



Virtual Annual General Meeting of Fresenius SE & Co. KGaA on May 13, 2022

Speech of Stephan Sturm, Chairman of the Management Board

The spoken word has precedence.

Dear Shareholders,

I wish you a warm welcome to the Fresenius Annual General Meeting!

Last year I opened my speech with the words: “These are extraordinary times. That applies to the entire world. It also applies to us as a company.” What I did not expect was that these words would still apply – maybe even more so than one year ago.

There is a war in Europe! Only a day’s car drive away from our headquarters. It is a war of aggression provoked by the Russian leadership, and one I strongly condemn. As a healthcare company, Fresenius fights to save lives: Putin’s army fights to destroy an entire country. With a contempt for people and a brutality that appalls me.

Heroic performance of our employees in Ukraine

I'm very proud of the truly heroic performance of our employees in Ukraine. Until the war started, our business in the country included three dialysis clinics. Chronic kidney disease patients received life-saving blood purification there.

For weeks, our employees kept the clinics going. Despite the worsening situation. Despite the steadily heavier bombardments. Despite the constant worry about the safety of their families – and their own lives. Because they realized that giving up may well have meant death for our patients.

Our clinic in Kharkiv now lies in ruins. We succeeded in moving its patients and those of the Chernihiv clinic, together with their families, to relative safety at the end of March. That was very heartening news amid all the suffering. In the meantime, we have even managed to reopen the clinic in Chernihiv. At the same time, our colleagues are working tirelessly to get urgently needed medicines, blood supplies and other medical products into the country, despite the increasingly complicated logistics.

These and many similar stories have moved me deeply. They also make me extremely angry. Angry at Vladimir Putin, and angry at a system that would tolerate such barbaric warmongering.

No withdrawal from Russia

Yet Fresenius is still active in Russia, and as things stand now, we will remain. Because that is also part of our responsibility as a healthcare company. We operate some 100 dialysis clinics in Russia, and we provide hospitals and other healthcare facilities with important medicines and clinical nutrition products.

We cannot simply abandon our patients there. Even in light of the atrocities in Bucha and other places. We must continue to provide them with medical care. It is a simple matter to shut down a fast-food restaurant. But not a dialysis clinic. If Fresenius produced consumer goods we would immediately have pulled out of Russia. But we are a healthcare company.

Many of our products and services are essential for life. Our patients depend on them – also in Russia. There are no substitutes available there, at least not in the short term. And even though it is Russian soldiers who are fighting and killing in Ukraine: we cannot and must not set human lives against each other. That would rob us of our own humanity.

We have a special duty to protect the lives and health of our patients – all our patients! We cannot simply refuse them life-saving treatments and coldly stand aside and let them die. This is especially true for our doctors, who have sworn an oath to protect human life.

I can assure you that there is no financial incentive for us to continue caring for patients in Russia. We are not making any money there and will not do so in the foreseeable future. The Russia of today is not a market in which we can expand. We have put all investments there on ice. In Russia, we will continue to provide only what our patients urgently need.

In the first quarter of this year, the war had an adverse effect of €14 million on our net income, which was entered in our financial statement as a special item. I do not want to speculate on additional effects. We will, of course, monitor developments very closely.

I fervently hope the Russian leadership will come to its senses. The fighting and killing in Ukraine must stop. Immediately. Vladimir Putin has this in his power. I wish with all my heart for an end to the violence in the region. And a lasting peace.

Living up to our responsibility

The war in Ukraine is not the only challenge we are facing. The pandemic remains a burdensome factor – for all of us personally. For you. For me. Even in the way we must hold our Annual General Meeting – again in a purely virtual format. For the third year in a row. And as a health-care company, we are especially affected by the pandemic. As I said: We fight for lives. Never has this fight been as hard as during the coronavirus pandemic. However, we have done our part, and lived up to our responsibility – also in the year gone by.

We set up special isolation units where infected patients could receive dialysis. We treated more than 42,000 COVID-19 patients in our hospitals. In total, we vaccinated well over one million people against the virus. Again, we did all we could to maintain our ability to deliver crucial medicines and medical products, even as demand for some of them rose substantially. And to provide follow-up treatment, we developed a special program for post-covid rehabilitation at Fresenius Vamed.

Significant impact from COVID-19 pandemic

That sounds like additional business, sales and profits. But it only sounds like that: In reality, the pandemic continues to impose a heavy burden on our business. An important and very sad aspect is the excess mortality among our dialysis patients. Chronic kidney disease patients are especially vulnerable to the virus. Last year, significantly more dialysis patients died than would otherwise have been the case. Above all, this is a human tragedy. But it also affects our business: Treatment volumes decline, resulting in lower sales while costs continue to rise. Our hospitals also have been hit by the coronavirus. Treatments were again down significantly last year compared with before the pandemic – this applies to Fresenius Helios' acute care hospitals and to Fresenius Vamed's rehabilitation facilities. Concurrently, we had higher costs for additional hygiene measures. Fewer treatments and operations translated into less demand for many Fresenius Kabi products. In addition, Fresenius Vamed's project business was again impaired. By pandemic travel restrictions. And by the hesitation and uncertainty of many clients.

Milestones 2021

Nevertheless, we achieved a lot in 2021. And we took some key decisions. One of them: Fresenius Medical Care's FME25 transformation program. It will significantly simplify the corporate structure, which will in future comprise only two global segments. In the Care Enablement segment, Fresenius Medical Care is consolidating its previously decentralized product business under a global medical technology umbrella. The global healthcare services business will be combined in the Care Delivery segment. This will make the company more agile and enable better use of existing know-how. It will accelerate innovation and deploy capital in an even more efficient manner.

At Fresenius Kabi, we have also defined a new strategy: Vision 2026. It is the guideline to transforming the company for the next decade. Going forward, we will focus on three growth paths:

- ▶ Broadening our biopharmaceutical offering.
- ▶ More launches of clinical nutrition products.
- ▶ Expansion in the medical technology field.

The foundation for this is our volume-driven business in infusions and liquid pharmaceuticals. Here we aim to strengthen our resilience. These developments fall under a simple heading; 3 + 1.

Another milestone: Once again, a record order backlog at Fresenius Vamed, despite the pandemic.

And at Fresenius Helios, we again made attractive acquisitions. In Germany, we acquired two DRK (German Red Cross) hospitals in Kassel. Not far away, in Warburg, there is an existing Helios hospital; with these three facilities we will form a regional medical network now and expand it over the next few years, in line with our cluster strategy. We also acquired an oncological center and an ophthalmic clinic, both in Colombia. And then, though it was early in this year, a majority stake in another fertility center in the United States. With this we are strengthening our new business, the Eugin Group.

Fresenius workforce grows further

For all our successes, I want to again stress: 2021 was anything but an easy year. This applies to our company, but especially to our employees. Protective clothing and masks. Coronavirus testing. Quarantine. Filling in for colleagues and special shifts. Home office – alongside home schooling. Video conferences that seemed endless. And worries. It was a lot, but our employees were there. They kept going, and they are still going. For our patients. For our customers. And for Fresenius. Without them, it could not have worked. And for all that, I can only say: THANK YOU.

Our workforce expanded again in 2021. And yes, we have instituted cost-reduction measures. To increase our efficiency. However, cost cutting doesn't fit well with workforce expansion. At Fresenius Medical Care, we have concrete plans for the reduction of 5,000 full-time equivalents. That was, and is, a very painful decision. But a necessary one. Because it's all about making accelerated growth possible in other areas. To be able to do more for our patients. And for even more patients.

Dr. Carla Kriwet to succeed Rice Powell

At this juncture, I would like to talk about two impending changes on the Management Board. The first involves my valued colleague Rice Powell, CEO of Fresenius Medical Care. He turns 67 this year. Our age limit for Management Board members is 65. Rice will complete his contract, which ends on December 31. Then, after 25 successful years at Fresenius Medical Care, he will enter his well-earned retirement. I'm very pleased that we have found an outstanding successor, and quite early, too: Dr. Carla Kriwet. Until the end of April, she was CEO at BSH Hausgeräte GmbH. I'm certain that, together with the entire management team, she will lead Fresenius Medical Care into a successful future.

Sara Hennicken to succeed Rachel Empey

Regretfully, we are losing another highly valued colleague. She is sitting here beside me: Rachel Empey, our Chief Financial Officer. She has decided, for personal reasons and after some intense and challenging years, to leave Fresenius this summer. I'll be sorry to see her go. Nevertheless, I of course respect her decision. Here too, we have found an outstanding successor; from our own ranks, in fact: Sara Hennicken. She currently heads our Global Treasury & Corporate Finance department and has worked closely with Rachel over the last few years.

Although both of them will still be giving us their best for some months yet, I'm already very thankful for everything that Rice and Rachel have done for Fresenius. At the same time, I am very much looking forward to working with my two new Management Board colleagues. We are, and will remain, a strong team.

Successful year despite major challenges

Dear Shareholders!

We come to our business results for 2021. Under the circumstances, it was a decent year for us. We were able to increase sales by 5 percent in constant currency. EBIT, unfortunately, declined: by 6 percent in constant currency. This was due mainly to the already mentioned COVID-19 burdens at Fresenius Medical Care. Nonetheless, we were again able to increase net income – by 5 percent in constant currency, in line with sales growth. In the fourth quarter, especially, we turned in a strong final spurt. Therefore, I can happily say: We met all our announced targets for 2021. Even though we twice raised our outlook during the year. You can see that we continue to work on rebuilding capital market confidence in us as a reliable, high-growth company.

29th consecutive dividend increase proposed

This brings me to our dividend proposal for 2021. We want you, dear shareholders, to participate in our success this year, once again. We are therefore proposing a 5 percent dividend increase, to 92 cents per share. This would be our 29th consecutive dividend increase! For the first time, we would like to also offer a scrip dividend. You should have the choice of receiving your dividend in cash, as before, or in the form of new shares. The latter is a very simple way of reinvesting your dividend directly into the company. The Else Kröner-Fresenius Foundation has informed us it would like to wholly opt for the scrip dividend – a strong signal of support about which I am very happy.

Fresenius to be climate neutral by 2040

In another first for us, we have set a climate goal for the Fresenius Group. We want to reduce our direct and indirect greenhouse gas emissions by half by 2030. As measured from roughly 1.5 million metric tons in 2020. By 2040 at the latest, we want to be climate neutral. We are guided in this by the scientific targets of the Paris Agreement and its goal to limit global warming to 1.5 degrees Celsius.

How do we intend to achieve this ambitious goal? The key for the first few years will be to switch our electricity consumption to renewable energy. Alongside this, we will of course continue to work on making our hospitals, clinics and production sites ever more energy efficient. We will look at every investment also from a “green” perspective. And – where it is

economically and ecologically feasible – we will install more renewable energy generation capacity at our sites.

Group outlook 2022: Forecast for growth despite ongoing challenges

Let us remain with our vision for the future – this time our 2022 financial guidance and medium-term targets. As stated earlier, the COVID-19 pandemic remains a burdensome factor. Just how much depends, among other things, on the further progress of vaccinations in our important markets. And, of course, on whether new, dangerous variants of the virus emerge. Added to this, there is also the impact of further external factors. First and foremost, the war in Ukraine. Supply chain bottlenecks. Cost increases – in some cases very substantial ones – that are not, or are only partially, reflected in reimbursement rates. We have tried to factor all this into our 2022 forecast the best we could. Naturally, uncertainties remain. Still, we will again continue to grow this year. Currently, we expect to increase sales by a mid-single-digit percentage on a currency-adjusted basis. And we expect net income to increase by a low single-digit percentage on a constant-currency basis.

Our business development in the first quarter was encouraging. We made a good start into 2022. Fresenius Medical Care and Fresenius Vamed performed in line with expectations. Fresenius Helios and Fresenius Kabi somewhat better, even. I therefore expect that we will reach our targets.

Medium-term 2020-23 targets confirmed and specified

We also confirm the medium-term targets for 2020 to 2023. I want to emphasize that these were set in 2019, before the onset of the pandemic. These targets are: Annual average organic growth in sales of 4 to 7 percent and 5 to 9 percent in net income. We are sticking with them. Concurrently, we are better defining our expectations. For sales growth, we expect to be at the bottom to middle of the range. For net income growth, we will likely reach only the lower end. To achieve even this, we will have to meaningfully accelerate earnings growth in 2023. We are confident of achieving this. Our growth strategy, as defined last year, will help.

Strategic roadmap

You will recall that a year ago we started down the path to becoming an even stronger health-care group. What have we achieved during the first stage of this journey? We have optimized Fresenius and set a course for accelerated profitable growth in the coming years. We have, among other things, started an ambitious cost-cutting and efficiency program. We are making good progress – even faster than originally expected. That means we are saving even more money, and sooner. This allowed us to substantially increase our sustainable cost savings target – to more than €150 million after taxes and minority interests in 2023. Beyond that, we are aiming for even higher, sustained savings.

We have also put our Group structure to the test – open-ended and without taboos. We have analyzed very carefully: Where are the best growth opportunities? How do we want to seize them? And finance them?

First off, our broad-based Group structure has proven its value, particularly in difficult times such as these. It has made possible the growth of past decades. And today, it offers us many advantages: Stability; through diversification, as well as through size; economies of scale; synergies between business segments, and tax advantages. And of utmost importance: better financing conditions, especially when it comes to borrowing. A lower interest expense is also a big advantage for you, dear shareholders.

Excellent growth prospects in all business segments

Another important result of our analysis: We see continued excellent growth opportunities for all four business segments. All four have strong market positions – either we are among the leaders in the business segment's respective field or, for example in dialysis, clearly the number one. In all four business segments, we have identified very promising strategic growth areas.

Strategic path to accelerated growth

We want to exploit this potential. We want to promote and actively drive this growth. Organic growth was, is, and will remain the basis for us. But beyond that, we also want to take strategic growth steps in the future. Specifically, by making significant investments; for example, in digital transformation. Or the realization of large acquisitions – just as we have repeatedly and successfully done in the past.

At the same time, we want to maintain an Investment Grade credit rating. That lowers our interest costs and assures us access to the capital market – especially in difficult times like these.

A capital increase would again become an option only at a significantly higher share price. That is why we must tap new sources of capital. And distribute the available capital wisely. We have analyzed our current setup – i.e., our four business segments – very closely and have developed a strategy for optimal capital allocation within the Group. In this way, we aim to combine more dynamic growth with the advantages of a diversified structure in an optimal fashion. I would like to present this strategy to you now:

The top priority for capital allocation within the Fresenius Group will be Fresenius Kabi. Why? First, in a comparison of all four business segments, we see Fresenius Kabi as having the best overall growth prospects. And the best return profile. Our Vision 2026 strategy will make a significant contribution here. Secondly, unlike Fresenius Medical Care and Fresenius Vamed, we are the sole owner. Thirdly, while we have primarily expanded the services business over the past three decades, we now intend to strengthen, in particular, the products side of Fresenius. And fourthly, Fresenius Kabi's pharmaceutical business is the nucleus of our company. Drugs. Infusions. That's where we come from.

As a listed company, Fresenius Medical Care already largely finances its growth independently. Through its FME25 transformation program, Fresenius Medical Care will strengthen its long-term profitable growth. In doing so, it will create additional value. Also for our share in the company. Fresenius Helios and Fresenius Vamed will continue to be able to finance smaller acquisitions from Fresenius Group funds. For larger growth there we will now consider bringing suitable equity investors on board. Not with Fresenius SE & Co. KGaA, but at the level of these business segments.

First steps in executing Vision 2026

We are already implementing this growth strategy. At the end of March, Fresenius Kabi launched two important acquisitions. One is a majority stake in mAbxience, a leading international biopharmaceutical company based in Madrid. mAbxience already has two biosimilars

on the market. And a very promising pipeline. It operates three state-of-the-art plants for producing biologic drug substance. This superbly complements our existing manufacturing network.

Fresenius Kabi has also taken over Ivenix, a U.S. company. Ivenix has developed a highly innovative infusion system that is simpler to operate and hence safer than standard pumps. In addition, it works seamlessly with other systems. With these two acquisitions, we are strengthening Fresenius Kabi's position in two important growth markets.

Strategic expansion along the renal care continuum

Fresenius Medical Care, too, took another important growth step in March. The company is participating in the merger of three partners into the leading value-based kidney care provider in the United States. Fresenius Medical Care brings to the merger its own division for value-based care in North America; in addition come the leading network of nephrologists in the United States, and the operator of a leading patient data platform. The new company will be called InterWell Health and it will be fully consolidated by Fresenius Medical Care as majority owner, with a valuation of \$2.4 billion.

InterWell Health has outstanding prospects to significantly improve renal therapy in the United States. Its ambitious goals include:

- ▶ Reducing hospital stays.
- ▶ Slowing the progression of the disease.
- ▶ Increasing the number of transplants.
- ▶ Speeding the transition to home dialysis.
- ▶ Improving clinical results, and thereby the quality of life of patients.
- ▶ And, not least, reducing overall costs for the healthcare system.

In addition, InterWell Health will treat chronic kidney disease patients long before they need dialysis. In this way we can more than triple the potential market volume for Fresenius Medical Care in the United States, from around \$50 billion to around \$170 billion.

You see: We don't just make announcements. We also implement. Our decisions will enable the accelerated growth of each individual business segment. And thereby also accelerate growth for the entire Group. We want to move Fresenius ahead at speed. And we want a measured and well-managed transformation of our company. Fresenius remains a diversified healthcare group. With a sharper profile. Active in wide-ranging and very exciting areas of medicine.

Our commitment: Ever better medicine for ever more people

It's not only the world that finds itself in eventful times. So do we as a company. We have some challenges to overcome, no question! But our path is clear. We have set strategic guidelines to achieve sustainable and accelerating profitable growth. Our goal is, and remains, to create value and benefit. For all our stakeholders! By doing what we have done best for 110 years: providing high-quality medicine at affordable prices. And tailored to the needs of more and more people around the world who need medical care. Succinctly put: Ever better medicine for ever more people. We will continue to boldly and steadily progress down this path.

Come with us! Thank you very much!