

Q3 2021

QUARTERLY FINANCIAL REPORT

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FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2020, Group sales were €36.3 billion. As of September 30, 2021, more than 314,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES AND EARNINGS

€ in millions	Q3/2021	Growth	Growth in constant currency	Q1-3/2021	Growth	Growth in constant currency
Sales	9,324	5%	5%	27,554	2%	5%
EBIT ¹	1,041	-6%	-6%	3,080	-8%	-5%
Net income ^{1,2}	435	2%	2%	1,345	3%	6%

BALANCE SHEET

€ in millions	Sep. 30, 2021	Dec. 31, 2020	Change
Total assets	71,081	66,646	7%
Equity ³	28,186	26,023	8%
Equity ratio ³	40%	39%	
Net debt/EBITDA ^{1,4}	3.55	3.44	

PROFITABILITY

	Q3/2021	Q3/2020	Q1-3/2021	Q1-3/2020
EBIT margin ¹	11.2%	12.5%	11.2%	12.5%
Return on equity after tax (ROE) ^{1,2}	--	--	10.0%	10.7%
Return on operating assets (ROOA) ¹	--	--	6.6%	7.3%
Return on invested capital (ROIC) ¹	--	--	6.1%	6.6%

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ Including noncontrolling interests

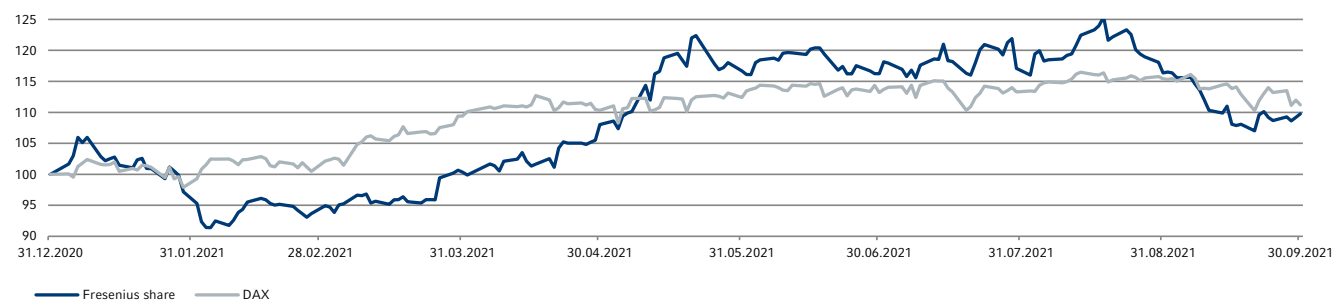
⁴ At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestiture

SHAREHOLDER INFORMATION

Since the beginning of the year, the Fresenius share price increased by 10% closing the third quarter of 2021 at €41.54.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2020 = 100%



KEY DATA OF THE FRESENIUS SHARE

	Q1-3/2021	2020	Growth
Number of shares (Sep. 30/Dec. 31)	558,454,143	557,540,909	0%
Stock exchange quotation ¹ in €			
High	47.44	50.32	-6%
Low	34.57	25.66	35%
Period-end quotation closing price in €	41.54	37.84	10%
Ø Trading volume (number of shares per trading day)	1,386,642	2,085,926	-34%
Market capitalization ² in million € (Sep. 30/Dec. 31)	23,195	21,097	10%
Earnings per share in € ³	2.41	3.22	--

¹ Xetra closing price on the Frankfurt Stock Exchange

² Total number of ordinary shares multiplied by the respective Xetra period-end quotation on the Frankfurt Stock Exchange

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA; before special items

DEVELOPMENT IN FIRST TO THIRD QUARTER 2021

Due to rising vaccination rates in many relevant markets and strong government support, the global economy continued to recover in the third quarter of 2021. This development strengthened economic activity and employment rates during this period. However, supply constraints, a rise in inflation and the spread of the more contagious delta variant of COVID-19 are affecting short-term growth prospects.

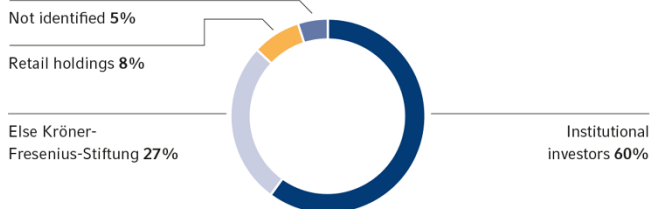
Capital markets and global investment levels remained stable, benefiting from government stimulus measures and favorable financing conditions. Vaccination progress is expected to reduce the impact of the pandemic, yet uncertainties remain about the global economic outlook.

According to the ECB's current forecast, the economy in the euro zone will grow by 5.0% this year. The ECB left its key interest rate unchanged at 0.00% during its September meeting.

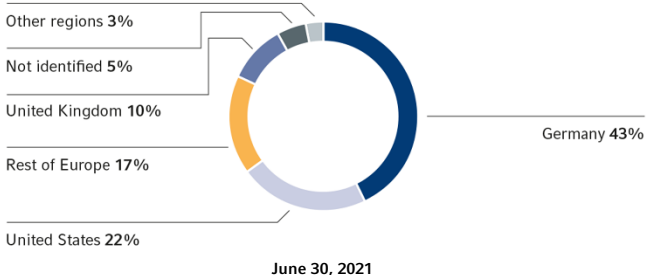
The Federal Reserve's latest forecast projects the U.S. economy to grow by 5.9% in 2021. The U.S. Federal Reserve did not change the existing interest rates corridor of 0% to 0.25% at its September meeting.

Within this economic environment, the DAX increased by 11% in the first nine months of 2021 to 15,261 points.

SHAREHOLDER STRUCTURE BY INVESTORS



SHAREHOLDER STRUCTURE BY REGION



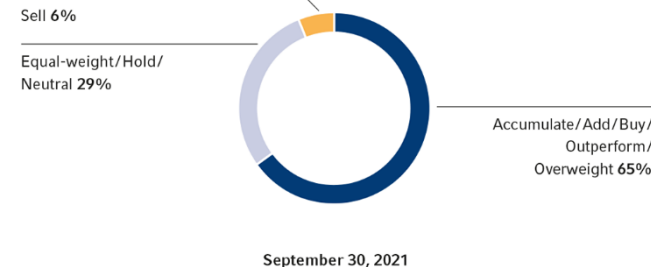
SHAREHOLDER STRUCTURE

The charts opposite show the shareholder structure as of the last survey as of June 30, 2021. The Else Kröner-Fresenius-Stiftung was the largest shareholder of Fresenius SE & Co. KGaA, with 26.6% of the shares. According to notifications pursuant to the German Securities Trading Act (WpHG), the shares held by BlackRock, Inc were below 5% and by Allianz Global Investors GmbH below 3%. For further information on notifications, please visit www.fresenius.com/shareholder-structure.

As of June 30, 2021, a shareholder survey identified the ownership of about 95% of our subscribed capital. The shareholder base of Fresenius is solid: a total of over 600 institutional investors held about 330 million shares or 60% (December 31, 2020: 60%) of the subscribed capital; 47.0 million (December 31: 46.1 million) shares were identified as retail holdings.

The 10 largest investors held about 18% (December 31, 2021: 20%) of the share capital. Our shares were mostly held by investors in Germany, the United States, and the United Kingdom.

ANALYST RECOMMENDATIONS



ANALYST RECOMMENDATIONS

The recommendations published by financial analysts are an important guide for institutional and private investors when making investment decisions. According to our survey, as of September 30, 2021, we were rated with 11 “buy”, 5 “hold”, and 1 “sell” recommendations. The list of banks that provide regular analyst coverage of Fresenius and their latest recommendations can be found at www.fresenius.com/analysts-and-consensus.

MANAGEMENT REPORT

Fresenius improves FY/21 Group guidance for the second time after good Q3 results

- ▶ **Fresenius Medical Care with stronger than projected COVID-19 related headwind**
- ▶ **Fresenius Kabi improves EBIT¹ outlook; North America returning to growth; Emerging Markets business with continued healthy financial performance**
- ▶ **Helios Germany with ongoing upward trend for elective treatments; activity levels at Helios Spain above pre-pandemic levels**
- ▶ **Fresenius Vamed with good performance in the service business; order book in the project business remains at all-time high**
- ▶ **Cost and efficiency program on track; savings targets confirmed for FY/23**
- ▶ **Fresenius raises FY/21 Group sales outlook; earnings now expected to be around the top-end of guidance**

STRATEGY AND GOALS

Our goal is to expand Fresenius' position as a leading global provider of products, services, and therapies for critically and chronically ill people. In line with our corporate purpose "Forward thinking health care to improve the quality of life of patients", Fresenius develops innovative, affordable, and profitable solutions for the megatrends of health and demographics. Our mission is to offer better medicine and better health care services to ever more people. Every business decision we make is consistently guided by the wellbeing of our patients. It is at the center of everything we do. At the same time, we want to grow profitably and use our capital efficiently.

FRESENIUS STRATEGY



¹ In constant currency

Fresenius is living up to its special responsibility as part of the health care system, even under the difficult circumstances of the current COVID-19 pandemic. With our products, services, and therapies, we have made an important contribution combating the pandemic worldwide. In our view, there is no need to adjust our strategy and goals due to the COVID-19 pandemic.

Strategic Roadmap

At the beginning of 2021, Fresenius has defined three phases for the development of the company over the next years: Optimize, Grow, and Accelerate.

Consistent with this strategic roadmap, Fresenius initiated group-wide strategic efficiency initiatives focused on operational excellence and cost-saving measures, targeted strengthening of future growth areas and portfolio optimizations. These measures are expected to gradually result in cost savings of more than €100 million p.a. after tax and minority interest in 2023, with some potential to increase thereafter. Achieving these sustainable efficiencies will require significant up-front expenses. For the years 2021 to 2023, those expenses are expected to be more than €100 million p.a. after tax and minority interest on average, with the largest portion currently expected to materialize in 2022. They will be classified as special items, consistent with previous practice.

More detailed information on our strategy and performance criteria can be found in our 2020 Annual Report on page 42 ff.

HEALTH CARE INDUSTRY

The health care sector is one of the world's largest industries and we are convinced that it shows excellent growth opportunities.

The main **growth factors** are:

- ▶ rising medical needs deriving from aging populations, the growing number of chronically ill and multimorbid patients,
- ▶ stronger demand for innovative products and therapies, advances in medical technology,
- ▶ the growing health consciousness, which increases the demand for health care services and facilities, and
- ▶ the increasing demand for digital health services for patients.

In the **emerging countries, additional drivers** are:

- ▶ expanding availability and correspondingly greater demand for basic health care, and
- ▶ increasing national incomes and hence higher spending on health care.

Health care structures are being reviewed and cost-cutting potential identified in order to contain the steadily rising health care expenditures. However, such measures cannot compensate for the cost pressure. Market-based elements are increasingly being introduced into the health care system to create incentives for cost- and quality-conscious behavior. Overall treatment costs will be reduced through improved quality standards.

In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

The industry-specific framework for the operating business of the Fresenius Group remained essentially unchanged in 2021.

External factors

The COVID-19 pandemic has a significant impact on the economic environment of the Fresenius Group. We demonstrated our special responsibility as part of the health care system even under the difficult circumstances of the COVID-19 pandemic. With our products, services, and therapies, we have made an important contribution combating the COVID-19 pandemic worldwide. Despite partial government compensation, COVID-19 had an overall negative effect on the business in many of the Group's important markets.

Nevertheless, Fresenius has come through the COVID-19 pandemic in an economically robust manner so far. Once again, our company's business development has proven to be comparatively stable and largely independent of economic cycles. Our diversification into four business segments and our global focus give the Group additional stability.

The legal framework for the operating business of the Fresenius Group remained essentially unchanged.

We carefully monitor and evaluate country-specific, political, legal, and financial conditions.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 5% (5% in constant currency) to €9,324 million (Q3/20: €8,918 million). Organic growth was 3%. Acquisitions/divestitures contributed net 2% to growth. Currency translation had no effect on sales growth. Excluding estimated COVID-19 effects¹, Group sales growth would have been 7% to 8% in constant currency.

In Q1-3/21, **Group sales** increased by 2% (5% in constant currency) to €27,554 million (Q1-3/20: €26,973 million). Organic growth was 4%. Acquisitions/divestitures contributed net 1% to growth. Currency translation reduced sales growth by 3%. Excluding estimated COVID-19 effects¹, Group sales growth would have been 5% to 6% in constant currency.

SALES BY REGION

€ in millions	Q3/2021	Q3/2020	Growth	Currency translation effects	Growth at constant rates	Organic sales growth	Acquisitions/divestitures	% of total sales
North America	3,674	3,613	2%	0%	2%	1%	1%	39%
Europe	4,098	3,869	6%	0%	6%	4%	2%	44%
Asia-Pacific	984	953	3%	2%	1%	1%	0%	11%
Latin America	462	401	15%	-7%	22%	19%	3%	5%
Africa	106	82	29%	7%	22%	22%	0%	1%
Total	9,324	8,918	5%	0%	5%	3%	2%	100%

€ in millions	Q1-3/2021	Q1-3/2020	Growth	Currency translation effects	Growth at constant rates	Organic sales growth	Acquisitions/divestitures	% of total sales
North America	10,606	11,283	-6%	-6%	0%	-1%	1%	39%
Europe	12,443	11,608	7%	0%	7%	5%	2%	45%
Asia-Pacific	2,858	2,647	8%	-1%	9%	9%	0%	10%
Latin America	1,336	1,161	15%	-13%	28%	24%	4%	5%
Africa	311	274	14%	4%	10%	10%	0%	1%
Total	27,554	26,973	2%	-3%	5%	4%	1%	100%

SALES BY BUSINESS SEGMENT

€ in millions	Q3/2021	Q3/2020	Growth	Currency translation effects	Growth at constant rates	Organic sales growth	Acquisitions/Divestitures	% of total sales ²
Fresenius Medical Care	4,442	4,414	1%	0%	1%	1%	0%	47%
Fresenius Kabi	1,854	1,694	9%	1%	8%	8%	0%	20%
Fresenius Helios	2,622	2,400	9%	-1%	10%	5%	5%	28%
Fresenius Vamed	516	517	0%	0%	0%	0%	0%	5%
Total	9,324	8,918	5%	0%	5%	3%	2%	100%

€ in millions	Q1-3/2021	Q1-3/2020	Growth	Currency translation effects	Growth at constant rates	Organic sales growth	Acquisitions/Divestitures	% of total sales ²
Fresenius Medical Care	12,972	13,459	-4%	-6%	2%	1%	1%	47%
Fresenius Kabi	5,370	5,161	4%	-3%	7%	6%	1%	19%
Fresenius Helios	8,009	7,181	12%	0%	12%	7%	5%	29%
Fresenius Vamed	1,549	1,491	4%	0%	4%	4%	0%	5%
Total	27,554	26,973	2%	-3%	5%	4%	1%	100%

¹ For estimated COVID-19 effects please see table on page 28.

² The following description of sales relates to the respective external sales of the business segments. Consolidation effects and corporate entities are not taken into account. Therefore, aggregation to total Group sales is not possible.

EARNINGS

Group **EBITDA** before special items decreased by 2% (-2% in constant currency) to €1,700 million (Q3/20: €1,729 million). Reported Group EBITDA was €1,667 million (Q3/20: €1,729 million).

In Q1-3/21, Group **EBITDA** before special items decreased by 5% (-1% in constant currency) to €5,002 million (Q1-3/20: €5,246 million). Reported Group EBITDA was €4,957 million (Q1-3/20: €5,246 million).

Group **EBIT** before special items decreased by 6% (-6% in constant currency) to €1,041 million (Q3/20: €1,113 million). The decrease is primarily due to COVID-19 related headwinds at Fresenius Medical Care. The EBIT margin before special items was 11.2% (Q3/20: 12.5%). Reported Group EBIT was €1,008 million (Q3/20: €1,113 million).

In Q1-3/21, Group **EBIT** before special items decreased by 8% (-5% in constant currency) to €3,080 million (Q1-3/20: €3,361 million). The constant currency decrease is primarily due to COVID-19 related headwinds at Fresenius Medical Care. The EBIT margin before special items was 11.2% (Q1-3/20: 12.5%). Reported Group EBIT was €3,035 million (Q1-3/20: €3,361 million).

Group **net interest** before special items and reported net interest improved to -€126 million (Q3/20²: -€154 million) mainly due to lower interest rates. In Q1-3/21, Group **net interest** before special items improved to -€384 million (Q1-3/20²: -€495 million). Reported Group net interest improved to -€384 million (Q1-3/20: -€503 million).

EARNINGS

€ in millions	Q3/2021	Q3/2020	Growth	Q1-3/2021	Q1-3/2020	Growth
Sales	9,324	8,918	5%	27,554	26,973	2%
Costs of sales	-6,801	-6,422	-6%	-19,955	-19,285	-3%
Gross profit	2,523	2,496	1%	7,599	7,688	-1%
Selling, general and administrative expenses	-1,300	-1,218	-7%	-3,966	-3,778	-5%
Research and development expenses	-215	-165	-30%	-598	-549	-9%
Operating income (EBIT)	1,008	1,113	-9%	3,035	3,361	-10%
Interest result	-126	-154	18%	-384	-503	24%
Financial result	-126	-154	18%	-384	-503	24%
Income before income taxes	882	959	-8%	2,651	2,858	-7%
Income taxes	-201	-211	5%	-591	-648	9%
Net income	681	748	-9%	2,060	2,210	-7%
Less noncontrolling interests	-268	-321	17%	-741	-913	19%
Net income attributable to Fresenius SE & Co. KGaA^{1,2}	435	427	2%	1,345	1,302	3%
Net income attributable to Fresenius SE & Co. KGaA ¹	413	427	-3%	1,319	1,297	2%
Earnings per ordinary share (€)^{1,2}	0.78	0.77	1%	2.41	2.34	3%
Fully diluted earnings per ordinary share (€) ^{1,2}	0.78	0.77	1%	2.41	2.34	3%
Earnings per ordinary share (€)¹	0.74	0.77	-4%	2.36	2.33	1%
Fully diluted earnings per ordinary share (€) ¹	0.74	0.77	-4%	2.36	2.33	1%
Average number of shares	558,448,118	557,467,584		557,920,123	557,431,698	
EBITDA ²	1,700	1,729	-2%	5,002	5,246	-5%
Depreciation and amortization ²	-659	-616	-7%	-1,922	-1,885	-2%
EBIT ²	1,041	1,113	-6%	3,080	3,361	-8%
EBITDA margin ²	18.2%	19.4%		18.2%	19.4%	
EBIT margin ²	11.2%	12.5%		11.2%	12.5%	

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

² Before special items

Group **tax rate** before special items was 23.0% (Q3/20¹: 22.0%) while reported Group tax rate was 22.8% (Q3/20: 22.0%). In Q1-3/21, Group **tax rate** before special items was 22.4% (Q1-3/20¹: 22.7%) while reported Group tax rate was 22.3% (Q1-3/20: 22.7%).

Noncontrolling interests before special items were -€270 million (Q3/20: -€321 million) of which 91% were attributable to the noncontrolling interests in Fresenius Medical Care. Reported noncontrolling interests were -€268 million (Q3/20: -€321 million). In Q1-3/21, **noncontrolling interests** before special items were -€747 million (Q1-3/20: -€913 million) of which 91% were attributable to the noncontrolling interests in Fresenius Medical Care. Reported noncontrolling interests were -€741 million (Q3/20: -€913 million).

Group **net income**¹ before special items increased by 2% (2% in constant currency) to €435 million (Q3/20¹: €427 million) driven by Fresenius Vamed and Fresenius Kabi as well as by the favorable net interest development. Excluding estimated COVID-19 effects³ Group net income² before special items would have grown 12% to 16% in constant currency. Reported Group net income² decreased to €413 million (Q3/20: €427 million).

In Q1-3/21, Group **net income**² before special items increased by 3% (6% in constant currency) to €1,345 million (Q1-3/20¹: €1,302 million). Excluding estimated COVID-19 effects³, Group net income² before special items would have grown 7% to 11% in constant currency. Reported Group net income² increased to €1,319 million (Q1-3/20: €1,297 million).

Earnings per share² before special items increased by 1% (1% in constant currency) to €0.78 (Q3/20²: €0.77). Reported earnings per share² were €0.74 (Q3/20: €0.77). In Q1-3/21, **earnings per share**² before special items increased by 3% (6% in constant currency) to €2.41 (Q1-3/20¹: €2.34). Reported earnings per share² were €2.36 (Q1-3/20: €2.33).

RECONCILIATION

Consolidated results for Q3/21 and Q3/20 include special items. Consolidated results for Q1-3/21 and Q1-3/20 include special items. The special items shown in the reconciliations are shown in the Corporate segment. For a detailed overview of special items please see the reconciliation tables from page 26 onwards.

INVESTMENTS

Spending on **property, plant and equipment** was €449 million corresponding to 5% of sales (Q3/20: €521 million; 6% of sales). These investments served primarily for the modernization and expansion of dialysis clinics, production facilities as well as hospitals and day clinics. In Q1-3/21, spending on property, plant and equipment was €1,342 million corresponding to 5% of sales (Q1-3/20: €1,542 million; 6% of sales).

Total **acquisition spending** was €167 million (Q3/20: €142 million). In Q1-3/21, total acquisition spending was €807 million (Q1-3/20: €651 million) mainly for the acquisition of Eugin Group at Fresenius Helios which has been consolidated since April 1, 2021, and the acquisition of dialysis clinics at Fresenius Medical Care.

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ For estimated COVID-19 effects please see table on page 28.

CASH FLOW

Group **operating cash flow** increased to €1,226 million (Q3/20: €1,199 million) with a margin of 13.1% (Q3/20: 13.4%). Free cash flow before acquisitions and dividends increased correspondingly to €793 million (Q3/20: €682 million). **Free cash flow after acquisitions and dividends** increased to €594 million (Q3/20: -€185 million).

In Q1-3/21, Group **operating cash flow** decreased to €3,329 million (Q1-3/20: €5,159 million) with a margin of 12.1% (Q1-3/20: 19.1%). The decrease was mainly due to continued recoupment of the U.S. federal government's payments under the CARES Act in Q2/20. Free cash flow before acquisitions and dividends decreased to €1,986 million (Q1-3/20: €3,593 million). **Free cash flow after acquisitions and dividends** decreased to €352 million (Q1-3/20: €2,149 million).

INVESTMENTS/ACQUISITIONS BY BUSINESS SEGMENT

€ in millions	Q1-3/2021	Q1-3/2020	Thereof property, plant and equipment	Thereof acquisitions	Growth	% of total
Fresenius Medical Care	954	992	588	366	-4%	44%
Fresenius Kabi	347	477	346	1	-27%	16%
Fresenius Helios	779	640	341	438	22%	36%
Fresenius Vamed	58	70	57	1	-17%	3%
Corporate	11	14	10	1	-21%	1%
Total	2,149	2,193	1,342	807	-2%	100%

CASH FLOW STATEMENT (Summary)

€ in millions	Q3/2021	Q3/2020	Growth	Q1-3/2021	Q1-3/2020	Growth
Net income	681	748	-9%	2,060	2,210	-7%
Depreciation and amortization	659	616	7%	1,922	1,885	2%
Change working capital and others	-114	-165	31%	-653	1,064	-161%
Operating Cash flow	1,226	1,199	2%	3,329	5,159	-35%
Capital expenditure, net	-433	-517	16%	-1,343	-1,566	14%
Cash flow before acquisitions and dividends	793	682	16%	1,986	3,593	-45%
Cash used for acquisitions/proceeds from divestitures	-124	-77	-61%	-643	-443	-45%
Dividends paid	-75	-790	91%	-991	-1,001	1%
Free cash flow after acquisitions and dividends	594	-185	--	352	2,149	-84%
Cash provided by/used for financing activities	-492	-102	--	96	-987	110%
Effect of exchange rates on change in cash and cash equivalents	61	-128	148%	128	-158	181%
Net change in cash and cash equivalents	163	-415	139%	576	1,004	-43%

ASSET AND LIABILITY STRUCTURE

Group **total assets** increased by 7% (4% in constant currency) to €71,081 million (Dec. 31, 2020: €66,646 million) given the expansion of business activities and currency effects. Current assets increased by 10% (7% in constant currency) to €17,334 million (Dec. 31, 2020: €15,772 million) driven by the increase of cash and cash equivalents, trade accounts receivables, and inventories. Non-current assets increased by 6% (3% in constant currency) to €53,747 million (Dec. 31, 2020: €50,874 million).

Total shareholders' equity increased by 8% (4% in constant currency) to €28,186 million (Dec. 31, 2020: €26,023 million). The equity ratio was 39.7% (Dec. 31, 2020: 39.0%).

Group **debt** increased by 5% (3% in constant currency) to €27,191 million (Dec. 31, 2020: €25,913 million). Group **net debt** increased by 3% (1% in constant currency) to €24,778 million (Dec. 31, 2020: €24,076 million).

As of September 30, 2021, the **net debt/EBITDA** ratio increased to 3.55x^{1,2} (Dec. 31, 2020: 3.44x^{1,2}) driven by COVID-19 effects weighing on EBITDA as well as increased net debt. The improvement over June 30, 2021 (3.60x^{1,2}) is driven by the reduction of net debt in Q3/21 due to the good cash flow performance.

BALANCE SHEET

€ in millions

	Sep. 30, 2021	Dec. 31, 2020	Change
Assets			
Current assets	17,334	15,772	10%
thereof trade accounts receivables	7,402	6,937	7%
thereof inventories	4,257	3,945	8%
thereof cash and cash equivalents	2,413	1,837	31%
Non-current assets	53,747	50,874	6%
thereof property, plant and equipment	12,270	11,912	3%
thereof goodwill and other intangible assets	32,109	30,335	6%
thereof right-of-use-assets	5,856	5,691	3%
Total assets	71,081	66,646	7%
Liabilities and shareholders' equity			
Liabilities	42,895	40,623	6%
thereof trade accounts payable	1,649	1,816	-9%
thereof accruals and other short-term liabilities	10,822	9,913	9%
thereof debt	27,191	25,913	5%
<i>thereof lease liabilities</i>	<i>6,394</i>	<i>6,188</i>	<i>3%</i>
Noncontrolling interests	9,885	9,074	9%
Total Fresenius SE & Co. KGaA shareholders' equity	18,301	16,949	8%
Total shareholders' equity	28,186	26,023	8%
Total liabilities and shareholders' equity	71,081	66,646	7%

¹ At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures

² Before special items

BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases. As of September 30, 2021, Fresenius Medical Care was treating approximately 345,000 patients in 4,151 dialysis clinics. Along with its core business, the Renal Care Continuum, the company focuses on expanding in complementary areas and in the field of critical care.

€ in millions	Q3/2021	Q3/2020	Growth	Growth in constant currency	Q1-3/2021	Q1-3/2020	Growth	Growth in constant currency
Sales	4,441	4,414	1%	1%	12,972	13,459	-4%	2%
EBITDA ¹	912	1,025	-11%	-10%	2,604	3,047	-15%	-10%
EBIT ¹	510	632	-19%	-19%	1,417	1,843	-23%	-19%
Net income ^{1,2}	277	354	-22%	-21%	751	987	-24%	-20%
Employees (Sep. 30/Dec. 31)					130,871	133,129	-2%	

- ▶ Stronger than projected headwind from COVID-19-effects with significantly increased patient excess mortality due to global spread of Delta variant
- ▶ Organic growth continued with 1%
- ▶ Financial targets for FY 2021 confirmed, expectation to reach lower end of the guidance ranges for revenue and net income

Sales of Fresenius Medical Care increased by 1% (increased by 1% in constant currency) to €4,441 million (Q3/20: €4,414 million). Organic growth was 1%. In Q1-3/21, sales of Fresenius Medical Care decreased by 4% (increased by 2% in constant currency) to €12,972 million (Q1-3/20: €13,459 million). Thus, currency translation had a negative effect of 6%. Organic growth was 1%.

EBIT decreased by 20% (-19% in constant currency) to €505 million (Q3/20: €632 million) resulting in a margin of 11.4% (Q3/20: 14.3%). EBIT before special items declined by 19% to €510 million (-19% in constant currency; Q3/20: €632 million), resulting in a margin of 11.5% (Q3/20: 14.3%). The decline was mainly due to adverse COVID-19-related effects, inflationary cost increases and higher labor costs. These effects were slightly mitigated by an improved U.S. payor mix, in particular due to an increased number of patients with Medicare Advantage coverage.

In Q1-3/21, **EBIT** decreased by 24% (-20% in constant currency) to €1,403 million (Q1-3/20: €1,843 million) resulting in a margin of 10.8% (Q1-3/20: 13.7%). EBIT before special items decreased by 23% (-19% in constant currency) to €1,417 million (Q1-3/20: €1,843 million) resulting in an EBIT margin before special items of 10.9% (Q1-3/20: 13.7%).

¹ Before special items

² Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

For a detailed overview of special items please see the reconciliation table on page 27.

Net income¹ decreased by 23% (-22% in constant currency) to €273 million (Q3/20: €354 million) mainly due to effects explained for operating income and a higher tax rate. Net income¹ before special items decreased by 22% (-21% in constant currency) to €277 million (Q3/20: €354 million).

In Q1-3/21, **net income**¹ decreased by 25% (-21% in constant currency) to €741 million (Q1-3/20: €987 million). Net income¹ before special items decreased by 24% (-20% in constant currency) to €751 million (Q1-3/20: €987 million).

Operating cash flow was €692 million (Q3/20: €746 million) with a margin of 15.6% (Q3/20: 16.9%). The decrease was mainly due to continued recoupment of the U.S. federal government's payments in the second quarter of 2020 under the CARES Act. In Q1-3/21, operating cash flow was €1,820 million (Q1-3/20: €3,649 million) with a margin of 14.0% (Q1-3/20: 27.1%).

For FY/21, Fresenius Medical Care confirms its outlook for revenue² to grow at a low-to-mid single-digit percentage rate and net income^{1,3} to decline at a high-teens to mid-twenties percentage rate against the 2020 base and is now expecting to be at the lower end of these guidance ranges⁴.

For further information, please see Fresenius Medical Care's press release at www.freseniusmedicalcare.com.

¹ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

² FY/20 base: €17,859 million

³ FY/20 base: €1,359 million, before special items; FY/21: before special items

⁴ These targets are based on the 2020 results excluding the impairment of goodwill and trade names in the Latin America Segment of €195 million. They are inclusive of anticipated COVID-19 effects, in constant currency and exclude special items. Special items include costs related to FME25 and other effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance.

For a detailed overview of special items please see the reconciliation table on page 27.

FRESENIUS KABI

Fresenius Kabi offers intravenously administered generic drugs, clinical nutrition and infusion therapies for seriously and chronically ill patients in the hospital and outpatient environments. The company is also a leading supplier of medical devices and transfusion technology products. In the biosimilars business, Fresenius Kabi is developing products with a focus on oncology and autoimmune diseases.

€ in millions	Q3/2021	Q3/2020	Growth	Growth in constant currency	Q1-3/2021	Q1-3/2020	Growth	Growth in constant currency
Sales	1,854	1,694	9%	8%	5,370	5,161	4%	7%
EBITDA ¹	414	368	13%	12%	1,194	1,146	4%	8%
EBIT ¹	300	278	8%	7%	874	859	2%	5%
Net income ^{1,2}	206	189	9%	9%	600	582	3%	7%
Employees (Sep. 30/Dec. 31)					41,296	40,519	2%	

- ▶ North America with healthy organic sales growth; EBIT growth only hindered by a non-cash one-time effect
- ▶ Solid organic sales growth in Europe supported by ongoing recovery of elective treatments
- ▶ Continued strong Emerging Markets growth driven primarily by Latin America; China slowing down due to price effects post successful participation in VBP tenders
- ▶ EBIT outlook³ for FY/21 improved

Sales increased by 9% (8% in constant currency) to €1,854 million (Q3/20: €1,694 million). Organic growth was 8%. In Q1-3/21, sales increased by 4% (7% in constant currency) to €5,370 million (Q1-3/20: €5,161 million). Organic growth was 6%. Negative currency translation effects of 3% in Q1-3 were mainly related to the weakness of the US dollar, the Argentinian peso and the Brazilian real.

Sales in **North America** increased by 6% (organic: 6%) to €589 million (Q3/20: €558 million) driven by extra demand for COVID-19 related products. In Q1-3/21, sales in North America decreased by 9% (organic: -4%) to €1,669 million (Q1-3/20: €1,827 million).

Sales in **Europe** increased by 7% (organic: 5%) to €620 million (Q3/20: €581 million) supported by the ongoing recovery of elective treatments. In Q1-3/21, sales in Europe increased by 6% (organic: 5%) to €1,880 million (Q1-3/20: €1,778 million).

Sales in **Asia-Pacific** increased by 12% (organic: 8%) to €447 million (Q3/20: €399 million) mainly due to normalizing elective treatment activity in the region. In China, organic growth is slowing down due to initial negative price effects from successful participation in VBP (Volume-Based Purchasing) tenders as well as the demanding prior-year base. In Q1-3/21, sales in Asia-Pacific increased by

17% (organic: 16%) to €1,248 million (Q1-3/20: €1,069 million).

Sales in **Latin America/Africa** increased by 27% (organic: 27%) to €198 million (Q3/20: €156 million) due to ongoing COVID-19 related extra demand. In Q1-3/21, sales in Latin America/Africa increased by 18% (organic: 26%) to €573 million (Q1-3/20: €487 million).

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ Growth at constant currency

EBIT¹ increased by 8% (7% in constant currency) to €300 million (Q3/20: €278 million) with an EBIT margin of 16.2% (Q3/20: 16.4%). The increase in constant currency was primarily driven by the Emerging Markets and European businesses, tempered by an IP R & D write-off in North America. Adjusted for this one-time effect, North America returned to healthy growth. EBIT was supported by positive COVID-19 effects. In Q1-3/21, EBIT¹ increased by 2% (5% in constant currency) to €874 million (Q1-3/20: €859 million) with an EBIT margin of 16.3% (Q1-3/20: 16.6%).

Net income^{1,2} increased by 9% (9% in constant currency) to €206 million (Q3/20¹: €189 million). In Q1-3/21, net income^{1,2} increased by 3% (7% in constant currency) to €600 million (Q1-3/20¹: €582 million).

Operating cash flow increased to €393 million (Q3/20: €225 million) with a margin of 21.2% (Q3/20: 13.3%) mainly due to healthy operational performance. In Q1-3/21, operating cash flow increased to €868 million (Q1-3/20: €836 million) with a margin of 16.2% (Q1-3/20: 16.2%).

For FY/21, Fresenius Kabi improves its EBIT outlook. The company now projects EBIT^{1,3} growth in constant currency around the top end of its low single-digit percentage guidance range. The company continues to expect organic sales growth⁴ in a low-to-mid single-digit percentage range. Both sales and EBIT outlook include expected COVID-19 effects.

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ FY/20 base: €1,095 million, before special items; FY/21: before special items

⁴ FY/20 base: €6,976 million

FRESENIUS HELIOS

Fresenius Helios is Europe's leading private hospital operator. The company comprises Helios Germany and Helios Spain. Helios Germany operates 89 hospitals, ~130 outpatient centers and 6 prevention centers. Helios Spain operates 47 hospitals, 86 outpatient centers and around 300 occupational risk prevention centers. In addition, the company is active in Latin America with 6 hospitals and as a provider of medical diagnostics and reproduction medicine world-wide.

€ in millions	Q3/2021	Q3/2020	Growth	Growth in constant currency	Q1-3/2021	Q1-3/2020	Growth	Growth in constant currency
Sales	2,622	2,400	9%	10%	8,009	7,181	12%	12%
EBITDA ¹	341	336	1%	1%	1,134	1,027	10%	11%
EBIT ¹	222	225	-1%	0%	788	697	13%	14%
Net income ^{1,2}	135	142	-5%	-4%	501	441	14%	15%
Employees (Sep. 30/Dec. 31)					121,643	116,952	4%	

- ▶ Helios Germany with ongoing upward trend for elective treatments
- ▶ Treatment activity at Helios Spain above pre-pandemic levels in most medical areas
- ▶ Strong results in Latin America
- ▶ FY/21 outlook confirmed

Sales increased by 9% (10% in constant currency) to €2,622 million (Q3/20: €2,400 million). Organic growth was 5%. Acquisitions, including the hospital acquisitions from the Order of Malta in Germany and the fertility business Eugin (consolidated as from April 1, 2021) contributed 5% to sales growth. In Q1-3/21, sales increased by 12% (12% in constant currency) to €8,009 million (Q1-3/20: €7,181 million). Organic growth was 7%. Acquisitions contributed 5% to sales growth.

Sales of **Helios Germany** increased by 7% (organic: 3%) to €1,640 million (Q3/20: €1,529 million) driven by positive price and case mix effects. The hospital acquisitions from the Order of Malta contributed 4% to sales growth. In Q1-3/21, sales of Helios Germany increased by 6% (organic: 2%) to €4,988 million (Q1-3/20: €4,703 million).

Sales of **Helios Spain** increased by 8% (9% in constant currency) to €941 million (Q3/20: €870 million). Organic growth of 8% was driven by a consistently high level of treatments and ongoing demand for occupational risk prevention (ORP) services. Furthermore, the hospitals in Latin America showed a good development and contributed 2% to sales growth. In Q1-3/21, sales of Helios Spain increased by 19% (20% in constant currency) to €2,937 million (Q1-3/20: €2,476 million). Organic growth was 18%.

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

EBIT¹ of Fresenius Helios decreased by 1% (0% in constant currency) to €222 million (Q3/20: €225 million) due to the demanding prior-year base at Helios Spain. The EBIT¹ margin was 8.5% (Q3/20: 9.4%). In Q1-3/21, EBIT¹ of Fresenius Helios increased by 13% (14% in constant currency) to €788 million (Q1-3/20: €697 million) with an EBIT margin¹ of 9.8% (Q1-3/20: 9.7%).

EBIT¹ of **Helios Germany** increased by 5% to €140 million (Q3/20: €133 million) with an EBIT margin¹ of 8.5% (Q3/20: 8.7%). In Q1-3/21, EBIT¹ of Helios Germany decreased by 1% to €442 million (Q1-3/20: €445 million) with an EBIT margin¹ of 8.9% (Q1-3/20: 9.5%).

EBIT of **Helios Spain** decreased by 17% (-17% in constant currency) to €79 million (Q3/20: €95 million) due to an exceptional Q3/20 driven by post-lock-down catch-up effects. In addition, higher costs for personnel, personal protective equipment and selected medical products, among others, had a negative impact. The EBIT margin was 8.4% (Q3/20: 10.9%). The hospital acquisitions in Colombia contributed nicely. In Q1-3/21, EBIT of Helios Spain increased by 35% (36% in constant currency) to €352 million (Q1-3/20: €261 million) with an EBIT margin of 12.0% (Q1-3/20: 10.5%).

Net income^{1,2} decreased by 5% (-4% in constant currency) to €135 million (Q3/20: €142 million). In Q1-3/21, net income^{1,2} increased by 14% (15% in constant currency) to €501 million (Q1-3/20: €441 million).

Operating cash flow decreased to €157 million (Q3/20: €275 million) with a margin of 6.0% (Q3/20: 11.5%) as the previous year was supported by the accelerated payment scheme under the German law to ease the financial burden on hospitals. In Q1-3/21, operating cash flow decreased to €595 million (Q1-3/20: €715 million) with a margin of 7.4% (Q1-3/20: 10.0%).

For FY/21, Fresenius Helios confirms its outlook. The company expects organic sales³ growth in a mid single-digit percentage range. EBIT⁴ is projected to grow in a high single-digit percentage range in constant currency. Both sales and EBIT outlook include expected COVID-19 effects.

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ FY/20 base: €9,818 million

⁴ FY/20 base: €1,025 million; FY/21 before special items

FRESENIUS VAMED

Fresenius Vamed manages projects and provides services for hospitals and other health care facilities worldwide and is a post-acute care provider in Central Europe. The portfolio ranges along the entire value chain: from project development, planning, and turnkey construction, via maintenance and technical management, to total operational management.

€ in millions	Q3/2021	Q3/2020	Growth	Growth in constant currency	Q1-3/2021	Q1-3/2020	Growth	Growth in constant currency
Sales	516	517	0%	0%	1,549	1,491	4%	4%
EBITDA	45	10	-	-	100	51	96%	96%
EBIT	23	-11	-	-	35	-10	-	-
Net income ¹	14	-15	193%	193%	18	-23	178%	178%
Employees (Sep. 30/Dec. 31)					19,740	19,414	2%	

- ▶ Further acceleration of EBIT growth despite persistent COVID-19 impacts
- ▶ Project business still marked by COVID-19; order book remains at all-time high
- ▶ Good performance, particularly in the high-end service business; upward trend in elective treatments supports rehabilitation business
- ▶ FY/21 outlook confirmed

Sales remained stable (0% in constant currency and organic) at €516 million (Q3/20: €517 million). In Q1-3/21, sales increased by 4% (4% in constant currency) to €1,549 million (Q1-3/20: €1,491 million). Organic growth was 4%.

Sales in the **service business** increased by 9% (9% in constant currency) to €410 million (Q3/20: €377 million), driven by high-end services and growing case numbers in the rehabilitation business. Sales in the **project business** decreased by 24% (24% in constant currency) to €106 million (Q3/20: €140 million).

In Q1-3/21, sales in the **service business** increased by 10% (10% in constant currency) to €1,165 million (Q1-3/20: €1,063 million). Sales in the **project business** decreased by 10% (-10% in constant currency) to €384 million (Q1-3/20: €428 million).

EBIT increased to €23 million (Q3/20: -€11 million) with an EBIT margin of 4.5% (Q3/20: -2.1%). In Q1-3/21, EBIT increased to €35 million (Q1-3/20: -€10 million) with an EBIT margin of 2.3% (Q1-3/20: -0.7%).

Net income¹ increased to €14 million (Q3/20: -€15 million). In Q1-3/21, net income¹ increased to €18 million (Q1-3/20: -€23 million).

Order intake was €120 million in Q3/21 (Q3/20: €188 million) and €971 million in Q1-3/21 (Q1-3/20: €362 million), particularly driven by a turnkey project for a hospital in Wiener Neustadt, Austria. As of September 30, 2021, **order backlog** of €3,647 million (December 31, 2020: €3,055 million) remained at an all-time high.

¹ Net income attributable to shareholders of VAMED AG

² FY/20 base: €2,068 million

³ FY/20 base: €29 million; FY/21 before special items

Operating cash flow increased to €9 million (Q3/20: -€4 million) with a margin of 1.7% (Q3/20: -0.8%) mainly due to payments from the international project business. In Q1-3/21, operating cash flow increased to €23 million (Q1-3/20: €4 million) with a margin of 1.5% (Q1-3/20: 0.3%).

For FY/21, Fresenius Vamed confirms its outlook. The company expects organic sales¹ growth in a mid-to-high single-digit percentage range and EBIT² to grow to a high double-digit Euro million amount. Both sales and EBIT outlook include expected COVID-19 effects.

¹ FY/20 base: €2,068 million

² FY/20 base: €29 million; FY/21 before special items

EMPLOYEES

As of September 30, 2021, the number of employees was 314,852 (Dec. 31, 2020: 311,269).

NUMBER OF EMPLOYEES

Number of employees	Sep. 30, 2021	Dec. 31, 2020	Growth
Fresenius Medical Care	130,871	133,129	-2%
Fresenius Kabi	41,296	40,519	2%
Fresenius Helios	121,643	116,952	4%
Fresenius Vamed	19,740	19,414	2%
Corporate	1,302	1,255	4%
Total	314,852	311,269	1%

RESEARCH AND DEVELOPMENT

Product and process development as well as the improvement of therapies are at the core of our growth strategy. Fresenius focuses its R & D efforts on its core competencies in the following areas:

- ▶ Dialysis
- ▶ Generic IV drugs
- ▶ Biosimilars
- ▶ Infusion and nutrition therapies
- ▶ Medical devices

Apart from new products, we are concentrating on developing optimized or completely new therapies, treatment methods, and services.

RESEARCH AND DEVELOPMENT EXPENSES

BY BUSINESS SEGMENT

€ in millions	Q1-3/ 2021	Q1-3/ 2020	Growth
Fresenius Medical Care	153	141	8%
Fresenius Kabi	443	407	9%
Fresenius Helios	2	1	100%
Fresenius Vamed	-	-	--
Corporate	0	0	--
Total	598	549	9%

RATING

Fresenius is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Standard & Poor's	Moody's	Fitch
Company rating	BBB	Baa3	BBB -
Outlook	stable	stable	stable

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2020 applying Section 315e HGB in accordance with IFRS, there has been the following important developments in Fresenius' overall opportunities and risk situation until November 1st, 2021.

The global COVID-19 pandemic, continued to adversely affect our business in the first nine months of 2021. We expect further adverse effects on our business and result of operations for the fourth quarter of 2021. The further development of the worldwide situation in 2021 remains uncertain and depends on the progress of the vaccination campaigns worldwide as well as the extent to which further virus variants spread. An unfavorable development may result in additional adverse effects on our financial results and our ability to achieve our Guidance.

We are currently observing cost increases and supply shortages which are having a negative impact on our business and operating result. These may persist or even intensify with potential resulting further negative impacts on our business and operating result.

A potential U.S. federal corporate tax increase of up to 7 percentage point as announced by U.S. President Joe Biden may have a negative impact on our net income in the current and in the coming fiscal years due to Fresenius' high proportion of business in the United States.

In the ordinary course of Fresenius Group's operations, the Fresenius Group is subject to litigation, arbitration as well as external and internal investigations relating to various aspects of its business.

The Fresenius Group regularly analyzes current information about such matters for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate.

We report on legal proceedings on pages 53 to 54 in the Notes of this report.

SUBSEQUENT EVENTS

October was characterized worldwide by a regionally varying development of the COVID-19 pandemic with again rising infection numbers. Large-scale constraints of public and private life are still enacted in various countries in order to curtail the spread of COVID-19. The vaccination programs were continued worldwide and the development in each country differs. The further development of the global situation and its impact on Fresenius remain uncertain. Cost inflation and supply chain disruption continues to be a theme on a global level.

Fresenius Kabi has developed a strategic plan to better capture existing and new growth opportunities. Given the sustainable growth potential as well as its already strong market position, Fresenius Kabi will continue to focus on products and services for the therapy and care of critically and chronically ill patients. Within that overarching direction, three growth vectors have been defined: (i) broaden the biopharmaceutical offering, (ii) roll-out clinical nutrition and (iii) expand in MedTech. In parallel, Fresenius Kabi aims at strengthening the resilience of its volume-driven IV business. Furthermore, Fresenius Kabi will increase its global competitiveness and advance its organizational effectiveness; one initial step is the implementation of a business-led rather than regional organization. Implementation plans are still being sharpened.

On November 2, 2021, Fresenius Medical Care announced further details on its FME25 program. With a significantly simplified future structure of two global operating segments – Care Enablement and Care Delivery – Fresenius Medical Care orients its operating model along the relevant future value drivers.

Based on the implementation of the new global operating model, Fresenius Medical Care assumes to reduce its annual cost base by €500 million by the end of 2025. Around 50% of these savings are expected to be realized by 2023. By the end of 2023 around 80% of the anticipated one-time investments in FME25, amounting to approximately €450 million to 500 million, are expected to be made. The investments will be treated as a special item. The Company thus expects to reach positive net savings by the end of 2023.

Beyond that, there have been no significant changes in the industry environment. Also otherwise, with the exception of the amendment of the commercial paper program of Fresenius Medical Care as described in section 12 of the notes, Debt, there have been no further events with a significant impact on the assets and liabilities, financial position, and results of operations of the Group since the end of the third quarter of 2021.

OUTLOOK 2021

COVID-19 ASSUMPTIONS FOR GUIDANCE FY/21

Negative COVID-19 effects at Fresenius have increased sequentially in Q3/21, driven by significant excess patient mortality at Fresenius Medical Care. Fresenius expects also Q4/21 to be impacted by COVID-19 effects. Meaningfully rising COVID-19 case numbers, the further evolution of virus mutations as well as stalling vaccination progress could impact Fresenius' ability to achieve its FY/21 guidance. Additionally, Fresenius expects headwinds from cost inflation including rising commodity and shipping prices, increasing energy costs, as well as supply chain constraints in Q4/21. Hence, Fresenius remains vigilant.

Whilst the risk of renewed far-reaching containment measures in one or more of Fresenius' major markets cannot be excluded, it now appears unlikely. Any resulting significant and direct impact on the health care sector without appropriate compensation is not reflected in the Group's FY/21 guidance. These assumptions are subject to considerable uncertainty.

FRESENIUS GROUP

Based on the Group's good Q3/21 results and the progress to improve Group-wide efficiencies, Fresenius raises its sales guidance³ and improves its earnings guidance^{1,2}. The Company now projects constant currency sales³ to grow in a mid single-digit range in FY/21. Previously, the Company projected sales³ growth in a low-to-mid single-digit percentage range in constant currency. Earnings^{1,2} growth in constant currency is now expected to be around the top-end of the low single-digit percentage range.

Implicitly, net income¹ for the Group excluding Fresenius Medical Care is now expected to grow in a low double-digit percentage range in constant currency. Previously, Fresenius expected high single-digit percentage growth in constant currency.

The guidance implies ongoing COVID-19 related headwinds, primarily at Fresenius Medical Care, and increasingly noticeable cost inflation across selected markets in Q4/21. It also reflects negative pricing effects related to tender activity at Fresenius Kabi in China.

SALES AND EARNINGS BY BUSINESS SEGMENT

In 2021, we expect sales and earnings development in our business segments as shown in the table on page 25.

PROGRESS ON EFFICIENCY MEASURES TO SUSTAINABLY IMPROVE PROFITABILITY

During Q3/21, Fresenius finalized the concept phase of its cost and efficiency program. At the same time, first initiatives were already implemented. Fresenius Medical Care is providing an update on its FME25 transformation program in addition to its Q3/21 results presentation.

Fresenius confirms its expectation that the measures to sustainably enhance profitability and operational excellence to reach cost savings of more than €100 million p.a. after tax and minority interest in 2023, with some potential to increase thereafter.

Achieving these sustainable efficiencies will require significant up-front expenses. For the years 2021 to 2023, those expenses are expected to average more than €100 million p.a. after tax and minority interest, with the largest portion currently expected to materialize in 2022. They will be classified as special items, consistent with previous practice.

Fresenius expects significant contributions from all four business segments and from the corporate center in the 2021 to 2023 period. For FY/21, low double-digit million Euro savings after tax and minority interest from the Group's cost and efficiency measures are expected to support the Group's profitability. These savings and efficiency gains derive from activities in all four business segments.

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

² FY/20 base: €1,796 million, before special items; FY/21: before special items

³ FY/20 base: €36,277 million

⁴ At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; excluding further potential acquisitions; before special items

EXPENSES

For 2021, we continue to expect selling, general, and administrative expenses as a percentage of consolidated net sales not to change significantly compared to 2020 (2020: 13.7%).

LIQUIDITY AND CAPITAL MANAGEMENT

For 2021, we continue to expect an operating cash flow margin in the range of 10% to 12%, lower than in FY/20 due to expected recoupment of prepayments received in FY/20 under the CARES-Act in the United States at Fresenius Medical Care.

In addition, unused credit lines under syndicated or bilateral credit facilities from banks provide us with a sufficient financial cushion.

Financing activities in 2021 are largely geared to refinancing existing financial liabilities maturing in 2021 and 2022. A large part of the 2021 maturities, however, was already pre-financed with the issuance of bonds in 2020.

Based on expected lower contributions to Group EBITDA from Fresenius Medical Care as well as assumed cash phasing effects in Q4/21, Fresenius does not expect the net debt/EBITDA¹ ratio of 3.55x as of September 30, 2021 to improve in Q4/21.

INVESTMENTS

In 2021, we continue to expect to invest about 6% of sales in property, plant and equipment. About 45% of the capital expenditure planned will be invested at Fresenius Medical Care, about 23% at Fresenius Kabi, and around 26% at Fresenius Helios.

At Fresenius Medical Care, investments will primarily be used for the expansion of production capacity, optimizing production costs, and the establishment of new dialysis clinics.

Fresenius Kabi will primarily invest in expanding and maintaining production facilities, as well as in introducing new manufacturing technologies.

At Fresenius Helios, we will primarily invest in the new buildings, in the modernizing and equipping of existing hospitals, and newly acquired hospitals. With a share of around 65%, Europe is the regional focus of investment in the planning period. Around 26% of the investments are planned for North America and around 9% for Asia, Latin America and Africa. About 35% of total funds will be invested in Germany.

We continue to assume that the return on operating assets (ROOA) will decrease by 50 to 100 basis points compared to the level of 2020 (2020: 7.3%) and the return on invested capital (ROIC) will decrease by 40 to 70 basis points compared to the level of 2020 (2020: 6.5%).

CAPITAL STRUCTURE

For 2021, we continue to expect the equity ratio not to change significantly compared to 2020 (2020: 39%). Furthermore, we expect debt in relation to total assets to remain around prior year's level (2020: 39%).

DIVIDEND

The dividend increases provided by Fresenius in the last 28 years show impressive continuity. Our dividend policy aims to align dividends with earnings-per-share growth (before special items) and thus broadly maintains a payout ratio of 20% to 25%. Fresenius intends to increase the dividend for 2021.

¹ At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; excluding further potential acquisitions; before special items

For a detailed overview of special items please see the reconciliation table on pages 26.

GROUP FINANCIAL OUTLOOK 2021

	Fiscal year 2020 ¹	Targets 2021 ²	Guidance adjustment/ update, published July 2021 ²	Guidance ²
Sales growth (in constant currency)	€36,277 m	Low-to-mid single-digit percentage growth	confirmed	Mid single-digit percentage growth
Net income ³ growth (in constant currency)	€1,796 m	At least broadly stable	Low single-digit percentage growth	Around top-end of low single-digit percentage growth

¹ Before special items, including COVID-19 effects

² Before special items, including estimated COVID-19 effects

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

OUTLOOK 2021 BY BUSINESS SEGMENT

	Fiscal year 2020 ¹	Targets 2021 ²	Guidance adjustment/ update, published July 2021 ²	Guidance ²
Fresenius Medical Care³				
Sales growth (in constant currency)	€17,859 m	Low-to-mid single-digit percentage growth	confirmed	confirmed; expecting to be at the lower end of the guidance range
Net income ⁴ growth (in constant currency)	€1,359 m	High-teens to mid-twenties percentage decline	confirmed	confirmed; expecting to be at the lower end of the guidance range
Fresenius Kabi				
Sales growth (organic)	€6,976 m	Low-to-mid single-digit percentage growth	confirmed	confirmed
EBIT growth (in constant currency)	€1,095 m	Stable-to-low single-digit percentage growth	Low single-digit percentage growth	around the top end of the low single-digit percentage guidance range
Fresenius Helios				
Sales growth (organic)	€9,818 m	Low-to-mid single-digit percentage growth	Mid single-digit percentage growth	confirmed
EBIT growth (in constant currency)	€1,025 m	Mid-to-high single-digit percentage growth	High single-digit percentage growth	confirmed
Fresenius Vamed				
Sales growth (organic)	€2,068 m	Mid-to-high single-digit percentage growth	confirmed	confirmed
EBIT	€29 m	High double-digit € million amount	confirmed	confirmed

¹ Before special items, including COVID-19 effects

² Before special items, including estimated COVID-19 effects

³ These targets are based on the 2020 results excluding the impairment of goodwill and trade names in the Latin America Segment of EUR 195 million. They are inclusive of anticipated COVID-19 effects, in constant currency and exclude special items. Special items include costs related to FME25 and other effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance

⁴ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

RECONCILIATION FRESENIUS GROUP Q3/Q1-3

€ in millions	Q3/2021	Q3/2020	Growth rate	Growth rate in constant currency	Q1-3/2021	Q1-3/2020	Growth rate	Growth rate in constant currency
Sales reported	9,324	8,918	5%	5%	27,554	26,973	2%	5%
EBIT reported (after special items)	1,008	1,113	-9%	-9%	3,035	3,361	-10%	-6%
Expenses associated with the Fresenius cost and efficiency program	33	-			45	-		
EBIT (before special items)	1,041	1,113	-6%	-6%	3,080	3,361	-8%	-5%
Net interest reported (after special items)	-126	-154	18%	18%	-384	-503	24%	22%
Revaluations of biosimilars contingent purchase price liabilities	-	-			-	8		
Net interest (before special items)	-126	-154	18%	18%	-384	-495	22%	20%
Income taxes reported (after special items)	-201	-211	5%	4%	-591	-648	9%	6%
Revaluations of biosimilars contingent purchase price liabilities	-	-			-	-3		
Expenses associated with the Fresenius cost and efficiency program	-9	-			-13	-		
Income taxes (before special items)	-210	-211	0%	0%	-604	-651	7%	4%
Noncontrolling interests reported (after special items)	-268	-321	17%	17%	-741	-913	19%	15%
Expenses associated with the Fresenius cost and efficiency program	-2	-			-6	-		
Noncontrolling interests (before special items)	-270	-321	16%	16%	-747	-913	18%	14%
Net income reported (after special items)¹	413	427	-3%	-3%	1,319	1,297	2%	5%
Revaluations of biosimilars contingent purchase price liabilities	-	-			-	5		
Expenses associated with the Fresenius cost and efficiency program	22	-			26	-		
Net income (before special items)¹	435	427	2%	2%	1,345	1,302	3%	6%

The special items shown within the reconciliation tables are reported in the Corporate segment.

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

RECONCILIATION FRESENIUS MEDICAL CARE Q3/Q1-3

€ in millions	Q3/2021	Q3/2020	Growth rate	Growth rate in constant currency	Q1-3/2021	Q1-3/2020	Growth rate	Growth rate in constant currency
Sales reported	4,441	4,414	1%	1%	12,972	13,459	-4%	2%
EBIT reported (after special items)	505	632	-20%	-19%	1,403	1,843	-24%	-20%
Costs related to FME25 program	5	-			14	-		
EBIT (before special items)	510	632	-19%	-19%	1,417	1,843	-23%	-19%
Net income reported (after special items)¹	273	354	-23%	-22%	741	987	-25%	-21%
Costs related to FME25 program	4	-			10	-		
Net income (before special items)¹	277	354	-22%	-21%	751	987	-24%	-20%

The special items shown within the reconciliation tables are reported in the Corporate segment.

RECONCILIATION FRESENIUS KABI Q3/Q1-3

€ in millions	Q3/2021	Q3/2020	Growth rate	Growth rate in constant currency	Q1-3/2021	Q1-3/2020	Growth rate	Growth rate in constant currency
Sales reported	1,854	1,694	9%	8%	5,370	5,161	4%	7%
Expenses associated with the Fresenius cost and efficiency program	26	-			26	-		
EBIT (before special items)	300	278	8%	7%	874	859	2%	5%

The special items shown within the reconciliation tables are reported in the Corporate segment.

¹ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

RECONCILIATION FRESENIUS HELIOS Q3/Q1-3

€ in millions	Q3/2021	Q3/2020	Growth rate	Growth rate in constant currency	Q1-3/2021	Q1-3/2020	Growth rate	Growth rate in constant currency
Sales reported	2,622	2,400	9%	10%	8,009	7,181	12%	12%
Expenses associated with the Fresenius cost and efficiency program	1	-			1	-		
EBIT (before special items)	222	225	-1%	-0%	788	697	13%	14%

The special items shown within the reconciliation tables are reported in the Corporate segment.

ESTIMATED COVID-19 EFFECTS Q3/Q1-3

€ in millions	Reported growth rate in constant currency inclusive COVID-19-effects		Estimated COVID-19 impact in constant currency		Estimated growth rate in constant currency excluding COVID-19-effects	
	Q3/2021	Q3/2020	Q3/2021	Q3/2020	Q3/2021	Q3/2020
Sales	5%	5%	-2 to -3%	-1 to -2%	7 to 8%	6 to 7%
Net income (before special items) ¹	2%	1%	-10 to -14%	0 to -4%	12 to 16%	1 to 5%

€ in millions	Reported growth rate in constant currency inclusive COVID-19-effects		Estimated COVID-19 impact in constant currency		Estimated growth rate in constant currency excluding COVID-19-effects	
	Q1-3/2021	Q1-3/2020	Q1-3/2021	Q1-3/2020	Q1-3/2021	Q1-3/2020
Sales	5%	5%	0 to -1%	-2 to -3%	5 to 6%	7 to 8%
Net income (before special items) ¹	6%	-4%	-1 to -5%	-6 to -10%	7 to 11%	2 to 6%

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q3/2021	Q3/2020	Q1-3/2021	Q1-3/2020
Sales	9,324	8,918	27,554	26,973
Cost of sales	-6,801	-6,422	-19,955	-19,285
Gross profit	2,523	2,496	7,599	7,688
Selling, general and administrative expenses	-1,300	-1,218	-3,966	-3,778
Research and development expenses	-215	-165	-598	-549
Operating income (EBIT)	1,008	1,113	3,035	3,361
Net interest	-126	-154	-384	-503
Income before income taxes	882	959	2,651	2,858
Income taxes	-201	-211	-591	-648
Net income	681	748	2,060	2,210
Noncontrolling interests	268	321	741	913
Net income attributable to shareholders of Fresenius SE & Co. KGaA	413	427	1,319	1,297
Earnings per share in €	0.74	0.77	2.36	2.33
Fully diluted earnings per share in €	0.74	0.77	2.36	2.33

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

€ in millions

	Q3/2021	Q3/2020	Q1-3/2021	Q1-3/2020
Net income	681	748	2,060	2,210
Other comprehensive income (loss)				
Positions which will be reclassified into net income in subsequent years				
Foreign currency translation	421	-898	1,031	-1,272
Cash flow hedges	5	-2	-2	10
FVOCI debt instruments	-2	-	-9	31
Income taxes on positions which will be reclassified	-	-2	5	-10
Positions which will not be reclassified into net income in subsequent years				
Actuarial gains (losses) on defined benefit pension plans	-3	-65	84	-19
Equity method investees – share of OCI	4	2	-46	53
FVOCI equity investments	-37	-13	-12	6
Income taxes on positions which will not be reclassified	14	20	-20	3
Other comprehensive income (loss), net	402	-958	1,031	-1,198
Total comprehensive income (loss)	1,083	-210	3,091	1,012
Comprehensive income (loss) attributable to noncontrolling interests	496	-130	1,270	288
Comprehensive income (loss) attributable to shareholders of Fresenius SE & Co. KGaA	587	-80	1,821	724

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

ASSETS

€ in millions	September 30, 2021	December 31, 2020
Cash and cash equivalents	2,413	1,837
Trade accounts and other receivables, less allowances for expected credit losses	7,402	6,937
Accounts receivable from and loans to related parties	151	110
Inventories	4,257	3,945
Other current assets	3,111	2,943
I. Total current assets	17,334	15,772
Property, plant and equipment	12,270	11,912
Right-of-use assets	5,856	5,691
Goodwill	28,338	26,599
Other intangible assets	3,771	3,736
Other non-current assets	2,295	2,124
Deferred taxes	1,217	812
II. Total non-current assets	53,747	50,874
Total assets	71,081	66,646

LIABILITIES

€ in millions	September 30, 2021	December 31, 2020
Trade accounts payable	1,649	1,816
Short-term accounts payable to related parties	80	67
Short-term provisions and other short-term liabilities	8,250	7,433
Short-term debt	2,472	245
Short-term debt from related parties	5	5
Current portion of long-term debt	462	1,132
Current portion of lease liabilities	806	766
Current portion of bonds	1,304	1,522
Short-term liabilities for income taxes	324	230
A. Total short-term liabilities	15,352	13,216
Long-term debt, less current portion	2,132	4,022
Lease liabilities, less current portion	5,588	5,422
Bonds, less current portion	13,942	12,325
Convertible bonds	480	474
Long-term provisions and other long-term liabilities	1,756	1,918
Pension liabilities	1,559	1,582
Long-term liabilities for income taxes	286	274
Deferred taxes	1,800	1,390
B. Total long-term liabilities	27,543	27,407
I. Total liabilities	42,895	40,623
A. Noncontrolling interests	9,885	9,074
Subscribed capital	558	557
Capital reserve	4,024	3,992
Other reserves	14,352	13,535
Accumulated other comprehensive loss	-633	-1,135
B. Total Fresenius SE & Co. KGaA shareholders' equity	18,301	16,949
II. Total shareholders' equity	28,186	26,023
Total liabilities and shareholders' equity	71,081	66,646

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	Q1-3/2021	Q1-3/2020
Operating activities		
Net income	2,060	2,210
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	1,922	1,885
Change in deferred taxes	-34	-44
Gain on sale of fixed assets and of investments and divestitures	-26	-46
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts and other receivables	-300	-200
Inventories	-180	-577
Other current and non-current assets	-217	-108
Accounts receivable from/payable to related parties	-32	21
Trade accounts payable, provisions and other short-term and long-term liabilities	44	1,873
Liabilities for income taxes	92	145
Net cash provided by operating activities	3,329	5,159
Investing activities		
Purchase of property, plant and equipment and capitalized development costs	-1,371	-1,578
Proceeds from sales of property, plant and equipment	28	12
Acquisitions and investments and purchases of intangible assets	-764	-485
Proceeds from sale of investments and divestitures	121	42
Net cash used in investing activities	-1,986	-2,009

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	Q1-3/2021	Q1-3/2020
Financing activities		
Proceeds from short-term debt	2,793	251
Repayments of short-term debt	-551	-2,061
Proceeds from long-term debt	501	47
Repayments of long-term debt	-3,157	-1,005
Repayments of lease liabilities	-694	-721
Proceeds from the issuance of bonds	2,714	4,577
Repayments of liabilities from bonds	-1,535	-937
Repayments of convertible bonds	-	-400
Payments for the share buy-back program of Fresenius Medical Care	-	-366
Payments for the accounts receivable facility of Fresenius Medical Care	0	-379
Proceeds from the exercise of stock options	36	13
Dividends paid	-991	-1,001
Change in noncontrolling interests, net	-11	-6
Net cash used in financing activities	-895	-1,988
Effect of exchange rate changes on cash and cash equivalents	128	-158
Net increase in cash and cash equivalents	576	1,004
Cash and cash equivalents at the beginning of the reporting period	1,837	1,654
Cash and cash equivalents at the end of the reporting period	2,413	2,658

ADDITIONAL INFORMATION ON PAYMENTS THAT ARE INCLUDED IN NET CASH PROVIDED BY OPERATING ACTIVITIES

€ in millions	Q1-3/2021	Q1-3/2020
Received interest	63	43
Paid interest	-377	-482
Income taxes paid	-552	-453

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
As of December 31, 2019	557,380	557,380	557	3,989	12,422
Proceeds from the exercise of stock options	89	89	0	6	
Compensation expense related to stock options				-6	
Dividends paid					-468
Purchase of noncontrolling interests					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-118
Put option liabilities					-15
Comprehensive income (loss)					
Net income					1,297
Other comprehensive income (loss)					
Cash flow hedges					
Change of FVOCI equity investments					
Foreign currency translation					
Actuarial losses on defined benefit pension plans					
Fair value changes					
Comprehensive income (loss)					1,297
As of September 30, 2020	557,469	557,469	557	3,989	13,118
As of December 31, 2020	557,541	557,541	557	3,992	13,535
Proceeds from the exercise of stock options	913	913	1	31	
Compensation expense related to stock options				1	
Dividends paid					-491
Purchase of noncontrolling interests					
Put option liabilities					-11
Comprehensive income (loss)					
Net income					1,319
Other comprehensive income (loss)					
Cash flow hedges					
Change of FVOCI equity investments					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Fair value changes					
Comprehensive income (loss)					1,319
As of September 30, 2021	558,454	558,454	558	4,024	14,352

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other comprehensive income (loss)					Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Non- controlling interests € in millions	Total shareholders' equity € in millions
	Foreign currency translation € in millions	Cash flow hedges € in millions	Pensions € in millions	Equity investments € in millions	Fair value changes € in millions			
As of December 31, 2019	294	-65	-429	10	0	16,778	9,802	26,580
Proceeds from the exercise of stock options						6	7	13
Compensation expense related to stock options						-6	0	-6
Dividends paid						-468	-533	-1,001
Purchase of noncontrolling interests						-	16	16
Share buy-back program of Fresenius Medical Care AG & Co. KGaA						-118	-248	-366
Put option liabilities						-15	-32	-47
Comprehensive income (loss)								
Net income						1,297	913	2,210
Other comprehensive income (loss)								
Cash flow hedges		5				5	3	8
Change of FVOCI equity investments				-		-	4	4
Foreign currency translation	-603	-	3	1		-599	-676	-1,275
Actuarial losses on defined benefit pension plans			-4			-4	-10	-14
Fair value changes					25	25	54	79
Comprehensive income (loss)	-603	5	-1	1	25	724	288	1,012
As of September 30, 2020	-309	-60	-430	11	25	16,901	9,300	26,201
As of December 31, 2020	-704	-62	-405	9	27	16,949	9,074	26,023
Proceeds from the exercise of stock options						32	4	36
Compensation expense related to stock options						1	-	1
Dividends paid						-491	-500	-991
Purchase of noncontrolling interests						-	61	61
Put option liabilities						-11	-24	-35
Comprehensive income (loss)								
Net income						1,319	741	2,060
Other comprehensive income (loss)								
Cash flow hedges		-1				-1	0	-1
Change of FVOCI equity investments				-32		-32	21	-11
Foreign currency translation	517	0	-4	1	1	515	519	1,034
Actuarial gains on defined benefit pension plans			38			38	25	63
Fair value changes					-18	-18	-36	-54
Comprehensive income (loss)	517	-1	34	-31	-17	1,821	1,270	3,091
As of September 30, 2021	-187	-63	-371	-22	10	18,301	9,885	28,186

The following notes are an integral part of the unaudited condensed interim financial statements.

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING FIRST THREE QUARTERS (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate			Fresenius Group		
	2021 ²	2020	Growth	2021 ³	2020 ⁴	Growth	2021 ³	2020	Growth	2021	2020	Growth	2021 ⁵	2020 ⁶	Growth	2021	2020	Growth
Sales	12,972	13,459	-4%	5,370	5,161	4%	8,009	7,181	12%	1,549	1,491	4%	-346	-319	-8%	27,554	26,973	2%
thereof contribution to consolidated sales	12,938	13,428	-4%	5,322	5,119	4%	7,990	7,167	11%	1,303	1,258	4%	1	1	0%	27,554	26,973	2%
thereof intercompany sales	34	31	10%	48	42	14%	19	14	36%	246	233	6%	-347	-320	-8%	-	-	
contribution to consolidated sales	47%	50%		19%	19%		29%	26%		5%	5%		0%	0%		100%	100%	
EBITDA	2,604	3,047	-15%	1,194	1,146	4%	1,134	1,027	10%	100	51	96%	-75	-25	-200%	4,957	5,246	-6%
Depreciation and amortization	1,187	1,204	-1%	320	287	11%	346	330	5%	65	61	7%	4	3	33%	1,922	1,885	2%
EBIT	1,417	1,843	-23%	874	859	2%	788	697	13%	35	-10	--	-79	-28	-182%	3,035	3,361	-10%
Net interest	-214	-284	25%	-48	-63	24%	-136	-137	1%	-7	-14	50%	21	-5	--	-384	-503	24%
Income taxes	-278	-362	23%	-180	-183	2%	-139	-114	-22%	-7	3	--	13	8	63%	-591	-648	9%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	751	987	-24%	600	582	3%	501	441	14%	18	-23	178%	-551	-690	20%	1,319	1,297	2%
Operating cash flow	1,820	3,649	-50%	868	836	4%	595	715	-17%	23	4	--	23	-45	151%	3,329	5,159	-35%
Cash flow before acquisitions and dividends	1,259	2,913	-57%	494	340	45%	254	460	-45%	-34	-59	42%	13	-61	121%	1,986	3,593	-45%
Total assets ¹	33,831	31,689	7%	14,625	13,591	8%	20,749	19,241	8%	2,781	2,716	2%	-905	-591	-53%	71,081	66,646	7%
Debt ¹	13,227	12,380	7%	4,528	4,181	8%	7,931	7,472	6%	762	686	11%	743	1,194	-38%	27,191	25,913	5%
Other operating liabilities ¹	6,294	6,192	2%	3,313	3,225	3%	3,020	2,585	17%	951	933	2%	326	385	-15%	13,904	13,320	4%
Capital expenditure, gross	588	746	-21%	346	460	-25%	341	257	33%	57	64	-11%	10	15	-33%	1,342	1,542	-13%
Acquisitions, gross/investments	366	246	49%	1	17	-94%	438	383	14%	1	6	-83%	1	-1	200%	807	651	24%
Research and development expenses	153	141	8%	443	407	9%	2	1	100%	-	-		0	0		598	549	9%
Employees (per capita on balance sheet date) ¹	130,871	133,129	-2%	41,296	40,519	2%	121,643	116,952	4%	19,740	19,414	2%	1,302	1,255	4%	314,852	311,269	1%
Key figures																		
EBITDA margin	20.1%	22.6%		22.2%	22.2%		14.2%	14.3%		6.5%	3.4%					18.2% ³	19.4%	
EBIT margin	10.9%	13.7%		16.3%	16.6%		9.8%	9.7%		2.3%	-0.7%					11.2% ³	12.5%	
Depreciation and amortization in % of sales	9.1%	8.9%		6.0%	5.6%		4.3%	4.6%		4.2%	4.1%					7.0%	7.0%	
Operating cash flow in % of sales	14.0%	27.1%		16.2%	16.2%		7.4%	10.0%		1.5%	0.3%					12.1%	19.1%	
ROA ¹	6.6%	8.2%		9.0%	9.2%		5.9%	5.7%		3.1%	1.3%					6.6% ⁷	7.3% ⁸	

¹ 2020: December 31

² Before costs related to FME25 program

³ Before expenses associated with the Fresenius cost and efficiency program

⁴ Before revaluations of biosimilars contingent purchase price liabilities

⁵ After expenses associated with the Fresenius cost and efficiency program

⁶ After revaluations of biosimilars contingent purchase price liabilities

⁷ The underlying pro forma EBIT does not include revaluations of biosimilars contingent purchase price liabilities, impairment of Goodwill at FMC Latin America and expenses associated with the Fresenius cost and efficiency program.

⁸ The underlying pro forma EBIT does not include revaluations of biosimilars contingent purchase price liabilities and impairment of Goodwill at FMC Latin America.

The consolidated segment reporting is an integral part of the notes.

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING THIRD QUARTER (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate			Fresenius Group		
	2021 ¹	2020	Growth	2021 ²	2020 ³	Growth	2021 ²	2020	Growth	2021	2020	Growth	2021 ⁴	2020 ⁵	Growth	2021	2020	Growth
Sales	4,442	4,414	1%	1,854	1,694	9%	2,622	2,400	9%	516	517	0%	-110	-107	-3%	9,324	8,918	5%
thereof contribution to consolidated sales	4,431	4,404	1%	1,838	1,681	9%	2,615	2,395	9%	440	437	1%	0	1	-100%	9,324	8,918	5%
thereof intercompany sales	11	10	10%	16	13	23%	7	5	40%	76	80	-5%	-110	-108	-2%	-	-	
contribution to consolidated sales	47%	49%		20%	19%		28%	27%		5%	5%		0%	0%		100%	100%	
EBITDA	913	1,025	-11%	414	368	13%	341	336	1%	45	10	--	-46	-10	--	1,667	1,729	-4%
Depreciation and amortization	403	393	2%	114	90	27%	119	111	7%	22	21	5%	1	1	0%	659	616	7%
EBIT	510	632	-19%	300	278	8%	222	225	-1%	23	-11	--	-47	-11	--	1,008	1,113	-9%
Net interest	-69	-88	22%	-15	-19	21%	-47	-45	-4%	-3	-4	25%	8	2	--	-126	-154	18%
Income taxes	-106	-125	14%	-62	-56	-11%	-37	-35	-6%	-5	2	--	9	3	200%	-201	-211	5%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	277	353	-22%	206	189	9%	135	142	-5%	14	-15	193%	-219	-242	10%	413	427	-3%
Operating cash flow	691	746	-7%	393	225	75%	157	275	-43%	9	-4	--	-24	-43	44%	1,226	1,199	2%
Cash flow before acquisitions and dividends	510	506	1%	265	68	--	46	178	-74%	-1	-22	95%	-27	-48	44%	793	682	16%
Capital expenditure, gross	194	246	-21%	130	154	-16%	111	98	13%	10	18	-44%	4	5	-20%	449	521	-14%
Acquisitions, gross/investments	156	97	60%	-	5	-100%	9	41	-78%	1	0		1	-1	200%	167	142	18%
Research and development expenses	52	45	17%	162	120	35%	0	0		-	-		1	0		215	165	30%
Key figures																		
EBITDA margin	20.6%	23.2%		22.3%	21.7%		13.0%	14.0%		8.7%	1.9%					18.2% ²	19.4%	
EBIT margin	11.5%	14.3%		16.2%	16.4%		8.5%	9.4%		4.5%	-2.1%					11.2% ²	12.5%	
Depreciation and amortization in % of sales	9.1%	8.9%		6.1%	5.3%		4.5%	4.6%		4.3%	4.1%					7.1%	6.9%	
Operating cash flow in % of sales	15.6%	16.9%		21.2%	13.3%		6.0%	11.5%		1.7%	-0.8%					13.1%	13.4%	

¹ Before costs related to FME25 program

² Before expenses associated with the Fresenius cost and efficiency program

³ Before revaluations of biosimilars contingent purchase price liabilities

⁴ After expenses associated with the Fresenius cost and efficiency program

⁵ After revaluations of biosimilars contingent purchase price liabilities

The consolidated segment reporting is an integral part of the notes.

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a global health care group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other health care facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., Germany, the operating activities are organized amongst the following legally independent business segments as of September 30, 2021:

- ▶ Fresenius Medical Care
- ▶ Fresenius Kabi
- ▶ Fresenius Helios
- ▶ Fresenius Vamed

The reporting and functional currency of the Fresenius Group is the euro. In order to improve the clarity of presentation, amounts are generally presented in million euros. Amounts less than €1 million, after rounding, are marked with "0".

II. BASIS OF PRESENTATION

Fresenius SE & Co. KGaA, as a stock exchange listed company with a domicile in a member state of the European Union (EU), fulfills its obligation to prepare and publish the consolidated financial statements in accordance with the

International Financial Reporting Standards (IFRS) as adopted by the EU and applying Section 315e of the German Commercial Code (HGB).

The consolidated interim financial statements and accompanying condensed notes are prepared in accordance with the International Accounting Standard (IAS) 34. The primary financial statements are presented in the format consistent with the consolidated financial statements as of December 31, 2020. The consolidated interim financial statements have been prepared in accordance with the Standards and interpretations in effect on the reporting date, and endorsed in the EU, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC).

The interim financial statements have been prepared in accordance with the same general accounting policies applied in the preparation of the consolidated financial statements as of December 31, 2020.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and interim management report for the first three quarters and the third quarter ended September 30, 2021 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2020 applying Section 315e HGB in accordance with IFRS as adopted by the EU.

Except for the reported acquisitions (see note 2, Acquisitions, divestitures and investments), there have been no other material changes in the Fresenius Group's consolidation structure.

The consolidated financial statements for the first three quarters and the third quarter ended September 30, 2021 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide a fair presentation of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first three quarters and the third quarter ended September 30, 2021 are not necessarily indicative of the results of operations for the fiscal year 2021.

Classifications

Comparative information for certain items has been reclassified to conform with current year's presentation.

In the business segment Fresenius Medical Care, in the consolidated statement of income, selling, general and administrative expenses related to the amortization of internally developed software and other costs in the amount of €25 million for the first three quarters ended September 30, 2020 have been reclassified to cost of sales.

Furthermore, in the business segment Fresenius Medical Care, in the consolidated statement of income, gain related to divestitures of Care Coordination activities in the amount of €32 million for the first three quarters ended September 30, 2020, which was previously presented separately, has been included within selling, general and administrative expenses.

Government grants and impacts of COVID-19 pandemic

In the first three quarters of 2021, the Fresenius Group received reimbursement payments and funding from various governments due to the COVID-19 pandemic. They have been accounted for in accordance with terms and regulations set forth in by the local laws and regulations.

The hospitals of the Fresenius Group in Germany have received reimbursements and grants in particular under the revised COVID-19 Hospital Relief Act (“Gesetz zum Ausgleich COVID-19 bedingter finanzieller Belastungen der Krankenhäuser und weiterer Gesundheitseinrichtungen”) in the first three quarters of 2021. The compensation reimbursements for reserved beds expired in May 2021. In the first three quarters of 2021 (until May 31, 2021), the German hospitals of the Fresenius Group received total reimbursements and grants of €398 million (Q1–3/2020: €300 million), of which €369 million were recorded in sales and €29 million as grants in other operating income, respectively.

In 2020, Fresenius Medical Care North America received in the United States relief funding under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) from the U.S. government. The remaining amounts recorded in deferred income were US\$7 million (€6 million) and US\$22 million (€18 million) at September 30, 2021 and December 31, 2020, respectively. In 2020, the Fresenius Group also recorded a contract liability for advance payments received under the CMS Accelerated and Advance Payment program within short-term provisions and other short-term liabilities and long-term provisions and other

long-term liabilities. Contract liabilities related to the CMS Accelerated and Advance Payment program were US\$623 million (€538 million) and US\$1,046 million (€852 million) as of September 30, 2021 and December 31, 2020, respectively.

In addition to the programs above, the Fresenius Group also received grants and other reimbursements in the first three quarters of 2021 under various other programs from multiple governments around the world in the amount of €41 million (Q1–3/2020: €17 million).

Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at and for the nine months ended September 30, 2021 in conformity with IFRS, as adopted by the EU, that must be applied for the interim periods starting on or after January 1, 2021.

For the first three quarters of 2021, there were no recently implemented accounting pronouncements that had a material effect on the Fresenius Group’s consolidated financial statements.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The IASB issued the following new standards relevant for the Fresenius Group’s business:

In January 2020, the IASB issued **Amendments to IAS 1, Classification of Liabilities as Current and Non-current**. The amendments clarify under which circumstances debt and other liabilities with an uncertain settlement date should be classified as current or non-current. Among others, the amendments state that liabilities shall be classified depending on rights that exist at the end of the reporting period and define under which conditions liabilities might be settled by cash, other economic resources or equity. On July 15, 2020, the IASB deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from the amendments. The amendments to IAS 1 are now effective for fiscal years beginning on or after January 1, 2023. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of the amendments to IAS 1 on the consolidated financial statements.

In May 2017, the IASB issued **IFRS 17, Insurance Contracts**. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure related to the issuance of insurance contracts. IFRS 17 replaces IFRS 4, Insurance Contracts, which was brought in as an interim standard in 2004. IFRS 4 permitted the use of national accounting standards for the accounting of insurance contracts under IFRS. As a result of the varied application for insurance contracts, there was a lack of comparability among peer groups. IFRS 17 eliminates this diversity in practice by requiring all insurance contracts to be accounted for using current values. The frequent updates to the insurance values are expected to provide more useful information to users of financial statements. On June 25, 2020, the IASB issued amendments to IFRS 17, which among others, defer

the effective date to fiscal years beginning on or after January 1, 2023. Earlier adoption is permitted for entities that have also adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers. The Fresenius Group is currently evaluating the impact of IFRS 17 on the consolidated financial statements.

The EU Commission's endorsements of IFRS 17 and of the amendments to IAS 1 are still outstanding.

In the Fresenius Group's view, there are no other IFRS standards or interpretations not yet effective that would be expected to have a material impact on the consolidated financial statements.

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €807 million and €651 million in the first three quarters of 2021 and 2020, respectively. Of this amount, €764 million was paid in cash and €43 million was assumed obligations in the first three quarters of 2021.

FRESENIUS MEDICAL CARE

In the first three quarters of 2021, Fresenius Medical Care spent €366 million (Q1–3/2020: €246 million) on acquisitions, mainly on the purchase of dialysis clinics.

FRESENIUS KABI

In the first three quarters of 2021, Fresenius Kabi spent €1 million (Q1–3/2020: €17 million) on acquisitions, mainly for already planned acquisition related milestone payments relating to the acquisition of the biosimilars business.

FRESENIUS HELIOS

In the first three quarters of 2021, Fresenius Helios spent €438 million (Q1–3/2020: €383 million) on acquisitions, mainly for the purchase of the Eugin Group. Furthermore, subsequent purchase price payments for the Malteser hospital in Duisburg, Germany, were made and the DRK Kliniken Nordhessen in Kassel, Germany, were acquired.

Acquisition of the Eugin Group

On April 14, 2021, Fresenius Helios has finalized the complete acquisition of Luarmia S.L., Spain, holding company of all worldwide activities of the Eugin group, and of NMC Eugin US Corporation from NMC Health (together the Eugin Group), one of the leading international fertility groups. The purchase price is based on a valuation of €430 million. It includes acquired noncontrolling interests and debt of approximately €80 million. The noncontrolling interests are held by the respective senior doctors. The Eugin Group has been consolidated as of April 1, 2021.

Eugin Group's network comprised at the time of the acquisition 31 clinics and additional 34 sites across 9 countries on 3 continents. With about 1,300 employees, the

company offers a wide spectrum of state-of-the-art services in the field of fertility treatments. With the acquisition of the Eugin Group, Fresenius Helios becomes a leading player in the dynamically growing market for fertility services and establishes a strong basis for further expansion.

The acquisition was financed through available cash and credit facilities. The purchase price was paid in cash.

The transaction was accounted for as a business combination whereby assets and liabilities and noncontrolling interests are recognized at their fair values. The allocation of the purchase price is based upon the best information available to management at present.

Due to the relatively short time frame between closing of the acquisition and the date of the statement of financial position, certain information may be incomplete. Based on a preliminary purchase price allocation, intangible assets in the amount of €41 million and a goodwill of €325 million which is not deductible for tax purposes were recorded for the initial statement of financial position of the Eugin Group. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill. Goodwill mainly represents the market position of the acquired fertility hospitals and employee know-how.

As of January 1, 2022, the Eugin Group will form a new and separate Fresenius Helios business and reporting unit, Helios Fertility, alongside Helios Germany and Helios Spain.

In the first three quarters of 2021, the Eugin Group has contributed €82 million to sales and €14 million to the operating income (EBIT) of the Fresenius Group since April 1, 2021.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first three quarters of 2021 in the amount of €1,319 million includes special items relating to the Fresenius cost and efficiency program (including the FME25 program).

The special items had the following impact on the consolidated statement of income of the first three quarters of 2021:

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings Q1–3/2021, before special items	3,080	-384	1,345
Expenses associated with the Fresenius cost and efficiency program (including the FME25 program)	-45	-	-26
Earnings Q1–3/2021 according to IFRS	3,035	-384	1,319

4. SALES

Sales by activity were as follows:

€ in millions	Q1–3/2021					Fresenius Group
	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	
Sales from contracts with customers	12,558	5,320	7,981	1,300	1	27,160
thereof sales of services	9,963	57	7,972	948	1	18,941
thereof sales of products and related services	2,595	5,255	-	-	-	7,850
thereof sales from long-term production contracts	-	-	-	352	-	352
thereof further sales from contracts with customers	-	8	9	-	-	17
Other sales	380	2	9	3	-	394
Sales	12,938	5,322	7,990	1,303	1	27,554

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first three quarters of 2020 in the amount of €1,297 million included special items relating to the revaluation of biosimilars contingent purchase price liabilities.

The special items had the following impact on the consolidated statement of income of the first three quarters of 2020:

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings Q1–3/2020, before special items	3,361	-495	1,302
Revaluations of biosimilars contingent purchase price liabilities	-	-8	-5
Earnings Q1–3/2020 according to IFRS	3,361	-503	1,297

€ in millions	Q1 – 3/2020					Fresenius Group
	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	
Sales from contracts with customers	13,122	5,117	7,158	1,258	1	26,656
thereof sales of services	10,478	52	7,157	862	1	18,550
thereof sales of products and related services	2,644	5,052	–	–	–	7,696
thereof sales from long-term production contracts	–	–	–	396	–	396
thereof further sales from contracts with customers	–	13	1	–	–	14
Other sales	306	2	9	–	–	317
Sales	13,428	5,119	7,167	1,258	1	26,973

Other sales include sales from insurance and lease contracts.

5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €598 million (Q1 – 3/2020: €549 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €16 million (Q1 – 3/2020: €15 million). Furthermore, in the first three quarters of 2021, research and development expenses included reversals of write-downs on capitalized development expenses of €4 million and impairments of €21 million (Q1 – 3/2020: reversals of write-downs on capitalized development expenses of €7 million). These related to in-process R & D of product approval projects, which were acquired through the acquisition of Fresenius Kabi USA, Inc. The expenses for the further development of the biosimilars business included in the research and development expenses amounted to €123 million in the first three quarters of 2021 (Q1 – 3/2020: €122 million).

6. TAXES

During the first three quarters of 2021, there were no material changes relating to accruals for income taxes as well as recognized and accrued payments for interest and penalties. Further information can be found in the consolidated financial statements as of December 31, 2020 applying Section 315e HGB in accordance with IFRS.

7. EARNINGS PER SHARE

The following table shows the earnings per share including and excluding the dilutive effect from stock options issued:

	Q1 – 3/2021	Q1 – 3/2020
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,319	1,297
less effect from dilution due to Fresenius Medical Care shares	0	0
Income available to all ordinary shares	1,319	1,297
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	557,920,123	557,431,698
Potentially dilutive ordinary shares	128,220	365,938
Weighted-average number of ordinary shares outstanding assuming dilution	558,048,343	557,797,636
Basic earnings per share in €	2.36	2.33
Fully diluted earnings per share in €	2.36	2.33

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. TRADE ACCOUNTS AND OTHER RECEIVABLES

As of September 30, 2021 and December 31, 2020, trade accounts and other receivables were as follows:

€ in millions	September 30, 2021		December 31, 2020	
		thereof credit impaired		thereof credit impaired
Trade accounts and other receivables	7,836	684	7,338	674
less allowances for expected credit losses	434	335	401	314
Trade accounts and other receivables, net	7,402	349	6,937	360

Within trade accounts and other receivables (before allowances) as of September 30, 2021, €7,724 million (December 31, 2020: €7,248 million) relate to revenue from contracts with customers as defined by IFRS 15. This amount includes €432 million (December 31, 2020: €400 million) of allowances for expected credit losses. Further trade accounts and other receivables, net, relate to other sales.

9. INVENTORIES

As of September 30, 2021 and December 31, 2020, inventories consisted of the following:

€ in millions	Sept. 30, 2021	Dec. 31, 2020
Raw materials and purchased components	972	913
Work in process	426	363
Finished goods	2,987	2,796
less reserves	128	127
Inventories, net	4,257	3,945

10. OTHER CURRENT AND NON-CURRENT ASSETS

At equity investments as of September 30, 2021 in the amount of €747 million (December 31, 2020: €764 million) mainly related to the equity method investee of Fresenius Medical Care named Vifor Fresenius Medical Care Renal Pharma Ltd. In the first three quarters of 2021, income of €71 million (Q1 – 3/2020: €48 million) resulting from this equity investment was included in selling, general and administrative expenses in the consolidated statement of income.

11. GOODWILL

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	Fresenius Group
Carrying amount as of January 1, 2020	14,017	5,431	7,988	295	6	27,737
Additions	254	-	290	4	-	548
Disposals	-	0	-	0	-	0
Impairment loss	-195	-	-	-	-	-195
Foreign currency translation	-1,117	-373	-	-1	-	-1,491
Carrying amount as of December 31, 2020	12,959	5,058	8,278	298	6	26,599
Additions	268	-	570	-	-	838
Disposals	-	-	0	-	-	0
Foreign currency translation	674	224	2	1	-	901
Carrying amount as of September 30, 2021	13,901	5,282	8,850	299	6	28,338

The increase of goodwill mainly relates to foreign currency translation and the acquisition of the Eugin Group in the segment Fresenius Helios.

12. DEBT

SHORT-TERM DEBT

As of September 30, 2021 and December 31, 2020, short-term debt consisted of the following:

€ in millions	Book value	
	September 30, 2021	December 31, 2020
Fresenius SE & Co. KGaA Commercial Paper	670	30
Fresenius Medical Care AG & Co. KGaA Commercial Paper	845	20
Other short-term debt	957	195
Short-term debt	2,472	245

LONG-TERM DEBT

As of September 30, 2021 and December 31, 2020, long-term debt net of debt issuance costs consisted of the following:

€ in millions	Book value	
	September 30, 2021	December 31, 2020
Fresenius Medical Care Credit Agreement	–	1,162
Fresenius Credit Agreement	–	1,793
Schuldschein Loans	1,769	1,793
Accounts Receivable Facility of Fresenius Medical Care	–	–
Other	825	406
Subtotal	2,594	5,154
less current portion	462	1,132
Long-term debt, less current portion	2,132	4,022

Fresenius Medical Care Syndicated Credit Facility

On July 1, 2021, Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) entered into a new syndicated revolving credit facility of €2,000 million with a group of 34 core relationship banks (FMC Syndicated Credit Facility). It has a term of five years plus two one-year extension options and can be drawn in different currencies. The FMC Syndicated Credit Facility is currently undrawn and rather serves as

backup line for the company. In addition, a sustainability component has been embedded in the new credit facility. Based on this structure, the credit facility's margin may rise or fall depending on the company's sustainability performance. The new credit facility replaces the US\$900 million and €600 million revolving credit facilities (Fresenius Medical Care Credit Agreement), initially signed in 2012 and amended from time to time.

The following table shows the available and outstanding amounts under the Fresenius Medical Care Credit Agreement at December 31, 2020:

	December 31, 2020			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	734	US\$0 million	-
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€0 million	-
Term Loan (in US\$) 2017/2022	US\$1,110 million	904	US\$1,110 million	904
Term Loan (in €) 2017/2022	€259 million	259	€259 million	259
Total		2,497		1,163
less financing cost				1
Total				1,162

The U.S. dollar denominated loan and the euro denominated loan of the Fresenius Medical Care Credit Agreement were prematurely redeemed at May 20, 2021.

Fresenius Syndicated Credit Facility

On July 1, 2021, Fresenius SE & Co. KGaA entered into a new syndicated revolving credit facility of €2,000 million with a group of 29 core relationship banks (FSE Syndicated Credit Facility). It has a maturity of five years with two one-year extension options and can be drawn in various currencies. The FSE Syndicated Credit Facility is currently undrawn and rather serves as backup line for the company.

Emphasizing Fresenius' commitment to embed sustainability in all aspects of its business, a sustainability component has been embedded in the credit facility. Correspondingly, the credit facility's margin can be adjusted up or down according to changes in Fresenius' sustainability performance. The new credit facility replaces the €1,100 million and US\$500 million revolving credit facilities (Fresenius Credit Agreement), originally entered into in 2012 and amended from time to time.

The following table shows the available and outstanding amounts under the Fresenius Credit Agreement at December 31, 2020:

	December 31, 2020			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,100 million	1,100	€0 million	-
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	407	US\$0 million	-
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€675 million	675	€675 million	675
Term Loan (in US\$) 2017/2022	US\$455 million	371	US\$455 million	371
Total		3,303		1,796
less financing cost				3
Total				1,793

The U.S. dollar denominated loan was prematurely redeemed at March 29, 2021 and refinanced through bilateral loans with a maturity of up to three years.

The euro denominated loans were prematurely redeemed at April 1, 2021 through the issuance proceeds of bonds (see note 13, Bonds).

Schuldschein Loans

As of September 30, 2021 and December 31, 2020, Schuldschein Loans of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate fixed/variable	Book value € in millions	
				Sept. 30, 2021	Dec. 31, 2020
Fresenius SE & Co. KGaA 2017/2022	€372 million	Jan. 31, 2022	0.93% /variable	372	372
Fresenius SE & Co. KGaA 2015/2022	€21 million	April 7, 2022	1.61%	21	21
Fresenius SE & Co. KGaA 2019/2023	€378 million	Sept. 25, 2023	0.55% /variable	378	377
Fresenius SE & Co. KGaA 2017/2024	€421 million	Jan. 31, 2024	1.40% /variable	420	420
Fresenius SE & Co. KGaA 2019/2026	€238 million	Sept. 23, 2026	0.85% /variable	238	238
Fresenius SE & Co. KGaA 2017/2027	€207 million	Jan. 29, 2027	1.96% /variable	206	207
Fresenius SE & Co. KGaA 2019/2029	€84 million	Sept. 24, 2029	1.10%	84	84
Fresenius US Finance II, Inc. 2016/2021	US\$ 33 million	March 10, 2021	2.66%	–	27
Fresenius US Finance II, Inc. 2016/2023	US\$ 58 million	March 10, 2023	3.12% /variable	50	47
Schuldschein Loans				1,769	1,793

As of September 30, 2021, the Schuldschein Loans of Fresenius SE & Co. KGaA in the amount of €372 million due on January 31, 2022 and in the amount of €21 million due on April 7, 2022, are shown as current portion of long-term debt in the consolidated statement of financial position.

Accounts Receivable Facility of Fresenius Medical Care

On August 11, 2021, the asset securitization facility (Accounts Receivable Facility) of Fresenius Medical Care was amended and restated, extending it until August 11, 2024. The maximum capacity of US\$900 million (€768 million at August 11, 2021) will remain unchanged under the restated Accounts Receivable Facility.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At September 30, 2021, the additional financial cushion resulting from unutilized credit facilities was approximately €5.6 billion. Syndicated credit facilities accounted for €4.0 billion.

Furthermore, Fresenius SE & Co. KGaA has a commercial paper program which was increased to €1,500 million on September 15, 2021. The commercial paper program of Fresenius Medical Care was also increased to €1,500 million on October 15, 2021.

13. BONDS

As of September 30, 2021 and December 31, 2020, bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	
				September 30, 2021	December 31, 2020
Fresenius Finance Ireland PLC 2017/2022	€700 million	Jan. 31, 2022	0.875%	700	699
Fresenius Finance Ireland PLC 2017/2024	€700 million	Jan. 30, 2024	1.50%	698	698
Fresenius Finance Ireland PLC 2021/2025	€500 million	Oct. 1, 2025	0.00%	497	–
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%	695	694
Fresenius Finance Ireland PLC 2021/2028	€500 million	Oct. 1, 2028	0.50%	497	–
Fresenius Finance Ireland PLC 2021/2031	€500 million	Oct. 1, 2031	0.875%	495	–
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%	495	495
Fresenius SE & Co. KGaA 2014/2021	€450 million	Feb. 1, 2021	3.00%	–	450
Fresenius SE & Co. KGaA 2014/2024	€450 million	Feb. 1, 2024	4.00%	449	450
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%	497	496
Fresenius SE & Co. KGaA 2020/2026	€500 million	Sep. 28, 2026	0.375%	495	495
Fresenius SE & Co. KGaA 2020/2027	€750 million	Oct. 8, 2027	1.625%	742	740
Fresenius SE & Co. KGaA 2020/2028	€750 million	Jan. 15, 2028	0.750%	744	744
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%	495	495
Fresenius SE & Co. KGaA 2020/2033	€500 million	Jan. 28, 2033	1.125%	497	497
Fresenius US Finance II, Inc. 2014/2021	US\$ 300 million	Feb. 1, 2021	4.25%	–	244
Fresenius US Finance II, Inc. 2015/2023	US\$ 300 million	Jan. 15, 2023	4.50%	259	243
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	–	299
Fresenius Medical Care AG & Co. KGaA 2019/2023	€650 million	Nov. 29, 2023	0.25%	649	648
Fresenius Medical Care AG & Co. KGaA 2018/2025	€500 million	July 11, 2025	1.50%	497	497
Fresenius Medical Care AG & Co. KGaA 2020/2026	€500 million	May 29, 2026	1.00%	496	496
Fresenius Medical Care AG & Co. KGaA 2019/2026	€600 million	Nov. 30, 2026	0.625%	595	594
Fresenius Medical Care AG & Co. KGaA 2019/2029	€500 million	Nov. 29, 2029	1.25%	497	497
Fresenius Medical Care AG & Co. KGaA 2020/2030	€750 million	May 29, 2030	1.50%	745	745
Fresenius Medical Care US Finance, Inc. 2011/2021	US\$ 650 million	Feb. 15, 2021	5.75%	–	529
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$ 700 million	Jan. 31, 2022	5.875%	604	570
Fresenius Medical Care US Finance II, Inc. 2014/2024	US\$ 400 million	Oct. 15, 2024	4.75%	344	325
Fresenius Medical Care US Finance III, Inc. 2019/2029	US\$ 500 million	June 15, 2029	3.75%	425	400
Fresenius Medical Care US Finance III, Inc. 2020/2031	US\$ 1,000 million	Feb. 16, 2031	2.375%	857	807
Fresenius Medical Care US Finance III, Inc. 2021/2026	US\$ 850 million	Dec. 1, 2026	1.875%	728	–
Fresenius Medical Care US Finance III, Inc. 2021/2031	US\$ 650 million	Dec. 1, 2031	3.00%	554	–
Bonds				15,246	13,847

On May 18, 2021, Fresenius Medical Care US Finance III, Inc. placed bonds with an aggregate volume of US\$1,500 million. The bonds consist of two tranches with maturities of five years and seven months and ten years and seven months.

On April 1, 2021, Fresenius Finance Ireland PLC placed bonds with an aggregate volume of €1,500 million. The

bonds consist of three tranches with maturities of four and a half, seven and a half and ten and a half years.

The bonds issued by Fresenius Finance Ireland PLC in the amount of €700 million, which were originally due on January 31, 2022, are redeemed prior to maturity on November 15, 2021.

As of September 30, 2021, the bonds issued by Fresenius Finance Ireland PLC in the amount of €700 million and the bonds issued by Fresenius Medical Care US Finance II, Inc. in the amount of US\$700 million, which are due on January 31, 2021, are shown as current portion of bonds in the consolidated statement of financial position.

14. CONVERTIBLE BONDS

As of September 30, 2021 and December 31, 2020, the convertible bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Coupon	Current conversion price	Book value € in millions	
					September 30, 2021	December 31, 2020
Fresenius SE & Co. KGaA 2017/2024	€500 million	Jan. 31, 2024	0.000%	€105.2603	480	474
Convertible bonds					480	474

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €761 thousand and €117 thousand at September 30, 2021 and December 31, 2020, respectively. Fresenius SE & Co. KGaA purchased stock options (call options) with a corresponding fair value to hedge future fair value fluctuations of this derivative.

Potential conversions are always cash-settled. Any increase of Fresenius' share price above the conversion price would be offset by a corresponding value increase of the call options.

15. NONCONTROLLING INTERESTS

As of September 30, 2021 and December 31, 2020, noncontrolling interests in the Fresenius Group were as follows:

€ in millions	Sept. 30, 2021	Dec. 31, 2020
Noncontrolling interests in Fresenius Medical Care AG & Co. KGaA	8,291	7,600
Noncontrolling interests in VAMED Aktiengesellschaft	84	91
Noncontrolling interests in the business segments		
Fresenius Medical Care	1,216	1,116
Fresenius Kabi	149	129
Fresenius Helios	129	122
Fresenius Vamed	16	16
Total noncontrolling interests	9,885	9,074

Noncontrolling interests changed as follows:

€ in millions	Q1-3/2021
Noncontrolling interests as of December 31, 2020	9,074
Noncontrolling interests in profit	741
Purchase of noncontrolling interests	61
Stock options	4
Dividend payments	-500
Currency effects and other changes	505
Noncontrolling interests as of September 30, 2021	9,885

16. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

As of January 1, 2021, the subscribed capital of Fresenius SE & Co. KGaA consisted of 557,540,909 bearer ordinary shares.

During the first three quarters of 2021, 913,234 stock options were exercised. Consequently, as of September 30, 2021, the subscribed capital of Fresenius SE & Co. KGaA consisted of 558,454,143 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

In order to fulfill the subscription rights under the current stock option plan 2013 of Fresenius SE & Co. KGaA, Conditional Capital IV exists (see note 21, Share-based compensation plans). Another Conditional Capital III exists for the authorization to issue option bearer bonds and/or convertible bonds.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003 (expired)	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008 (expired)	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	23,786,091
Total Conditional Capital as of January 1, 2021	80,945,313
Fresenius SE & Co. KGaA Stock Option Plan 2013 – options exercised	-913,234
Total Conditional Capital as of September 30, 2021	80,032,079

As of September 30, 2021, the Conditional Capital was composed as follows:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003 (expired)	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008 (expired)	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	22,872,857
Total Conditional Capital as of September 30, 2021	80,032,079

DIVIDENDS

Under the German Stock Corporation Act (AktG), the amount of dividends available for distribution to shareholders is based upon the unconsolidated retained earnings of Fresenius SE & Co. KGaA as reported in its statement of financial position determined in accordance with the German Commercial Code (HGB).

In May 2021, a dividend of €0.88 per bearer ordinary share was approved by Fresenius SE & Co. KGaA's shareholders at the Annual General Meeting and paid afterwards. The total dividend payment was €491 million.

OTHER NOTES

17. LEGAL AND REGULATORY MATTERS

The Fresenius Group is routinely involved in claims, lawsuits, regulatory and tax audits, investigations and other legal matters arising, for the most part, in the ordinary course of its business of providing health care services and products. Legal matters that the Fresenius Group currently deems to be material or noteworthy are described below. The Fresenius Group records its litigation reserves for certain legal proceedings and regulatory matters to the extent that the Fresenius Group determines an unfavorable outcome is probable and the amount of loss can be reasonably estimated. For the other matters described below, the Fresenius Group believes that the loss is not probable and/or the loss or range of possible losses cannot be reasonably estimated at this time. The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with Fresenius Group's view of the merits can occur. The Fresenius Group believes that it has valid defenses to the legal matters pending against it and is defending itself vigorously. Nevertheless, it is possible that the resolution of one or more of the

legal matters currently pending or threatened could have a material adverse effect on its business, results of operations and financial condition.

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2020 applying Section 315e HGB in accordance with IFRS. In the following, only changes as far as content or wording are concerned during the first three quarters ended September 30, 2021 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements as of December 31, 2020 applying Section 315e HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2020 applying Section 315e HGB in accordance with IFRS.

INTERNAL REVIEW/FCPA COMPLIANCE

After both FMCH and FMC-AG & Co. KGaA moved to dismiss the complaint, the plaintiff moved on June 23, 2021 to dismiss the complaint voluntarily without prejudice. The court granted plaintiff's motion the same day.

PRODUCT LIABILITY LITIGATION

Discovery in the litigation is complete.

SUBPOENA "MARYLAND"

The relator thereafter served the complaint and proceeded on his own in part by filing an amended complaint making broad allegations about financial relationships between FMCH and nephrologists. FMCH's motion to dismiss the amended complaint remains pending. On October 5, 2021, the District Court for Maryland granted FMCH's motion to transfer the case to the United States District Court for Massachusetts, where the litigation continues. *Flanagan v. Fresenius Medical Care Holdings, Inc.*, 1:21-cv-11627-DPW.

CIVIL COMPLAINT "HAWAII"

Trial in the civil litigation has been postponed because of COVID-19-related administrative issues and has been rescheduled for August 2022.

SUBPOENAS „COLORADO AND NEW YORK"

The District Court unsealed the complaint, allowing the relator to proceed on its own. On August 3, 2021, the District Court granted FMCH's motion to dismiss the relator's amended complaint, dismissed the case with prejudice and declined to allow further amendment. On August 27, 2021, the relator appealed to the United States Court of Appeals for the Second Circuit.

SUBPOENA “AMERICAN KIDNEY FUND” / CMS LITIGATION

The subpoenas, and the subsequent investigation in which FMCH cooperated, were apparently predicated on but were not limited to a complaint filed on November 6, 2015 by two former employees. United States ex rel. Keasler et al. v. Fresenius Medical Care Rx, LLC, 03:15-Civ-01183 (M.D. Tenn. 2015). On August 17, 2021, the District Court dismissed the case without prejudice after the Nashville USAO declined to intervene and the relators elected not to proceed.

VIFOR PATENT INFRINGEMENT FRESENIUS MEDICAL CARE (DELAWARE)

In relation to the remaining pending cases and the defendant Teva, trial took place for the first complaint (Case No. 1:18-cv-00390-MN) between January 19 and 22, 2021. Another patent newly listed in the Orange Book was added to the second complaint (Case No. 1:20-cv-00911-MN) on June 23, 2021. Trial is scheduled for the second complaint for June 2022.

LITIGATION TRICARE PROGRAM

On July 8, 2020, the U.S. government filed its answer (and confirmed their position) and litigation is continuing.

SUBPOENA NORTHERN DISTRICT OF TEXAS (DALLAS)

On March 25, 2021, FMCH received a grand jury subpoena issued from the United States District Court for the Northern District of Texas (Dallas). The subpoena sought documents comprising communications between employees of FMCH and DaVita and partially overlaps in content the 2018 Denver subpoena. The Dallas subpoena is part of a separate investigation by the Anti-Trust Division of the Department of Justice into possible employee “no poaching” and similar agreements to refrain from competition and is related to the indictments in United States v. Surgical Care Affiliates, 3:2021-Cr-0011 (N.D. Tex.) and United States v. DaVita, Inc. et al., 1:21-cr00229 (D. Col.). The unnamed co-conspirators described in the Surgical Care Affiliates and DaVita indictments do not include FMCH, FMC-AG & Co. KGaA, or any of their employees. FMCH understands that it has completed production of material sought under the subpoena.

SUBPOENA “NEVADA”

The final agreement has received court sentencing and was implemented accordingly.

PATENT DISPUTE FRESENIUS KABI FRANCE

In March 2021, Fresenius Kabi and Eli Lilly have entered into a pan-European settlement pursuant to which, among other provisions, Fresenius Kabi undertakes to make a payment of US\$68.5 million to Lilly less the amount of €28 million already paid during the proceedings in France. In parallel, all court proceedings pending in Europe in relation to the patent in dispute are discontinued by the parties, including the proceedings in France. As of June 30, 2021, Fresenius Kabi has made all payments required under the settlement agreement.

GENERAL RISKS

FMCH completed remediation efforts with respect to one pending FDA warning letter and is awaiting confirmation as to whether the letter is now closed.

18. FINANCIAL INSTRUMENTS

VALUATION OF FINANCIAL INSTRUMENTS

Carrying amounts of financial instruments

As of September 30, 2021 and December 31, 2020, the carrying amounts of financial instruments by item of the statement of financial position and structured according to categories were as follows:

€ in millions	September 30, 2021						
	Carrying amount	Amortized cost	Fair value through profit and loss ¹	Fair value through other comprehensive income ²	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
Financial assets							
Cash and cash equivalents	2,413	1,539	874				
Trade accounts and other receivables, less allowances for expected credit losses	7,402	7,278	17	31			76
Accounts receivable from and loans to related parties	151	151					
Other financial assets ³	2,406	1,379	443	450	9		125
Financial assets	12,372	10,347	1,334	481	9	-	201
Financial liabilities							
Trade accounts payable	1,649	1,649					
Short-term accounts payable to related parties	80	80					
Short-term debt	2,472	2,472					
Short-term debt from related parties	5	5					
Long-term debt	2,594	2,594					
Lease liabilities	6,394						6,394
Bonds	15,246	15,246					
Convertible bonds	480	480					
Other financial liabilities ⁴	3,892	2,275	588		18	1,011	
Financial liabilities	32,812	24,801	588	-	18	1,011	6,394

¹ All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

² The option to measure equity instruments at fair value through other comprehensive income has been exercised. The option has been used for €160 million other investments (included in other financial assets).

³ Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

⁴ Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

December 31, 2020							
€ in millions	Carrying amount	Amortized cost	Fair value through profit and loss ¹	Fair value through other comprehensive income ²	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
Financial assets							
Cash and cash equivalents	1,837	1,271	566				
Trade accounts and other receivables, less allowances for expected credit losses	6,937	6,783	45	34			75
Accounts receivable from and loans to related parties	110	110					
Other financial assets ³	2,111	1,190	357	447	8		109
Financial assets	10,995	9,354	968	481	8	–	184
Financial liabilities							
Trade accounts payable	1,816	1,816					
Short-term accounts payable to related parties	67	67					
Short-term debt	245	245					
Short-term debt from related parties	5	5					
Long-term debt	5,154	5,154					
Lease liabilities	6,188						6,188
Bonds	13,847	13,847					
Convertible bonds	474	474					
Other financial liabilities ⁴	3,702	2,132	654		15	901	
Financial liabilities	31,498	23,740	654	–	15	901	6,188

¹ All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.

² The option to measure equity instruments at fair value through other comprehensive income has been exercised. The option has been used for €149 million other investments (included in other financial assets).

³ Other financial assets are included in the item other current and non-current assets in the consolidated statement of financial position.

⁴ Other financial liabilities are included in the items short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities in the consolidated statement of financial position.

Fair value of financial instruments

The following table shows the carrying amounts and the fair value hierarchy levels as of September 30, 2021 and December 31, 2020:

€ in millions	September 30, 2021				December 31, 2020			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets								
Cash and cash equivalents ¹	874	874			566	566		
Trade accounts and other receivables, less allowances for expected credit losses ¹	48		48		79		79	
Other financial assets ¹								
Debt instruments	368	363	5		401	396	5	
Equity investments	459	247	123	89	393	12	162	219
Derivatives designated as cash flow hedging instruments	9		9		8		8	
Derivatives not designated as hedging instruments	66		66		10		10	
Financial liabilities								
Long-term debt	2,594		2,640		5,154		5,210	
Bonds	15,246	16,003			13,847	14,847		
Convertible bonds	480	500			474	490		
Other financial liabilities ¹								
Put option liabilities	1,011			1,011	901			901
Accrued contingent payments outstanding for acquisitions	566			566	581			581
Derivatives designated as cash flow hedging instruments	18		18		15		15	
Derivatives not designated as hedging instruments	22		22		73		73	

¹ Fair value information is not provided for financial instruments, if the carrying amount is a reasonable estimate of the fair value due to the relatively short period of maturity of these instruments.

Explanations regarding the significant methods and assumptions used to estimate the fair values of financial instruments and classification of fair value measurements according to

the three-tier fair value hierarchy as well as explanations with regard to existing and expected risks from financial instruments and hedging can be found in the consolidated

financial statements as of December 31, 2020 applying Section 315e HGB in accordance with IFRS.

The following table shows the changes of the fair values of financial instruments classified as level 3 in the first three quarters of 2021:

€ in millions	Equity investments	Accrued contingent payments outstanding for acquisitions	Put option liabilities
As of January 1, 2021	219	581	901
Transfer to Level 1	-159	0	0
Additions	21	10	94
Disposals	-	-23	-19
Gain/loss recognized in profit or loss	-4	-3	0
Gain/loss recognized in equity	-	-	-15
Currency effects and other changes	12	1	50
As of September 30, 2021	89	566	1,011

At September 30, 2021, Fresenius Medical Care transferred its investment in Humacyte with a carrying amount of €159 million from Level 3 to Level 1, after Humacyte completed its merger with Alpha Healthcare Acquisition Corporation, a special purpose acquisition company. The shares in Alpha Healthcare Acquisition Corporation (now called Humacyte) received by Fresenius Medical Care as a result of this merger and in a contemporaneous private placement are quoted in an active market.

19. INFORMATION ON CAPITAL MANAGEMENT
The Fresenius Group has a solid financial profile. As of September 30, 2021, the equity ratio was 39.7% and the debt ratio (debt/total assets) was 38.3%. As of September 30, 2021, the leverage ratio (before special items) on the basis of net debt/EBITDA was 3.6 (December 31, 2020: 3.4).

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2020 applying Section 315e HGB in accordance with IFRS.

The Fresenius Group is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

The following table shows the company rating of Fresenius SE & Co. KGaA:

	Sept. 30, 2021	Dec. 31, 2020
Standard & Poor's		
Corporate Credit Rating	BBB	BBB
Outlook	stable	stable
Moody's		
Corporate Credit Rating	Baa3	Baa3
Outlook	stable	stable
Fitch		
Corporate Credit Rating	BBB-	BBB-
Outlook	stable	stable

20. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting tables shown on pages 36 to 37 of this interim report are an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at September 30, 2021.

The column Corporate is comprised of the holding functions of Fresenius SE & Co. KGaA as well as Fresenius Digital Technology GmbH, which provides services in the field of information technology. Corporate includes intersegment consolidation adjustments as well as special items (see note 3, Special items).

The business segments were identified in accordance with IFRS 8, Operating Segments, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. Further explanations with regard to the business segments can be found in the consolidated financial statements as of December 31, 2020 applying Section 315e HGB in accordance with IFRS.

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements as of December 31, 2020 applying Section 315e HGB in accordance with IFRS.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1 – 3/2021	Q1 – 3/2020
Total EBIT of reporting segments	3,114	3,389
Special items	-45	–
General corporate expenses Corporate (EBIT)	-34	-28
Group EBIT	3,035	3,361
Net interest	-384	-503
Income before income taxes	2,651	2,858

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Sept. 30, 2021	Dec. 31, 2020
Short-term debt	2,472	245
Short-term debt from related parties	5	5
Current portion of long-term debt	462	1,132
Current portion of lease liabilities	806	766
Current portion of bonds	1,304	1,522
Long-term debt, less current portion	2,132	4,022
Lease liabilities, less current portion	5,588	5,422
Bonds, less current portion	13,942	12,325
Convertible bonds	480	474
Debt	27,191	25,913
less cash and cash equivalents	2,413	1,837
Net debt	24,778	24,076

21. SHARE-BASED COMPENSATION PLANS

SHARE-BASED COMPENSATION PLANS OF FRESENIUS SE & CO. KGAA

As of September 30, 2021, Fresenius SE & Co. KGaA had two share-based compensation plans in place: the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks and the Long Term Incentive Plan 2018 (LTIP 2018) which is solely based on performance shares. Currently, solely LTIP 2018 can be used to grant performance shares.

Transactions during the first three quarters of 2021
On September 13, 2021, Fresenius SE & Co. KGaA awarded 915,105 performance shares under the LTIP 2018, the total fair value at the grant date being €41 million, including 193,800 performance shares or €9 million awarded to the members of the Management Board of Fresenius Management SE. The fair value per performance share at the grant date was €44.75.

During the first three quarters of 2021, Fresenius SE & Co. KGaA received cash of €30 million from the exercise of 913,234 stock options.

Of the 5,037,069 outstanding stock options issued under the 2013 LTIP 5,029,289 were exercisable at September 30, 2021. The members of the Fresenius Management SE Management Board held 648,281 stock options. 38,592 phantom stocks issued under the 2013 LTIP were outstanding at September 30, 2021. The members of the Fresenius Management SE Management Board held 5,059 phantom stocks.

At September 30, 2021, the Management Board members of Fresenius Management SE held 582,234 performance shares and employees of Fresenius SE & Co. KGaA held 2,367,562 performance shares under the LTIP 2018.

On September 30, 2021, total unrecognized compensation cost related to non-vested options granted under the 2013 LTIP was €3 thousand. This cost is expected to be recognized over a weighted-average period of 0.2 years.

SHARE-BASED COMPENSATION PLANS OF FRESENIUS MEDICAL CARE AG & CO. KGAA

On July 26, 2021, 891,682 performance shares with a total fair value of €58 million were granted under the Fresenius Medical Care AG & Co. KGaA Long Term Incentive Plan 2019. This amount will be amortized over the three-year vesting period. The weighted average fair value per performance share at the grant date was €64.58.

During the first three quarters of 2021, 117,639 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €5.9 million upon exercise of these stock options.

22. SUBSEQUENT EVENTS

October was characterized worldwide by a regionally varying development of the COVID-19 pandemic with again rising infection numbers. Large-scale constraints of public and private life are still enacted in various countries in order to

curtail the spread of COVID-19. The vaccination programs were continued worldwide and the development in each country differs. The further development of the global situation and its impact on Fresenius remain uncertain. Cost inflation and supply chain disruption continues to be a theme on a global level.

Fresenius Kabi has developed a strategic plan to better capture existing and new growth opportunities. Given the sustainable growth potential as well as its already strong market position, Fresenius Kabi will continue to focus on products and services for the therapy and care of critically and chronically ill patients. Within that overarching direction, three growth vectors have been defined: (i) broaden the biopharmaceutical offering, (ii) roll-out clinical nutrition and (iii) expand in MedTech. In parallel, Fresenius Kabi aims at strengthening the resilience of its volume-driven IV business. Furthermore, Fresenius Kabi will increase its global competitiveness and advance its organizational effectiveness; one initial step is the implementation of a business-led rather than regional organization. Implementation plans are still being sharpened.

On November 2, 2021, Fresenius Medical Care announced further details on its FME25 program. With a significantly simplified future structure of two global operating segments – Care Enablement and Care Delivery – Fresenius Medical Care orients its operating model along the relevant future value drivers.

Based on the implementation of the new global operating model, Fresenius Medical Care assumes to reduce its annual cost base by €500 million by the end of 2025. Around 50% of these savings are expected to be realized by 2023. By the end of 2023, around 80% of the anticipated one-time investments in FME25, amounting to approximately €450 million to €500 million, are expected to be made. The investments will be treated as a special item. The company thus expects to reach positive net savings by the end of 2023.

Beyond that, there have been no significant changes in the Fresenius Group's operating environment following the end of the third quarter of 2021. Also otherwise, with the exception of the amendment of the commercial paper program of Fresenius Medical Care as described in note 12, Debt, there have been no further events with a significant impact on the assets and liabilities, financial position, and results of operations of the Group since the end of the third quarter of 2021.

23. CORPORATE GOVERNANCE

For each consolidated stock exchange listed entity, the declaration pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz) has been issued and made available to shareholders on the website of Fresenius SE & Co. KGaA (www.fresenius.com/corporate-governance), and of Fresenius Medical Care AG & Co. KGaA (www.freseniusmedicalcare.com).

FINANCIAL CALENDAR

Report on FY 2021 Conference call, Live webcast	February 22, 2022
Report on 1st quarter 2022 Conference call, Live webcast	May 4, 2022
Annual General Meeting	May 13, 2022
Report on 1st half 2022 Conference call, Live webcast	August 2, 2022
Report on 1st – 3rd quarter 2022 Conference call, Live webcast	November 1, 2022

Subject to change

FRESENIUS SHARE/ADR

	Ordinary share		ADR
Securities identification no.	578 560	CUSIP	35804M105
Ticker symbol	FRE	Ticker symbol	FSNUY
ISIN	DE0005785604	ISIN	US35804M1053
Bloomberg symbol	FRE GR	Structure	Sponsored Level 1 ADR
Reuters symbol	FREG.de	Ratio	4 ADR = 1 share
Main trading location	Frankfurt / Xetra	Trading platform	OTC

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Commercial Register: Bad Homburg v. d. H.; HRB 11852
Chairman of the Supervisory Board: Wolfgang Kirsch

General Partner: Fresenius Management SE
Registered Office and Commercial Register: Bad Homburg v. d. H.; HRB 11673
Management Board: Stephan Sturm (President and CEO), Dr. Sebastian Biedenkopf, Dr. Francesco De Meo, Rachel Empey, Rice Powell, Michael Sen, Dr. Ernst Wastler
Chairman of the Supervisory Board: Wolfgang Kirsch

For additional information on the performance indicators used please refer to our website <https://www.fresenius.com/alternative-performance-measures>.

Forward-looking statements:

This Quarterly Financial Report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based on not occur, or if risks should arise – as mentioned in the consolidated financial statements and the management report as of December 31, 2020 applying Section 315e HBG in accordance with IFRS and the SEC filings of Fresenius Medical Care AG & Co. KGaA – the actual results could differ materially from the results currently expected.

