in guarantees. The underlying contracts were concluded at market terms.

Other financial obligations to related entities amounted to €1,868 million as of December 31, 2021 (December 31, 2020: €2,019 million).

Detailed disclosures concerning the pension funds are provided in Note 23, "Provisions for Pensions and Similar Obligations."

Hedging Transactions and Derivative Financial Instruments

Gains from the marking to market of commodity forward transactions with associated companies of the Uniper Group amounted to €298 million in the 2021 fiscal year (2020: €87 million); corresponding losses amounted to €138 million (2020: €74 million). There are no associated derivative receivables or derivative liabilities relating to the marking to market of commodity forward transactions as of the reporting date (December 31, 2020: receivables of €71 million, liabilities of €49 million).

There were no material effects on earnings from the marking to market of commodity forward transactions with Fortum companies.

Transactions with Associated Companies

As in the previous year, no loss allowances were recognized on receivables from related entities in the 2021 fiscal year.

Related Persons

Related persons within the Uniper Group include the members of the Board of Management and of the Supervisory Board (key management personnel).

The expense for the 2021 fiscal year for members of Uniper's Board of Management amounted to roughly €7.2 million for short-term benefits (2020: €6.9 million). Short-term benefits consist of the base salary, the expense recognized for fringe benefits and the annual bonus payout amount.

The annual bonus is dependent both on the financial performance of the Uniper Group and on the individual performance of each member of the Board of Management in the relevant fiscal year. Uniper's financial performance is measured using the adjusted net income indicator. The Supervisory Board defines individual targets and team goals each year to assess individual performance. Group financial performance and individual performance target attainments are linked through multiplication. The payout of the annual bonus is capped at 200% of the target amount.

In addition, members of the Board of Management have received allocations under the non-share-based 2021 Performance Cash Plan for the first time. This plan is granted in annual tranches, with a performance period of three years for each tranche, since the 2021 fiscal year. The payout under the Performance Cash Plan is based on a target amount contractually agreed with each Board member and promised at the start of the performance period as a future entitlement, as well as on two financial performance targets with a total weight of 60% and on two non-financial performance goals weighted together at 40%. The expense for the tranche of the 2021 Performance Cash Plan allocated in fiscal 2021 was roughly €1.0 million (in 2020, the total expense for the tranche of the share-based 2020 Performance Share Plan allocated in fiscal 2020 and the tranches of the share-based 2016 Performance Cash Plan allocated in fiscal 2018 and 2019 was roughly €3.7 million).

The expense for termination benefits amounted to roughly €6.8 million in the 2021 fiscal year (2020: €0 million) due to severances, and the expense for post-employment benefits amounted to roughly €2.5 million (2020: €1.5 million).

Accordingly, the total expense recognized was roughly €17.5 million (2020: €12.1 million). An amount of roughly €4.8 million (2020: €2.8 million) has been recognized as "other" provisions for the 2021 annual bonus and the allocations under the 2021 Performance Cash Plan. Additionally taken into account in the reporting year were actuarial gains totaling roughly €835 thousand (2020: losses of €13.5 thousand). The cost of post-employment benefits is equal to the service and interest cost of the provisions for pensions. The present value of the defined benefit obligation was roughly €3.8 million as of December 31, 2021 (2020: €6.1 million). The defined contribution pension plan of the Board of Management members is discussed in more detail in the "Description of the Benefit Plans" section of Note 23.

The expense for short-term compensation of members of the Supervisory Board amounted to roughly €1.3 million for the 2021 fiscal year (2020: €1.1 million). Employee representatives on the Supervisory Board were granted compensation under existing employment contracts with Uniper SE and its subsidiaries totaling roughly €0.6 million (2020: €0.6 million). Reimbursements paid by Uniper SE to Supervisory Board members for outlays totaled roughly €1 thousand for the 2021 fiscal year (2020: €34 thousand).

Since the 2021 fiscal year, Supervisory Board compensation is paid out entirely as fixed compensation; there is no conversion into virtual shares. Prior to the 2021 fiscal year, Supervisory Board members had received a component of 20% of their compensation in the form of long-term variable compensation. That compensation was allocated as a right to a future payment in the form of virtual shares. Supervisory Board members serving at that time therefore still hold virtual shares that have not yet been paid out. The provision for the Supervisory Board's virtual shares as of December 31, 2021, is roughly €0.8 million (2020: €0.9 million). The expense for fiscal 2021 amounted to roughly €0.2 million in total (2020: €0.6 million).

(31) Leases

A lease arrangement is established by a contract (the lease) that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. A portion of an asset is an identified asset if it is physically distinct. If it is not physically distinct, the portion of an asset is not an identified asset, unless the lessee has the right to use substantially all of the capacity of the asset during the lease term.

If a contract contains more than one lease component, or a combination of leasing and selling transactions, the consideration is allocated to each of the lease and non-lease components on conclusion and on each subsequent remeasurement of the contract on the basis of their relative stand-alone selling prices.

Uniper as Lessee

For leases with terms not exceeding twelve months, and for leases of low-value assets, Uniper has exercised the optional application exemptions. The lease payments under these contracts are generally recognized on a straight-line basis over the lease term as other operating expenses.

In all other leases in which Uniper acts as the lessee, the present value of future lease payments is recognized as a financial liability. Lease payments are split into principal and interest portions, using the effective interest method.

Correspondingly, the right-of-use asset is recognized within property, plant and equipment at the present value of the liability at the commencement date of the lease, adding any directly attributable costs. Payments made before the commencement date and incentives received from the lessor are also included in the carrying amount of the right-of-use asset. The right-of-use asset is depreciated on a straight-line basis over the lease term or, if it is shorter, over the useful life of the leased asset. The provisions of IAS 36 concerning the determination and recognition of impairments of assets also apply to right-of-use assets.

If the expected lease payments change as a result of index-linked consideration, for example, or on the basis of new assessments of contractual options, the liability is remeasured. The adjustment to the new carrying amount is generally recognized with no impact on net income, by making a corresponding adjustment to the right-of-use asset.

In addition to owned assets, property, plant and equipment used by the Uniper Group also includes leased assets, which break down as follows:

Right-of-Use Assets within Property, Plant and Equipment

	December 31	
€ in millions	**2021**	**2020**
Owned property, plant and equipment	9,412	9,125
Right-of-use assets	644	643
Property, plant and equipment	**10,055**	**9,769**

Capitalized right-of-use assets relate especially to gas storage facilities and to land and buildings. Right-of-use assets have been capitalized for cargo ships and motor vehicles to a marginal extent. The right-of-use assets thus capitalized for leased property, plant and equipment had the following net carrying amounts as of December 31, 2021:

Right-of-Use Assets

	December 31	
€ in millions	**2021**	**2020**
Real estate and leasehold rights	40	40
Buildings	115	133
Technical equipment, plant and machinery	478	463
Other equipment, fixtures, furniture and office equipment	10	8
Total	**644**	**643**

Additions to right-of-use assets within property, plant and equipment amounted to €112 million in 2021 (2020: €133 million). This amount consists primarily of €93 million (2020: €68 million) in additions of technical equipment and machinery and of €10 million (2020: €60 million) in additions of buildings.

Some of the leases contain price-adjustment clauses, as well as extension, purchase and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, possible additional lease payments amounting to €128 million (2020: €224 million) were not included in the measurement of lease liabilities in the 2021 fiscal year.

The corresponding lease payment obligations are presented in the Cash Flow Analysis table in Note 29.

As of December 31, 2021, there were no commitments relating to leases not yet commenced as of that date (2020: no commitments).

The following amounts have been recognized in the income statement and in the cash flow statement:

Amounts Recognized in the Income Statement

€ in millions	2021	2020
Depreciation of right-of-use assets	-113	-128
Impairment charges on right-of-use assets	-18	-1
Reversals of impairments on right-of-use assets	26	83
Interest expense on lease liabilities	-39	-43
Expense relating to short-term leases	-217	-134
Expense relating to leases of low-value assets, not including short-term leases	-3	-2
Income from subleasing right-of-use assets	45	29
Total	**-319**	**-195**

The depreciation expense for right-of-use assets related principally to technical equipment and machinery (€85 million; 2020: €100 million) and to buildings (€20 million; 2020: €20 million).

Amounts Recognized in the Cash Flow Statement

€ in millions	2021	2020
Cash outflow for leases	381	315

In addition to the cash payments for the interest and principal portions of recognized lease liabilities, amounts reported in the cash flow statement also include payments for unrecognized short-term leases and for leases of low-value assets. Cash payments for the principal portion (€121 million; 2020: €135 million) are reported within financing cash flow, and those for the interest portion (€39 million; 2020: €43 million) are reported within operating cash flow.

Uniper as Lessor

Leases in which Uniper acts as the lessor and substantially all the risks and rewards arising from the use of the leased asset are transferred to the lessee are classified as finance leases. In this type of lease, the present value of the minimum lease payments is recorded as a receivable. Payments by the lessee are apportioned between a reduction of the lease receivable and interest income. The interest income from such arrangements is recognized over the lease term, using the effective interest method.

There exist a small number of operating leases in which Uniper is the lessor. In these leases, the leased asset generally continues to be presented on the Uniper Group's balance sheet and the lease payments are recognized as income on a straight-line basis over the lease term.

Finance Leases

Receivables from finance leases are primarily the result of certain electricity delivery contracts that, pursuant to IFRS 16, must be treated as leases. The nominal and present values of the outstanding lease payments have the following due dates:

Maturity Analysis of Undiscounted Lease Payments – Finance Leases

€ in millions	2021	2020
Due within 1 year	23	28
Due in 1 to 2 years	23	28
Due in 2 to 3 years	23	27
Due in 3 to 4 years	23	27
Due in 4 to 5 years	22	27
Due in more than 5 years	92	175
Total undiscounted lease payments	**206**	**312**
Interest component	73	116
Lease receivables	**133**	**196**
Current	*14*	*16*
Non-current	*119*	*180*

Interest income from finance leases was recognized in the amount of €15 million in the 2021 fiscal year (2020: €16 million).

(32) Reconciliation of Income/Loss before Financial Results and Taxes to Adjusted EBIT and to Adjusted Net Income

The following information for the 2021 fiscal year is provided on the basis of the Uniper Group's internal reporting system in order to enable an assessment to be made of the nature and financial consequences of the business activities conducted by the Uniper Group and of the economic environment in which the Group operates.

Adjusted EBIT

Adjusted EBIT, a measure of earnings before interest and taxes adjusted for non-operating effects, is the key measure at Uniper for purposes of internal management control and as the most important indicator of the operating performance of a business. This information is also used for the management of operating segments.

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.

Reconciliation of Income/Loss before Financial Results and Taxes

€ in millions	2021	2020
Income/Loss before financial results and taxes	**-4,876**	**608**
Net income/loss from equity investments	7	-9
EBIT	**-4,869**	**599**
Non-operating adjustments	6,056	399
Net book gains (-) / losses (+)	*-9*	*10*
Impact of derivative financial instruments	*8,783*	*-570*
Adjustments of revenue and cost of materials from physically settled commodity derivatives to the contract price	*-3,095*	*995*
Restructuring / Cost-management expenses (+) / income (-)[1]	*158*	*65*
Miscellaneous other non-operating earnings	*137*	*-192*
Non-operating impairment charges (+) / reversals (-)[2]	*81*	*92*
Adjusted EBIT	**1,187**	**998**
For informational purposes:		
Economic depreciation and amortization/reversals	*669*	*658*
For informational purposes: Adjusted EBITDA	*1,856*	*1,657*

[1]Expenses for (and income from) restructuring and cost management in the Global Commodities segment included depreciation and amortization of €2 million in the 2021 fiscal year (2020: €5 million).
[2]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 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.

Owing to the adjustments made, the earnings items shown here may differ from the figures determined in accordance with IFRS.

The net book gain in the reporting period of €9 million is primarily attributable to a land sale (2020: net book losses of €10 million, primarily attributable to disposals of property, plant and equipment, which were only partially offset by the gain on disposal of the stake in Gas-Union GmbH).

The fair value measurement of derivatives used to hedge the operating business against price fluctuations resulted in a net non-operating loss of €8,783 million in the 2021 fiscal year, due to changed market values in connection with increased commodity prices in all the forward markets relevant to Uniper (2020: net gain of €570 million). Whereas the derivatives are subject to "mark-to-market" (i.e., fair value) accounting, the corresponding appreciation of the hedged underlying assets (especially power plants and inventories) 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.

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 €3,095 million in fiscal 2021 (2020: net expense of €995 million).

In 2021, restructuring and cost-management expenses/income changed by €93 million year over year. The expense in the 2021 fiscal year amounted to €158 million (2020: expense of €65 million) The figure includes an expense of €130 million from the restructuring of the Engineering business and a further expense from restructuring of €28 million incurred in connection with the proactive phase-out plan for coal in Europe (2020: €57 million).

An expense of €137 million was recorded under miscellaneous other non-operating earnings in the 2021 fiscal year (2020: income of €192 million). The change resulted primarily from expenses for adjustments of provisions recognized for non-operating effects in the Global Commodities segment totaling €115 million (2020: income of €212 million) and from the increase of €55 million in an "other" provision for potential obligations in the context of the shutdown and administration of Swedish nuclear research facilities. Earnings of €89 million (2020: €39 million) in the European Generation segment associated with the proactive phase-out plan for coal had an offsetting effect. In the previous year, the change in the recognition status of one equity investment from an associated company to one of the other equity investments had resulted in a gain of €38 million.

A net loss of €81 million (2020: €92 million) from the aggregation of non-operating impairment charges and reversals was recognized in the 2021 fiscal year. As in the previous year, the impairments were primarily attributable to the European Generation and Russian Power Generation segments. Reversals of impairments recognized in previous years related primarily to the European Generation segment in fiscal 2021 (2020: European Generation and Global Commodities).

Adjusted Net Income

Adjusted net income is composed of adjusted EBIT, net operating interest income and income taxes on operating earnings, less non-controlling interests in operating earnings (see the Management System section for a detailed definition). The following table shows the reconciliation of income/loss before financial results and taxes to adjusted net income:

Reconciliation to Adjusted Net Income

€ in millions	2021	2020
Income/Loss before financial results and taxes	**-4,876**	**608**
Net income/loss from equity investments	7	-9
EBIT	**-4,869**	**599**
Non-operating adjustments	6,056	399
Adjusted EBIT	**1,187**	**998**
Interest income/expense and other financial results	*256*	*-57*
Non-operating interest expense and negative other financial results (+) / interest income and positive other financial results (-)	*-185*	*97*
Operating interest income/expense and other financial results	71	39
Income taxes	*507*	*-139*
Expense (+) / Income (-) resulting from income taxes on non-operating earnings	*-829*	*-86*
Income taxes on operating earnings	-321	-226
Less non-controlling interests in operating earnings	-31	-37
Adjusted net income	**906**	**774**

Aside from other financial results, the adjustments for financial effects relate primarily to the time value of money effects of the provisions financed through the Swedish Nuclear Waste Fund ("Kärnavfallsfonden" or "KAF") in the European Generation segment and of other non-operating provisions in the Global Commodities segment. Income of €185 million was adjusted for in total (2020: €97 million expense).

In fiscal 2021, there was non-operating tax income, arising particularly from the measurement of derivative financial instruments, of €829 million (2020: €86 million tax income). The operating tax expense amounted to €321 million (2020: €226 million). This has resulted in an operating effective tax rate of 25.5% (2020: 21.7%).

Adjusted net income for the 2021 fiscal year amounted to €906 million. This represents a significant year-over-year increase of €132 million (2020: €774 million), placing it at the midpoint of expectations for 2021, which were raised most recently in the third quarter. Adjusted net income followed the trend of adjusted EBIT. Aside from the trend, the increase resulted especially from higher economic net interest income relative to fiscal 2020. This is attributable to higher interest rates relative to the previous year applicable for other non-current provisions for asset retirement obligations, primarily in Hydro. Lower capitalized construction-period interest due to the Datteln 4 power plant, now in operation since late May 2020, the Berezovskaya 3 power plant in Russia, which returned to service in the second quarter of 2021, and a lower interest rate applied for the capitalization of construction-period interest had an offsetting effect, as did the aforementioned tax effects.

(33) Segment Information

Applying the management approach, the Company's operating segments are identified in line with the internal reporting structure used by the Board of Management of Uniper SE.

The internal performance measure used as the segment result is earnings before interest and taxes adjusted to exclude non-operating effects (adjusted EBIT).

IFRS 8 Operating Segments

The operating segments are reported separately, in accordance with IFRS 8, in line with the management of the Group by the Board of Management of Uniper SE in its capacity as the Group's chief operating decision maker.

European Generation

The European Generation segment comprises the various power and heat generation facilities that the Uniper Group operates in Europe. In addition to fossil-fuel power plants (coal-, gas-, oil-fired power plants; combined gas and steam power plants) and hydroelectric power plants, these generation facilities also include nuclear power plants in Sweden. Most of the energy produced is sold to the Global Commodities segment, which is responsible for the marketing and sale of energy to major customers via the traded markets and its own sales organization. A further portion of the energy generated is marketed by means of long-term electricity and heat supply contracts. In addition to the power plant business, this segment also includes the marketing of energy services, which encompass engineering and asset management, as well as operational and maintenance services.

Global Commodities

The Global Commodities segment bundles the energy trading activities and forms the commercial interface between the Uniper Group and the global traded markets for energy and the major customers. Within this segment, the fuels required for power generation (mainly coal and gas) are procured, emission allowances are traded, the electricity produced is marketed, and the portfolio is optimized by managing the use of the power plants. On the basis of long-term contracts with suppliers within and outside Germany, Uniper sells natural gas to resellers (e.g., municipal utilities), major industrial customers and power plant operators. This segment additionally includes infrastructure investments and gas storage operations.

Russian Power Generation

The Russian Power Generation segment brings together the operating power generation business of the Uniper Group in Russia. PAO Unipro, a subsidiary of Uniper SE listed in Russia, is responsible for conducting all business in connection with power generation and associated activities in Russia. These include the procurement of the fuels needed for the power plants, the operation and management of the plants and the trading and sale of the energy produced.

Combined separately under Administration/Consolidation are the non-operating functions that are performed centrally across segments, as well as the consolidations required to be carried out at Group level.

Financial Information by Segment

€ in millions	European Generation		Global Commodities[2]		Russian Power Generation		Administration/ Consolidation		Uniper Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
External sales	2,575	1,830	160,391	48,226	1,010	909	2	2	163,979	50,968
Intersegment sales	24,846	5,858	21,721	5,472	–	–	-46,567	-11,329	–	–
Sales	**27,421**	**7,688**	**182,112**	**53,698**	**1,010**	**909**	**-46,565**	**-11,327**	**163,979**	**50,968**
Adjusted EBIT (segment earnings)	**473**	**492**	**756**	**496**	**230**	**226**	**-272**	**-216**	**1,187**	**998**
Equity-method earnings[1]	–	–	46	48	–	–	–	–	46	48
Operating cash flow before interest and taxes	**1,419**	**1,017**	**2,329**	**246**	**341**	**317**	**-236**	**-223**	**3,854**	**1,358**
Investments	**520**	**555**	**54**	**50**	**131**	**121**	**16**	**16**	**720**	**743**

[1]The income/loss from companies accounted for under the equity method presented here is generally adjusted for non-operating effects and therefore differs from the income/loss from companies accounted for under the equity method as presented in the income statement in accordance with IFRS.
[2]Regarding the change in sales in the Global Commodities segment, see also Notes 3 and 5 to the 2021 Consolidated Financial Statements.

Intragroup sales between the European Generation and Global Commodities segments are mainly attributable to the transfer-pricing mechanism in effect between the power plant operating companies and the trading unit in the Global Commodities segment. For physically settled transactions that do not meet the IFRS 9 criteria and are not accounted for as derivatives (e.g., own-use transactions), contract prices (transfer prices), which reflect the economic character of these transactions and the contractually agreed consideration amounts, are generally used to determine revenues. For physically settled transactions that must be accounted for as derivatives pursuant to IFRS 9 criteria (e.g., failed own-use transactions), revenue is recognized at the market price applicable at the time of recognition. Accordingly, such contracts are presented as physical spot contracts with a financial hedge. Applying the transfer-pricing mechanism, the trading unit locks in a future selling price for the electricity expected to be generated by the power plant operating companies by entering into hedges at current market prices in the context of a portfolio management contract, so that the resulting revenues are ultimately reported directly in the European Generation segment, while the power plant operating companies show the financial effect of price hedging of their generation positions. The mechanism is also reflected in the cost of materials. The revenues attributable to the Administration/Consolidation reconciliation item also include the consolidation of the aforementioned effects, and the transfer pricing mechanism thus has no impact on the earnings, financial condition and net assets of the Uniper Group.

The investments presented in the financial information by business segment tables are the purchases of investments reported in the Consolidated Statement of Cash Flows. Transactions within the Uniper Group are generally executed at market prices.

The following table shows the reconciliation of operating cash flow to operating cash flow before interest and taxes:

Operating Cash Flow before Interest and Taxes

€ in millions	2021	2020	+/-
Operating cash flow	**3,621**	**1,241**	**2,380**
Interest payments and receipts	18	26	-8
Income tax payments (+) / refunds (-)	215	91	124
Operating cash flow before interest and taxes	**3,854**	**1,358**	**2,496**

Additional Entity-Level Disclosures

External sales by product break down as follows:

Sales by Segment and Product

€ in millions	European Generation		Global Commodities		Russian Power Generation		Administration/ Consolidation		Uniper Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Electricity	20,955	5,313	60,214	21,052	988	889	-37,711	-8,545	44,446	18,709
Gas	5,687	1,722	106,460	26,119	–	–	-7,770	-2,149	104,377	25,692
Other	779	652	15,439	6,527	22	21	-1,084	-634	15,155	6,567
Total	**27,421**	**7,688**	**182,112**	**53,698**	**1,010**	**909**	**-46,565**	**-11,327**	**163,979**	**50,968**

The “Other” item consists, in particular, of revenues generated from services and from other trading activities.

The following table breaks down external sales (by customer and company location), intangible assets and property, plant and equipment, as well as the carrying amounts of companies accounted for under the equity method, by geographic area:

Geographic Segment Information as of December 31, 2021, and for the 2021 Fiscal Year

€ in millions	Germany	United Kingdom	Russian Federation	Europe (other)	Other regions	Total
External sales by location of customer	33,949	44,773	1,036	75,572	8,649	163,979
External sales by location of seller	157,685	615	1,010	521	4,147	163,979
Intangible assets	637	5	8	57	1	708
Property, plant and equipment	3,703	1,183	1,804	3,272	93	10,055
Companies accounted for under the equity method	245	–	–	77	–	322

Geographic Segment Information as of December 31, 2020, and for the 2020 Fiscal Year

€ in millions	Germany	United Kingdom	Russian Federation	Europe (other)	Other regions	Total
External sales by location of customer	13,469	11,567	936	22,683	2,312	50,968
External sales by location of seller	47,630	368	909	399	1,661	50,968
Intangible assets	662	8	5	59	–	734
Property, plant and equipment	3,832	758	1,952	3,155	71	9,769
Companies accounted for under the equity method	247	54	–	76	3	380

The geographic segment information shown in the preceding tables is reported by location of the counterparty.

Uniper currently operates mainly in Europe. That aside, the Group’s customer structure has not resulted in any major concentration in any given geographical region or business area. Due to the Company’s large number of customers and the variety of its business activities, there are no customers whose business volume is material in relation to the total business volume of the Group.

(34) Other Significant Issues after the Balance Sheet Date

Agreement with KfW Bank on Credit Facility

Uniper is required to post collateral for certain commodity transactions for portfolio hedges that arise in the ordinary course of Uniper's business. The amount of these temporary collateral pledges is governed by commodity price levels. In order to ensure additional liquidity and financial flexibility under future, potentially extreme, market conditions, Uniper took the following steps in fiscal 2021 and during the financial-statement preparation period: drawing of the full volume of €1.8 billion under the existing revolving credit facility in place with Uniper's core banks (for details see Note 25, Liabilities and Contract Liabilities); agreement on a revolving credit and guarantee facility of up to €8 billion in aggregate between Uniper and Fortum, which provides for both shareholder loans and guarantees, part of which has been drawn (for details see Note 25, Liabilities and Contract Liabilities, and Note 30, Transactions with Related Parties). Both topics have been addressed accordingly in the 2021 Consolidated Financial Statements.

In addition, on January 4, 2022, Uniper agreed with the German state-owned KfW Bank on the extension of a credit facility of up to €2 billion, which expires on April 30, 2022. The credit facility has not been utilized so far; it rather serves as a back-up facility in the event of extreme commodity market developments.

Recognition of the Independence of the Luhansk and Donetsk People's Republics in Eastern Ukraine by Russia

In the evening of February 21, 2022, Russia has recognized the independence of the Luhansk and Donetsk People's Republics in the Donbass region in Eastern Ukraine. According to press reports Russia has ordered a „peace keeping mission" to the region and military vehicles have crossed the border. As a consequence, the US have issued an executive order to block the property of certain persons and prohibit certain transactions like new investment, trade and financing by US persons to, from, or in the affected regions. Germany has halted the certification of the gas pipeline Nord Stream 2 while a note from Russian President published on the Kremlin's website reaffirms that Russia is set to continue uninterrupted gas supply to global markets. Further reactions by the US, the EU and potentially the UK can be expected but the political situation is not clear and constantly changing. Uniper has assessed the impacts these developments including mitigating measures could have on the Group. Based on this assessment, Uniper has not identified any material uncertainty related to events or conditions that individually or collectively may cast significant doubt on Uniper's ability to continue as a going concern.

Administrative Law Procedure for Certification of the Nord Stream 2 Gas Pipeline

According to press reports on February 22, 2022, the German Chancellor has asked the Federal Ministry of Economics to take the necessary administrative steps to prevent certification of the gas pipeline Nord Stream 2 for the time being. Uniper is currently analyzing potential effects of the administrative steps on its financial position, net assets and results of operations.

(35) List of Shareholdings Pursuant to Section 313 (2) HGB

Disclosures Pursuant to Section 313 (2) HGB of Companies in which Equity Investments Are Held (as of December 31, 2021)

Legal name, Registered Office	Percentages
AB Svafo, SE, Nyköping[5]	22.00
AS Latvijas Gāze, LV, Riga[6]	18.26
B.V. NEA, NL, Dodewaard[5]	25.00
Barsebäck Kraft AB, SE, Löddeköpinge[2]	100.00
BauMineral GmbH, DE, Herten[1 7]	100.00
BBL Company V.O.F., NL, Groningen[4]	20.00
Bergeforsens Kraftaktiebolag, SE, Bispgården[4]	40.00
BIOPLYN Třeboň spol. s r.o., CZ, Třeboň[5]	24.67
Blåsjön Kraft AB, SE, Stockholm[4]	50.00
Deutsche Flüssigerdgas Terminal beschränkt haftende oHG, DE, Düsseldorf[2]	90.00
DFTG-Deutsche Flüssigerdgas Terminal Gesellschaft mit beschränkter Haftung, DE, Wilhelmshaven[2]	90.00
Donau-Wasserkraft Aktiengesellschaft, DE, Landshut[1]	100.00
E.ON Benelux Geothermie B.V. (in liquidation), NL, Rotterdam[2]	100.00
E.ON Perspekt GmbH, DE, Düsseldorf[5]	30.00
E.ON Ruhrgas Nigeria Limited, NG, Abuja[2]	100.00
Energie-Pensions-Management GmbH, DE, Hannover[5]	30.00
Ergon Holdings Ltd, MT, St. Julians[1]	100.00
Ergon Insurance Ltd, MT, St. Julians[1]	100.00
Etzel Gas-Lager GmbH & Co. KG, DE, Friedeburg-Etzel[3]	75.22
Etzel Gas-Lager Management GmbH, DE, Friedeburg-Etzel[5]	75.20
Forsmarks Kraftgrupp AB, SE, Östhammar[6 8]	8.50
Freya Bunde-Etzel GmbH & Co. KG, DE, Düsseldorf[3]	59.98
Freya Bunde-Etzel Verwaltungsgesellschaft mbH, DE, Düsseldorf[5]	100.00
Gemeinschaftskraftwerk Irsching GmbH, DE, Vohburg[1]	50.20
Gemeinschaftskraftwerk Kiel Gesellschaft mit beschränkter Haftung, DE, Kiel[5]	50.00
Greanex LLC, US, Wilmington[2]	51.00
Grüne Quartiere GmbH, DE, Gelsenkirchen[5]	50.00
Holford Gas Storage Limited, GB, Edinburgh[1]	100.00
Hydropower Evolutions GmbH, DE, Düsseldorf[2]	100.00
India Uniper Power Services Private Limited, IN, Kolkata[5]	50.00
Induboden GmbH & Co. Industriewerte OHG, DE, Düsseldorf[2]	100.00
Kärnkraftsäkerhet & Utbildning AB, SE, Nyköping[5]	33.00
Klåvbens AB, SE, Olofström[5]	50.00
Kokereigasnetz Ruhr GmbH, DE, Essen[1 7]	100.00
Kolbäckens Kraft KB, SE, Sundsvall[1]	100.00
Kraftwerk Buer GbR, DE, Gelsenkirchen[5]	50.00
Liqvis France SASU, FR, Paris[2]	100.00
Liqvis GmbH, DE, Düsseldorf[2]	100.00
Lubmin-Brandov Gastransport GmbH, DE, Essen[1]	100.00
Mainkraftwerk Schweinfurt Gesellschaft mit beschränkter Haftung, DE, Landshut[2]	75.00

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[6]Other companies in which share investments are held.

[7]This company exercised its exemption option under Section 264, Paragraph 3 of the German Commercial Code or under Section 264b.

[8]Figures according to national legal accounting regulations as of December 31, 2020, in EUR.

[9]The company was merged within the Uniper Group during the fiscal year.

Disclosures Pursuant to Section 313 (2) HGB of Companies in which Equity Investments Are Held (as of December 31, 2021)

Legal name, Registered Office	Percentages
Mellansvensk Kraftgrupp AB, SE, Stockholm[6] [8]	5.35
METHA-Methanhandel GmbH, DE, Düsseldorf[1]	100.00
Mittlere Donau Kraftwerke Aktiengesellschaft, DE, Landshut[2]	60.00
Obere Donau Kraftwerke Aktiengesellschaft, DE, Landshut[2]	60.00
OKG AB, SE, Oskarshamn[1]	54.50
OOO Agro-industrial Park «Siberia», RU, Sharypovskiy[2]	100.00
OOO E.ON Connecting Energies, RU, Moscow[5]	50.00
OOO Unipro Engineering, RU, Moscow[2]	100.00
PAO Unipro, RU, Surgut[1]	83.73
RAG-Beteiligungs-Aktiengesellschaft, AT, Maria Enzersdorf[4]	29.98
RGE Holding GmbH, DE, Düsseldorf[1] [7]	100.00
Rhein-Main-Donau GmbH, DE, Landshut[1]	77.49
Rheinsee 875. V V GmbH, DE, Düsseldorf[2]	100.00
Ringhals AB, SE, Väröbacka[4]	29.56
RMD-Consult GmbH, DE, München[2]	100.00
RuhrEnergie GmbH, EVR, DE, Gelsenkirchen[1]	100.00
SOCAR-UNIPER LLC, AZ, Sumgait[5]	49.00
Solar Energy s.r.o., CZ, Znojmo[5]	24.99
SQC Swedish Qualification Centre AB, SE, Täby[5]	33.30
Stensjön Kraft AB, SE, Stockholm[4]	50.00
Svensk Kärnbränslehantering AB, SE, Solna[5]	34.00
Swedish Modular Reactors AB, SE, Sundsvall[5]	50.00
Sydkraft AB, SE, Malmö[1]	100.00
Sydkraft Försäkring AB, SE, Malmö[1]	100.00
Sydkraft Hydropower AB, SE, Sundsvall[1]	100.00
Sydkraft Nuclear Power AB, SE, Malmö[1]	100.00
Sydkraft Nuclear Services AB, SE, Malmö[2]	100.00
Sydkraft Thermal Power AB, SE, Karlshamn[1]	100.00
traconn GmbH, DE, Düsseldorf[2]	100.00
Uniper Anlagenservice GmbH, DE, Gelsenkirchen[1]	100.00
Uniper Benelux Holding B.V., NL, Rotterdam[1]	100.00
Uniper Benelux N.V., NL, Rotterdam[1]	100.00
Uniper Beteiligungs GmbH, DE, Düsseldorf[1)] [7)]	100.00
Uniper BioMethan GmbH, DE, Wilhelmshaven[2]	100.00
Uniper Energy Asia Pacific Pte. Ltd., SG, Singapore[2]	100.00
Uniper Energy DMCC, AE, Dubai[1]	100.00
Uniper Energy Fujairah FZE, AE, Fujairah free zone[2]	100.00
Uniper Energy Limited, GB, Birmingham[2]	100.00
Uniper Energy Sales GmbH, DE, Düsseldorf[1]	100.00
Uniper Energy Services MENA DMCC, AE, Dubai[2]	100.00
Uniper Energy Southern Africa (Pty) Ltd., ZA, Johannesburg (Sandton)[2]	100.00
Uniper Energy Storage GmbH, DE, Düsseldorf[1]	100.00
Uniper Energy Trading NL Staff Company B.V., NL, Rotterdam[2]	100.00

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[9]The company was merged within the Uniper Group during the fiscal year.

Disclosures Pursuant to Section 313 (2) HGB of Companies in which Equity Investments Are Held (as of December 31, 2021)

Legal name, Registered Office	Percentages
Uniper Energy Trading UK Staff Company Limited, GB, Birmingham[1]	100.00
Uniper Exploration & Production GmbH, DE, Düsseldorf[7 9]	100.00
Uniper Financial Services GmbH, DE, Regensburg[1 7]	100.00
Uniper Gas Transportation and Finance B.V., NL, Rotterdam[1]	100.00
Uniper Global Commodities Canada Inc., CA, Toronto[2]	100.00
Uniper Global Commodities London Ltd., GB, Birmingham[1]	100.00
Uniper Global Commodities North America LLC, US, Chicago[1]	100.00
Uniper Global Commodities SE, DE, Düsseldorf[1]	100.00
Uniper Global Commodities UK Limited, GB, Birmingham[1]	100.00
Uniper Holding GmbH, DE, Düsseldorf[1 7]	100.00
Uniper Holdings Limited, GB, Birmingham[2]	100.00
Uniper HR Services Hannover GmbH, DE, Hannover[1 7]	100.00
Uniper Hungary Energetikai Kft., HU, Budapest[1]	100.00
Uniper Hydrogen GmbH, DE, Düsseldorf[1 7]	100.00
Uniper Hydrogen Netherlands B.V., NL, Rotterdam[2]	100.00
Uniper Hydrogen UK Limited, GB, Birmingham[2]	100.00
Uniper India Private Ltd., IN, Noida[2]	100.00
Uniper Infrastructure Asset Management B.V., NL, Rotterdam[1]	100.00
Uniper International Holding GmbH, DE, Düsseldorf[1 7]	100.00
Uniper IT GmbH, DE, Düsseldorf[1 7]	100.00
Uniper Kraftwerke GmbH, DE, Düsseldorf[1 7]	100.00
Uniper Market Solutions GmbH, DE, Düsseldorf[2]	100.00
Uniper NefteGaz LLC, RU, Moscow[2]	100.00
Uniper Renewables GmbH, DE, Düsseldorf[2]	100.00
Uniper Renewables Italy S.r.l., IT, Torino (TO)[2]	100.00
Uniper Renewables Poland sp. z o.o., PL, Warszawa[2]	100.00
Uniper Risk Consulting GmbH, DE, Düsseldorf[1 7]	100.00
Uniper Ruhrgas BBL B.V., NL, Rotterdam[1]	100.00
Uniper Ruhrgas International GmbH, DE, Essen[1 7]	100.00
Uniper Solar 1 WHV GmbH, DE, Düsseldorf[2]	100.00
Uniper Systemstabilität GmbH, DE, Düsseldorf[1 7]	100.00
Uniper Technologies B.V., NL, Rotterdam[2]	100.00
Uniper Technologies GmbH, DE, Gelsenkirchen[1 7]	100.00
Uniper Technologies Limited, GB, Birmingham[1]	100.00
Uniper Trading Canada Ltd., CA, Toronto[1]	100.00
Uniper UK Corby Limited, GB, Birmingham[1]	100.00
Uniper UK Cottam Limited, GB, Birmingham[2]	100.00
Uniper UK Gas Limited, GB, Birmingham[1]	100.00
Uniper UK Ironbridge Limited, GB, Birmingham[1]	100.00
Uniper UK Limited, GB, Birmingham[1]	100.00
Uniper UK Trustees Limited, GB, Birmingham[2]	100.00
Uniper Wärme GmbH, DE, Gelsenkirchen[1 7]	100.00
Untere Iller GmbH, DE, Landshut[2]	60.00
Utilities Center Maasvlakte Leftbank b.v., NL, Rotterdam[1]	100.00
Vaultige AB, SE, Stockholm[5]	50.00

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[9]The company was merged within the Uniper Group during the fiscal year.

Information About the Supervisory Board and the Board of Management

Supervisory Board (including Information on Other Directorships Held by Supervisory Board Members)

The Supervisory Board has the following members:

Supervisory Board

Name	Position	External mandates in other governing bodies	Board member
Markus Rauramo (Chairman of the Supervisory Board, Uniper SE)	President and Chief Executive Officer, Fortum Oyj	Teollisuuden Voima Oyj (until 03/21) Wärtsilä Oyj Abp, Deputy Chairman (until 04/21) Sampo Oyj (since 05/21) Mentten Oy Vaka-säätiö sr Fortum Power and Heat Oy, Chairman PAO Fortum, Chairman	since July 30, 2018 since March 29, 2021 Chairman
Prof. Dr. Klaus-Dieter Maubach	Chairman of the Board of Management, Chief Executive Officer, Uniper SE	Uniper Global Commodities SE, Chairman (since 03/21) Uniper Kraftwerke GmbH, Chairman (since 03/21) PAO Unipro, Chairman (since 03/21) Fortum Oyj (until 03/21) Klöpfer & Königer GmbH & Co. KG, Chairman (until 03/21) ABB Deutschland AG (until 06/21)	until May 19, 2021
Dr. Bernhard Günther (Deputy Chairman of the Supervisory Board, Uniper SE)	Chief Financial Officer, Fortum Oyj	thyssenkrupp AG	since April 17, 2020
Harald Seegatz (Deputy Chairman of the Supervisory Board, Uniper SE)	Chairman of the Group Employee Council, Uniper SE	Uniper Kraftwerke GmbH	since April 14, 2016
Ingrid Marie Åsander	Project Coordinator, Sydkraft Hydropower AB		until May 19, 2021
Oliver Biniek	Exempted Employee Representative, Uniper Anlagenservice GmbH		since April 14, 2016
Prof. Dr. Werner Brinker	Independent Energy Consultant	Heinrich Gräper Holding GmbH & Co. KG, Chairman	since April 17, 2020
Judith Buss	Independent Consultant	Ignitis Grupė AB	since May 19, 2021
Esa Hyvärinen	Head of CEO Office, Fortum Oyj	East Office of Finnish Industries Oy (since 11/21) Kemijoki Oy FORATOM asbl, Chairman Finnish-Russian Chamber of Commerce International Energy Agency	since May 19, 2021
Barbara Jagodzinski	Financial Manager, Uniper Global Commodities SE		since April 14, 2016
Victoria Kulambi	Scientist, Uniper Technologies Limited		since May 19, 2021
André Muilwijk	Member Works Council, Uniper Benelux N.V.		since April 14, 2016
Immo Schlepper	Head of Regional Department, ver.di	EWE AG	since June 8, 2017
Sirpa-Helena Sormunen	General Counsel & Chief Compliance Officer, Uniper SE	Fortum Finance Ireland DAC (until 04/21) Enersense International Plc., Deputy Chairman (since 04/21) Fortum Deutschland SE PAO Fortum Nammo AS	until April 30, 2021
Nora Steiner-Forsberg	General Counsel, Fortum Oyj	Fortum Power and Heat Holding Oy	since May 19, 2021
Tiina Tuomela	Member of the Board of Management, Chief Financial Officer, Uniper SE	Wärtsilä Oyj Abp (since 03/21) Finnish Energy (until 04/21) Kemijoki Oy, Chairman (until 04/21) YIT Oyj Teollisuuden Voima Oyj, Deputy Chairman	until May 19, 2021

Board of Management (including Information on Other Directorships Held by the Board of Management Members)

The Board of Management has the following members:

Board of Management

Name	Position	Other directorships	Board member
Prof. Dr. Klaus-Dieter Maubach	Chairman of the Board of Management, Chief Executive Officer	Uniper Global Commodities SE, Chairman (since 03/21) Uniper Kraftwerke GmbH, Chairman (since 03/21) PAO Unipro, Chairman (since 03/21) ABB Deutschland AG (until 06/21)	since March 29, 2021
Andreas Schierenbeck	Chairman of the Board of Management, Chief Executive Officer	Uniper Global Commodities SE, Chairman (until 03/21) Uniper Kraftwerke GmbH, Chairman (until 03/21) PAO Unipro, Chairman (until 03/21) Fr. Sauter AG Brasuro Consulting AG, Chairman	until March 29, 2021
David Bryson	Member of the Board of Management, Chief Operating Officer	PAO Unipro	since November 1, 2019
Niek den Hollander	Member of the Board of Management, Chief Commercial Officer		since June 1, 2020
Tiina Tuomela	Member of the Board of Management, Chief Financial Officer	Wärtsilä Oyj Abp (since 03/21) Finnish Energy (until 04/21) Kemijoki Oy, Chairman (until 04/21) YIT Oyj Teollisuuden Voima Oyj, Deputy Chairman	since March 29, 2021
Sascha Bibert	Member of the Board of Management, Chief Financial Officer		until March 29, 2021

Düsseldorf, February 22, 2022

The Board of Management

Prof. Dr. Klaus-Dieter Maubach

David Bryson

Niek den Hollander

Tiina Tuomela

Declaration of the Board of Management

To the best of our knowledge, we declare that, in accordance with applicable financial reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and that the Group Management Report, which is combined with the management report of Uniper SE, provides a fair review of the development and performance of the business and the position of the Uniper Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Düsseldorf, February 22, 2022

The Board of Management

Prof. Dr. Klaus-Dieter Maubach

David Bryson

Niek den Hollander

Tiina Tuomela

Additional Indicators

Achieved and Hedged Prices and Hedged Ratios for Outright Power Generation

	Year	Achieved / Hedged price as of Dec. 31, 2021 (€/MWh)	Hedged ratio as of Dec. 31, 2021 (%)
Achieved prices, Germany, as of Dec. 31[1]	2021	39	
Hedged prices and hedged ratios, Germany[1]	2022	51	95
	2023	51	95
	2024	55	75
Achieved prices, Nordics, as of Dec. 31[1]	2021	31	
Hedged prices and hedged ratios, Nordics[1 2]	2022	18	80
	2023	18	60
	2024	30	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.

Generation Capacity

in MW[1]		Dec. 31, 2021	Dec. 31, 2020
Gas	Russia	7,139	7,139
	United Kingdom	4,180	4,180
	Germany	2,912	2,912
	Netherlands	525	525
	Sweden	0	449
	Hungary	428	428
Hard coal	Germany	3,197	3,954
	United Kingdom	2,000	2,000
	Netherlands	1,070	1,070
Lignite	Russia	1,895	1,895
	Germany	0	500
Hydro	Germany	1,918	1,927
	Sweden	1,771	1,771
Nuclear	Sweden	1,737	1,996
Other	Germany	1,418	1,418
	Sweden	1,175	1,162
	United Kingdom	221	221
Total		**31,587**	**33,548**

[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–December 31 2021	2020
Gas	Russia[2]	38.8	36.0
	United Kingdom	12.8	10.2
	Germany	3.8	1.9
	Netherlands	1.0	1.5
	Hungary	2.3	2.2
	Sweden	0.1	0.0
Hard coal	Germany	8.7	6.2
	United Kingdom	3.9	0.4
	Netherlands	4.3	4.7
Lignite	Russia[2]	4.4	4.0
	Germany[4]	1.7	2.1
Hydro	Germany[3]	4.9	4.3
	Sweden	8.1	9.4
Nuclear	Sweden	12.9	11.5
Biomass	Netherlands	1.2	0.0
Total		**109.1**	**94.6**

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

Financial Calendar

May 3, 2022
Quarterly Statement: January–March 2022

May 18, 2022
2022 Annual General Meeting (Düsseldorf)

August 2, 2022
Half-Year Interim Report: January–June 2022

November 3, 2022
Quarterly Statement: January–September 2022

Further Information

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