Fresenius

FRESENIUS SE & CO. KGAA

2024

Annual Report

Management Report

Report of the Supervisory Board

Convenience Translation - The German version of these Financial Statements is legally binding

FRESENIUS SE & CO. KGAA, BAD HOMBURG V. D. HÖHE

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

ASSETS

€ in millions	Note	31.12.2024	31.12.2023
A. Fixed Assets	(4)		
I. Intangible assets		3	4
II. Tangible assets		112	117
III. Financial assets		12,310	11,938
		12,425	**12,059**
B. Current Assets			
I. Accounts receivable and other assets	(5)		
1. Trade accounts receivable		0	0
2. Accounts receivable from related parties		4,448	4,540
3. Accounts receivable from companies in which participations are held		21	5
4. Other assets		108	98
		4,577	4,643
II. Cash and cash equivalents	(6)	1,318	1,508
		5,895	**6,151**
C. Deferred expense	(7)	21	30
		18,341	**18,240**

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	31.12.2024	31.12.2023
A. Shareholders' equity			
I. Subscribed capital	(8, 9, 10, 11, 12)		
Ordinary shares		563	563
II. Capital reserves	(13)	3,487	3,487
III. Other reserves	(14)	748	2,304
IV. Retained earnings	(15)	563	–
		5,361	**6,354**
B. Accruals	(16)		
1. Pensions and similar obligations		137	135
2. Accruals for income taxes		296	288
3. Other accruals		705	67
		1,138	**490**
C. Liabilities	(17)		
1. Senior notes		6,824	6,584
2. Convertible bonds		–	500
3. Bank loans		2,114	2,688
4. Trade accounts payable		8	13
5. Accounts payable to related parties		2,782	1,505
6. Accounts payable to companies in which participations are held		11	–
7. Other liabilities		103	106
		11,842	**11,396**
D. Deferred income	(18)	0	0
		18,341	**18,240**

FRESENIUS SE & CO. KGAA, BAD HOMBURG V. D. HÖHE

PROFIT AND LOSS STATEMENT JANUARY 1 TO DECEMBER 31, 2024

€ in millions	Note	2024	2023
1. Income from participations	(19)	18	356
2. Revenues	(20)	82	91
3. Other operating income	(21)	262	295
4. Cost of materials	(22)	-25	-20
5. Personnel expenses	(23)	-95	-72
6. Depreciation and amortization on intangible assets and on property, plant and equipment	(24)	-9	-11
7. Other operating expenses	(25)	-1,074	-841
8. Net interest	(26)	-141	-45
9. Income taxes	(27)	-10	-61
10. After tax profit		**-992**	**-308**
11. Other taxes		-1	0
12. Net loss		**-993**	**-308**
13. Retained earnings brought forward		–	1
14. Decrease of other reserves		1,556	307
15. Retained earnings		**563**	**–**

FRESENIUS SE & CO. KGAA, BAD HOMBURG V. D. HÖHE

NOTES AS OF DECEMBER 31, 2024

1. GENERAL INFORMATION

Fresenius SE & Co. KGaA, registered in Bad Homburg v.d.H. is listed under number B 11852 in the Commercial Register in Bad Homburg v.d.H.

The reporting currency of Fresenius SE & Co. KGaA is the euro. In order to make the presentation clearer, amounts are shown in Euro million. Amounts under €1 million after rounding are marked with „0“. In particular cases amounts are shown in Euro thousands.

The preparation of the financial statements has been done according to the rules of the German Commercial Code (HGB) and the rules of the German Stock Corporation Act (AktG - Aktiengesetz). The financial statements include the balance sheet, the profit and loss statement as well as the Notes. The profit and loss statement follows the nature of expense method (Gesamtkostenverfahren).

2. STRUCTURE

The Fresenius Group is as of December 31, 2024, divided into following legally independent business segments:

- Fresenius Kabi
- Fresenius Helios

In May 2024, the Fresenius Group initiated the structured exit from its investment company Fresenius Vamed. Related to the exit the 70% majority stake in Vamed's rehabilitation business was sold to PAI Partners on September 30, 2024. Furthermore, it was planned to sell Vamed's activities in Austria to an Austrian consortium of construction companies Porr and Strabag. The transaction is expected to be completed in the first half of 2025. The complete sale of the Health Tech Engineering (HTE) segment, which is responsible for the international project business, will gradually be scaled back in an orderly manner. The process should largely be completed by 2026. Current project contracts will be fulfilled. For further information on current developments, please see Note (32) Subsequent events.

Fresenius SE & Co. KGaA owns the stakes in the management companies and functions as an holding.

The list of investments of Fresenius SE & Co. KGaA is to be found in the enclosure to the Notes.

3. ACCOUNTING PRINCIPLES AND STANDARDS OF VALUATION

Acquired **intangible assets** are valued at purchase cost less regular amortization. The useful life is normally between 2 and 5 years, for personal computer auxiliary programs the useful life is 2 years, and for know-how up to 5 years.

The value of **investments in property, plant and equipment** is stated at the cost of the assets less regular linear depreciation.

The following useful lives were used for calculating depreciation:

- Office and factory buildings — 10 - 40 years
- Technical equipment and machinery — 5 - 10 years
- Other fixtures and fittings, tools and equipment — 3 - 10 years

Assets with purchase cost of up to €250.00 are fully written off in the year of addition.

Depreciable movable non-current assets with a value of more than €250.00 and less than €1,000.00 are grouped into a collective item which is dissolved through profit and loss by one fifth in the year of capitalization and the following four years each.

Extraordinary depreciation is carried out, provided that the carrying book value is other than temporarily impaired.

Financial assets are valued at purchase price or, if the asset is probably other than temporarily impaired the lower market value. Interest-free loans are recognized at their present value.

The lower value of non-current assets resulting from write-downs to fair value has to be reversed if the reasons for the extraordinary write-down no longer apply (Section 253 (5) HGB).

Accounts receivable and other assets are stated at nominal value reduced by individual allowance if necessary.

No **deferred tax** is to be recognized for temporary differences in valuations in the tax and financial reporting balance sheets as long as the net difference would result in an asset.

In Germany, the Minimum Tax Act (MinStG) has been in force since 2024, which serves to implement Council Directive (EU) 2022/25234 to ensure global minimum taxation based on the guidelines published by the OECD in December 2021 (known as "Pillar Two"). The MinStG provides for a mandatory exemption from the recognition and measurement of deferred taxes resulting from the application of the MinStG or corresponding foreign minimum tax laws. The exception corresponds to that in the international accounting standards in IAS 12.

The company applies this exemption, according to which no deferred taxes are to be recognized in connection with temporary differences from the Pillar Two regulations.

Accordingly, as expected, the application of these regulations in the financial years from 1 January 2024 will have no material impact on both the Group tax rate of the Fresenius consolidated financial statements prepared in accordance with IFRS and the tax rate of Fresenius SE.

The **subscribed capital** is carried at its nominal amount.

The **pension obligation** is determined according to actuarial principles on the basis of biometric probabilities (Richttafeln Heubeck 2018 G) using the Projected Unit Credit-Method. Future expected remuneration and pension increases are taken into account in calculating the obligation. Remuneration is currently adjusted depending on age by between 3% and 4% and pensions by 2.00%. The company specific fluctuation rate that is also taken into consideration for the calculation has been between 0% and 18% depending on age cohort. The actuarial interest rate applicable to the discounting of the pension obligation was 1.90%. This interest rate is based on the last-ten-year-average interest rate for an estimated remaining life of 15 years as determined and published by the German Federal Bank (Deutsche Bundesbank). Until December 31, 2015 the actuarial interest rate was based on the last-seven-year-average discount rate. According to Section 253 (6) HGB the difference from this legal change amounts to €0.

Pursuant to Section 253 (1) sentence 3 HGB (security-based pension obligations), the value of the provisions for the employee financed life work time account (Demografiefonds) is based on the performance of the asset value of the corresponding plan reinsurance.

The asset values used to offset the provisions are calculated at their fair values.

Tax accruals and other accruals are accounted for recognizable risks and uncertain liabilities at the amounts to be paid and calculated on the basis of a reasonable commercial assessment. Long term accruals are accounted for taking into account future price and cost increases and are discounted with the last-seven-year-average discount rate that corresponds to the remaining life of the accrual.

Liabilities are valued at their settlement amounts.

Income and expenses incurred a certain time after the date of the financial statements are accounted for as **accruals and deferrals**.

Foreign currency items are translated with the foreign exchange rate at the time of origin or the hedging rate for hedging transactions.

Assets and liabilities with a remaining life of up to a year and carried at foreign currencies are translated at the average closing spot rate according to section 256a HGB.

Assets and liabilities with a remaining expected life of over one year and carried at foreign currencies are translated at inception at the foreign currency exchange rate, while at the balance sheet date the lowest closing spot rate is used for translating assets and the highest closing spot rate is used for translating liabilities. If the conditions to apply hedge accounting are met, the hedging financial instruments and the underlying transactions are combined in a hedge and valued either using the ‘Durchbuchungsmethode’ or the ‘Einfrierungsmethode’. In the first case changes in value are recognized in the income statement. In the second case the transaction is recognized at inception only and changes in value resulting from the hedged risk are not subsequently recorded in the balance sheet or statement of income.

Gains and losses from translation to euro of items carried at foreign currencies are recognized in the statement of income under “Other operating income” or “Other operating expenses”.

Income and expense from profit transfer agreements is recorded in the same reporting period in which it arises given that earnings from affiliated companies are precise enough at the time of preparing the financial statements and is assured according to reasonable commercial assessment.

Income from incorporated affiliates is recorded at the date when the distribution of earnings is decided, which is after the completion of the financial statements of Fresenius SE & Co. KGaA.

Derivative financial instruments are contracted for hedging purposes only. Both interest rate and foreign currency derivatives are contracted for hedging.

Besides hedging instruments for cash pool balances and loans in foreign currencies that Group Companies have borrowed from Fresenius SE & Co. KGaA or that Fresenius SE & Co. KGaA has borrowed from Group Companies or banks, Fresenius SE & Co. KGaA acquires hedging instruments from banks, that are mirrored by agreements between Fresenius SE & Co. KGaA and its affiliated companies at nearly the same conditions. The affiliated companies use these agreements to hedge their operating businesses against foreign currency risks.

Derivative financial instruments are measured at fair value at balance sheet date. According to German Commercial Law accounting principles and standards of valuation any remeasurement losses are recognized in earnings while remeasurement gains are not taken into account. When the conditions for hedge accounting are met, the underlying asset and the hedging instrument are considered together. The application of the standards of valuation is explained in more detail in Note (31) Derivatives.

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4. FIXED ASSETS

The following is a breakdown of fixed assets and their development:

	Acquisition costs					Write-ups/Depreciation				Carrying amount	
€ in millions	As of Jan. 1, 2024	Additions	Disposals	Reclassifications	As of Dec. 31, 2024	As of Jan. 1, 2024	Additions	Disposals	As of Dec. 31, 2024	**Dec. 31, 2024**	Dec. 31, 2023
Intangible assets											
Concessions, industrial and similar rights and assets as well as licenses acquired for consideration	25	1	–	0	26	21	2	–	23	3	4
	25	**1**	**–**	**0**	**26**	**21**	**2**	**–**	**23**	**3**	**4**
Tangible assets											
Land, leasehold and buildings including buildings on third party property	198	–	-2	2	198	97	4	–	101	97	101
Plant and machinery	2	0	–	–	2	1	0	–	1	1	1
Other fixtures and fittings, tools and equipment	28	2	-2	2	30	18	3	-1	20	10	10
Payments on account and tangible assets in course of construction	5	3	–	-4	4	–	–	–	–	4	5
	233	**5**	**-4**	**0**	**234**	**116**	**7**	**-1**	**122**	**112**	**117**
Financial assets											
Shares in related parties	10,201	291	-25	–	10,467	0	–	–	–	10,467	10,201
Loans to related parties	1,335	940	-750	–	1,525	–	84	–	84	1,441	1,335
Investments	402	0	–	–	402	–	–	–	–	402	402
	11,938	**1,231**	**-775**	**–**	**12,394**	**0**	**84**	**–**	**84**	**12,310**	**11,938**
Fixed assets	**12,196**	**1,237**	**-779**	**–**	**12,654**	**137**	**93**	**-1**	**229**	**12,425**	**12,059**

FINANCIAL ASSETS

As of December 31, 2024, Fresenius SE & Co. KGaA owns stakes in the following domestic management companies for business segments:

- Fresenius Medical Care AG, Hof an der Saale
- Fresenius Kabi AG, Bad Homburg v.d.H.
- Fresenius ProServe GmbH, Bad Homburg v.d.H.

Fresenius SE & Co. KGaA continued to hold 100% of the management companies of the business segments Fresenius Kabi (Fresenius Kabi AG) as well as Fresenius Helios (held through Fresenius ProServe GmbH) on December 31, 2024. Through Fresenius ProServe GmbH, Fresenius SE & Co. KGaA holds 100% in Helios Kliniken GmbH and in Helios Health GmbH (100% stakeholder of the Quirónsalud Group) as well as a 100% stake in Vamed Aktiengesellschaft.

As in the previous year, the percentage of Fresenius Medical Care AG's subscribed capital held by Fresenius SE & Co. KGaA amounted to 32.17% as at December 31, 2024.

Fresenius SE & Co. KGaA holds all of the stakes of the following domestic property management and service companies as well as foreign finance companies:

- Fresenius Immobilien-Verwaltungs-GmbH
- Fresenius Immobilien-Verwaltungs-GmbH & Co. Objekt Friedberg 2 KG
- Fresenius Versicherungsvermittlungs GmbH
- Fresenius Vermögensverwaltungs GmbH (former Fresenius Vermögensverwaltungs AG)
- Fresenius Finance Ireland PLC
- Fresenius Finance Ireland II PLC
- Fresenius Vamed GmbH

All of the subscribed capital of Fresenius Digital Technology GmbH is indirectly held via Fresenius Versicherungsvermittlungs GmbH.

The limited partnership shares in Fresenius Immobilien-Verwaltungs-GmbH & Co. Objekt Friedberg KG were contributed in the amount of €6 million to the additional paid-in capital of Fresenius Kabi AG.

In December 2024, Fresenius SE & Co. KGaA contributed its shares in Fresenius Immobilien-Verwaltung Objekt Schweinfurt GmbH in the amount of €7 million and in Fresenius Immobilien-Verwaltung St. Wendel GmbH in the amount of €11 million to the additional paid-in capital of Fresenius ProServe GmbH.

As part of the ongoing restructuring of the Irish finance companies, Fresenius Finance Holdings Ltd. was merged into Fresenius Finance Ireland PLC.

Moreover, €348 thousand was invested in the Futury Regio Growth GmbH & Co. KG.

In the fiscal year 2024, loans were granted to Vamed Gesundheit Holding Deutschland GmbH in the amount of €452 million and to Vamed AG in the amount of €76 million. The loans to Vamed AG were fully impaired.

In addition, a loan of CHF225 million (€240 million) was granted to Fresenius Kabi Deutschland GmbH, which hedges the transaction risk of the bond issued in October 2024 in the amount of CHF225 million (€240 million). The company does not revaluate these hedges for financial reporting purposes until maturity ('Einfrierungsmethode').

A loan of €100 million was issued to Fresenius Finance Ireland PLC.

5. ACCOUNTS RECEIVABLE AND OTHER ASSETS

€ in millions	Dec. 31, 2024	Dec. 31, 2023
Trade accounts receivable	0	0
Accounts receivable from related parties	4,448	4,540
Accounts receivable from companies in which participation is held	21	5
Other assets	108	98
	4,577	**4,643**

Accounts receivable from related parties include €4,446 million mainly consisting of loans and financing related accounts in the context of inhouse banking (cash pool) (previous year €4,535 million) as well as €2 million of trade accounts receivables (previous year €5 million).

Other assets mainly contain €3 million (previous year €9 million) VAT receivable (including foreign VAT receivable). Social security related receivables were not included.

Also included are receivables from corporation tax law (Körperschaftsteuer) and solidarity surcharge (Solidaritätszuschlag) of €101 million (previous year €84 million). Receivables from income tax (Ertragsteuer) include expected amounts of outstanding tax assessments for previous years and for the assessment and collection year 2024.

Receivables and other assets have a remaining term of up to one year.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and cash at banks of €1,318 million (previous year €1,508 million).

7. DEFERRED EXPENSE

The deferred expenses of €21 million (previous year €30 million) mainly consist of discounts with a net book value of €17 million as of December 31, 2024 (previous year €24 million).

Bonds issued in 2019 resulted in a discount of €8 million that will be released on a straight-line basis over the lifetime of the bonds. As of December 31, 2024, it is included in deferred expenses with a value of €2 million.

Moreover, the placement of bonds in 2020 resulted in a discount of €16 million that will be released on a straight-line basis over the lifetime of the bonds. As of December 31, 2024, it is included in deferred expenses with a value of €6 million.

Discounts of €12 million, which resulted from the issue of bonds during the fiscal year 2022, will be released on a straight-line basis over the lifetime of the respective bonds. As of December 31, 2024, discounts are included in deferred expenses with a value of €7 million.

The placement of a bond in 2023 resulted in a discount of €3 million that will be released on a straight-line basis over the lifetime of the bond. As of December 31, 2024, it is included in deferred expenses with a value of €2 million.

Furthermore, it includes the prepayment of the Directors & Officers-Insurance (D & O-Insurance) and the accidental and product liability insurance.

8. SUBSCRIBED CAPITAL

During fiscal year 2024, no stock options were exercised. Consequently, as of December 31, 2024, the subscribed capital of Fresenius SE & Co. KGaA still consisted of 563,237,277 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

The subscribed capital developed as follows:

€ in millions	2024	2023
As of January 1	563	563
As of December 31	**563**	**563**

9. OWN SHARES

As of December 31, 2024, no own shares were held.

10. NOTIFICATION BY SHAREHOLDERS

The following table shows the notifications disclosed in 2024 in accordance with Section 40 (1) of the German Securities Trading Act (WpHG).

Notifying party	Registered office	Date of exceeding or falling below	Reporting threshold	Percentage of voting rights	Number of voting rights	Attribution pursuant to WpHG
BlackRock, Inc.	Wilmington, Delaware, United States	October 1, 2024	none	4.62	25,446,595 2,945 559,236	section 34 section 38 (1) No. 1 section 38 (1) No. 2
Harris Associates L.P	Wilmington, Delaware, United States	August 20,2024	Falling below 3%	2.99	16,850,886	section 34

In cases where holdings reached, exceeded or fell below the thresholds on several occasions, only the most recent notification is mentioned.

The Else Kröner-Fresenius-Stiftung as major shareholder informed Fresenius SE & Co. KGaA on December 17, 2024, that it holds 151,842,509 ordinary shares of Fresenius SE & Co. KGaA representing 27.0% of the subscribed capital on December 31, 2024. All WpHG-notifications by shareholders in 2024 are published on the website of the Company www.fresenius.com/shareholder-structure.

11. AUTHORIZED CAPITAL

By resolution of the Annual General Meeting on May 13, 2022, the previous Authorized Capital I was revoked and a new Authorized Capital I (2022) was approved.

Accordingly, the general partner, Fresenius Management SE, is authorized, with the approval of the Supervisory Board, until May 12, 2027, to increase Fresenius SE & Co. KGaA 's share capital (subscribed capital) by a total amount of up to €125,000,000 through a single or multiple issues of new bearer ordinary shares against cash contributions and/or contributions in kind (Authorized Capital I (2022)). The number of shares must increase in the same proportion as the subscribed capital. In principle, shareholders must be granted a subscription right . In defined cases, the general partner is authorized, with the consent of the Supervisory Board, to decide on the exclusion of the shareholders' subscription right (e. g. to eliminate fractional amounts). For cash contributions, the authorization can only be exercised if the issue price is not significantly below the stock exchange price of the already listed shares at the time the issue price is fixed with final effect by the general partner. Furthermore, in case of a capital increase against cash contributions, the proportionate amount of the shares issued with exclusion of subscription rights may not exceed 10% of the subscribed capital. An exclusion of subscription rights in the context of the use of other authorizations concerning the issuance or the sale of the shares of Fresenius SE & Co. KGaA or the issuance of rights which authorize or bind to the subscription of shares of Fresenius SE & Co. KGaA has to be taken into consideration during the duration of the Authorized Capital until its utilization. In the case of a subscription in kind, the subscription right can be excluded only in order to acquire a company, parts of a company or a participation in a company.

The authorizations granted concerning the exclusion of subscription rights can be used by Fresenius Management SE only to such extent that the proportional amount of the total number of shares issued with exclusion of the subscription rights does not exceed 10% of the subscribed capital. An exclusion of subscription rights in the context of the use of other authorizations concerning the issuance or the sale of the shares of Fresenius SE & Co. KGaA or the issuance of rights which authorize or bind to the subscription of shares of Fresenius SE & Co. KGaA has to be taken into consideration during the duration of the Authorized Capital until its utilization.

The changes to the Authorized Capital I became effective upon registration with the commercial register on July 5, 2022.

The Authorized Capital I developed as follows:

€ in millions	2024	2023
As of January 1	125	125
As of December 31	**125**	**125**

12. CONDITIONAL CAPITAL

The Conditional Capital IV is in place to fulfill the obligation to issue shares relating to the exercise of Stock Options on the basis of the existing 2013 Stock Option Plan. A further Conditional Capital III exists for the authorization to issue option bearer bonds and/or convertible bonds.

The Conditional Capital I for the Fresenius AG Stock Option Plan 2003 (expired) developed as follows:

in €	Ordinary shares
As of January 1, 2024	4,735,083
As of December 31, 2024	**4,735,083**

The Conditional Capital II for the Fresenius SE Stock Option Plan 2008 (expired) developed as follows:

in €	Ordinary shares
As of January 1, 2024	3,452,937
As of December 31, 2024	**3,452,937**

The Conditional Capital III, for option bearer bonds and/or convertible bonds, developed as follows:

in €	Ordinary shares
As of January 1, 2024	48,971,202
As of December 31, 2024	**48,971,202**

The Conditional Capital IV for the Fresenius SE & Co. KGaA Stock Option Plan 2013 developed as follows:

in €	Ordinary shares
As of January 1, 2024	22,824,857
As of December 31, 2024	**22,824,857**

Description of the Fresenius SE & Co. KGaA share-based compensation plans in place

As of December 31, 2024, Fresenius SE & Co. KGaA had three share-based compensation plans in place: the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (LTIP 2013) which is based on stock options and phantom stocks, the Long Term Incentive Plan 2018 (LTIP 2018) which is based on performance shares and the Fresenius Performance Plan 2023 – 2026 (LTIP 2023) which is based on stock awards. Currently, solely LTIP 2023 can be used to grant stock awards.

FRESENIUS PERFORMANCE PLAN 2023 – 2026 (LTIP 2023)

On December 1, 2022 and March 16, 2023, respectively, the Management Board and Supervisory Board of the general partner, Fresenius Management SE, resolved the Fresenius Performance Plan 2023 – 2026 (LTIP 2023).

LTIP 2023 is based solely on cash-settled virtual shares in Fresenius SE & Co. KGaA (stock awards). The stock awards issued under the plan are cash-settled virtual payment instruments not backed by equity. They grant an entitlement to a cash payment by Fresenius SE & Co. KGaA or an affiliated company if the performance targets are achieved and the other conditions are met.

The members of the Management Board of Fresenius Management SE (Management Board Plan Participants) and selected executives (Executive Plan Participants) are eligible to participate. Stock awards will be granted once a year over a period of four years. For Management Board Plan Participants the grant is made by the Supervisory Board of the general partner, Fresenius Management SE, the grant to the Executive Plan Participants by the Management Board of Fresenius Management SE, in each case on the basis of a fixed grant value. The number of stock awards granted is calculated using the grant value and the average Xetra closing price of the Fresenius share on the Frankfurt Stock Exchange (or any successor system replacing the Xetra system) during the period of 30 stock exchange trading days prior to the beginning of the four-year performance period, commercially rounded to the second decimal place.

The final number of stock awards, which in addition to the absolute share price performance of the Fresenius share and the amount of dividends paid during the performance period, determines the amount payable, depends on the degree of achievement of the performance targets described in more detail below. At the end of each fiscal year, the annual target achievement for each performance target is calculated and fixed (lock-in). At the end of the performance period, the target achievement of the individual performance targets is calculated by taking the average of the four annual target achievements. The annual target achievements of a performance target are equally weighted at 25% each.

The number of stock awards resulting at the end of the four-year performance period on the basis of the respective target achievement is then multiplied by the average closing price of the Fresenius share on the Frankfurt Stock Exchange (or a successor system replacing the Xetra system) in the period of 30 stock exchange trading days prior to the end of the performance period, commercially rounded to the second decimal place, plus an amount corresponding to the sum of the dividends paid per Fresenius share (dividend equivalent) during the performance period. The resulting amount is paid out to the respective plan participant in cash. The potential payout entitlement of the plan participants is limited to a maximum of 250% of the grant value. Vesting is also conditional on the absence of a compliance breach and an active and non-terminated service or employment relationship.

In the event of a compliance breach, the Supervisory Board of Fresenius Management SE is entitled to reduce the number of stock awards granted to a member of the Management Board down to zero at its reasonable discretion. For the remaining plan participants, the Management Board of Fresenius Management SE is entitled to do so. Furthermore, within a period of three years from the date of payment, Fresenius SE & Co. KGaA has a claim for repayment in full or in part if a compliance breach has occurred which is not time-barred at the time of the reclaim.

LTIP 2023 has three differently weighted performance targets: relative Total Shareholder Return (TSR) of the Fresenius share compared to the STOXX® Europe 600 Health Care Index (weighting: 50%), Return on Invested Capital (ROIC) (weighting: 25%) and ESG targets (weighting: 25%). As part of the ESG targets, the reduction of CO_2 emissions was set as an ESG target for the 2024 and the 2023 grant. For future grants, the Supervisory Board (for the Management Board Plan Participants) and the Management Board (for the Executive Plan Participants) may set another ESG target or several other ESG targets instead of or in addition to the ESG target reduction of CO_2 emissions.

For the performance target Total Shareholder Return, 100% target achievement is given if the TSR of the Fresenius share exactly equals the TSR of the STOXX® Europe 600 Health Care Index in the relevant fiscal year of the performance period (TSR equal performance). If the TSR of the Fresenius share falls below the TSR of the STOXX® Europe 600 Health Care Index in the relevant fiscal year of the performance period by 50 percentage points or more, the degree of target achievement is 0% (TSR underperformance). If the TSR of the Fresenius share exceeds the TSR of the STOXX® Europe 600 Health Care Index in the relevant fiscal year of the performance period by 50 percentage points or more, the degree of target achievement is 250% (TSR outperformance). A TSR outperformance of more than 50 percentage points does not lead to a further increase in target achievement.

For a relative TSR in the range between -50 percentage points TSR underperformance and TSR equal performance, the target achievement for the fiscal year will be determined by linear interpolation between these two key points. For a relative TSR in the range between TSR equal performance and +50 percentage points TSR outperformance, the target achievement for the fiscal year is determined by linear interpolation between these two key points. Target achievement is commercially rounded up or down to the second decimal place.

According to the consolidated financial statements, the performance target ROIC is calculated as EBIT less taxes divided by invested capital. ROIC is calculated on the basis the Fresenius Group's approved consolidated financial statements for the relevant fiscal years, adjusted for potential acquisition or divestment activities or changes in IFRS accounting standards during the performance period.

In order to determine the target achievement, the Supervisory Board will determine the annual budgeted values for ROIC (plan ROIC) for the Management Board Plan Participants and the Management Board will determine the annual budgeted values for ROIC (plan ROIC) for the Executive Plan Participants at the beginning of the performance period on the basis of the three-year mid-term planning for the fiscal year. The plan ROIC for the fourth year will be taken from the mid-term plan for the following year.

For the ROIC performance target, 100% target achievement is given if the ROIC actually achieved (actual ROIC) is equal to the plan ROIC for the relevant fiscal year of the performance period. If the actual ROIC falls below the plan ROIC for the relevant fiscal year of the performance period by 2 percentage points, the target achievement is 50%. A ROIC target underperformance of more than 2 percentage points results in a target achievement of 0%. If the actual ROIC exceeds the plan ROIC for the relevant fiscal year of the performance period by 2 percentage points or more, the target achievement is 250%. A ROIC target outperformance of more than 2 percentage points does not lead to a further increase in target achievement.

In the event that the actual ROIC for the relevant fiscal year of the performance period falls below the weighted average cost of capital (WACC), the target achievement for the performance target ROIC for this fiscal year is always 0%, in deviation from the calculations described before.

For the performance target reduction of CO_2 emissions defined as ESG target for the 2024 and the 2023 grant, 100% target achievement is given if the actual reduction of CO_2 emissions in t CO_2 equivalents achieved in the relevant fiscal year of the performance period compared to the previous year (actual CO_2 reduction) corresponds to a reduction of CO_2 emissions in the amount of the defined percentage of CO_2 emissions in the relevant base year (planned CO_2 reduction). For the 2024 and the 2023 grant, 2020 is the base year. In addition to the planned CO_2 reduction, the Supervisory Board (for the Management Board Plan Participants) and the Management Board (for the Executive Plan Participants) shall each set values that lead to a target achievement of 50% and 250%. If the actual CO_2 reduction is less than the value of the CO_2 emissions in the base year specified for the target achievement of 50%, the target achievement is 0%.

An actual CO_2 reduction that exceeds the value of the CO_2 emissions of the base year determined for the target achievement of 250% does not lead to a further increase in the target achievement. If, according to this system, in a performance period, a target achievement of 0% has been determined for at least one fiscal year of the performance period with regard to the ESG target CO_2 reduction, the target achievement for this ESG target can alternatively be determined uniformly for all fiscal years of the performance period on the basis of the average annual actual CO_2 reduction compared to the average annual planned CO_2 reduction for the entire performance period. In such a case, the target achievement for this performance period corresponds uniformly to 25% of the total target achievement thus calculated for the performance period.

LTIP 2018

On April 12, 2018 and March 15, 2018, respectively, the Management Board and Supervisory Board of the general partner, Fresenius Management SE, resolved the Long Term Incentive Plan 2018 (LTIP 2018).

The LTIP 2018 is based solely on virtual stocks (performance shares). The performance shares issued through the plan are non-equity-backed, virtual compensation instruments. When performance targets are reached and other prerequisites are met, they guarantee the entitlement to a cash payment by Fresenius SE & Co. KGaA or one of its affiliated companies.

The plan is available both for members of the Management Board and other executives. Performance shares may be granted once annually over a period of five years. The grant to the members of the Management Board is made by the Supervisory Board of the general partner, Fresenius Management SE, the grant to the other executives is made by the Management Board of Fresenius Management SE, in each case on the basis of a grant value determined at its discretion. The grant value is determined in consideration of the personal performance and the responsibilities of the concerned plan participant. The number of performance shares granted is calculated through applying the grant value and the average stock market price of the Fresenius share over the period of 60 stock exchange trading days prior to the grant date.

The number of performance shares may change over a period of four years, depending on the level of achievement of the performance targets described in more detail below. This could entail the entire loss of all performance shares or also – at maximum – the doubling of their number. The resulting number of performance shares, which is determined after a performance period of four years and based on the respective level of target achievement, is deemed finally earned four years after the date of the respective grant. The number of vested performance shares is then multiplied by the average stock exchange price of Fresenius SE & Co. KGaA's share over a period of 60 stock exchange trading days prior to the lapse of this vesting period plus the total of the dividends per share of Fresenius SE & Co. KGaA paid by Fresenius SE & Co. KGaA between the grant date and the vesting date. The resulting amount will be paid to the respective plan participant in cash. The potential disbursement entitlement of each member of the Management Board is limited to a maximum value of 250% of the grant value, the entitlement of all other plan participants is limited to a maximum value of 400%.

The LTIP 2018 has two equally weighted performance targets: firstly, the growth rate of the adjusted consolidated net income (adjusted for currency effects) and, secondly, the relative Total Shareholder Return based on the STOXX Europe 600 Health Care Index. Disbursement entitlement requires that at least one of the two performance targets must be reached or surpassed over the four-year performance period.

For the performance target **Net Income Growth Rate** a level of target achievement of 100% is reached when the same is at least 8% over the four-year performance period. If the growth rate falls below or corresponds to only 5%, the level of target achievement is 0%. If the growth rate is between 5% and 8%, the level of target achievement is between 0% and 100%, while, where the growth rate is between 8% and 20%, the level of target achievement will be between 100% and 200%. Intermediate values are calculated through linear interpolation. The net income is the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA reported in the consolidated financial statements of Fresenius SE & Co. KGaA prepared in accordance with IFRS, adjusted for extraordinary effects. The determination of the adjusted net income (adjusted for currency effects) and the change in comparison with the adjusted net income (not adjusted for currency effects) of the previous Fresenius Group fiscal year will be verified in a binding manner by the auditors of Fresenius SE & Co. KGaA on the basis of the audited consolidated financial statements. For the ascertainment of the currency translation effects, all line items of the income statements of the companies that are included in the consolidated financial statements and which have a functional currency other than the reporting currency (euro) of the Fresenius Group are translated with the average exchange rates of the Fresenius Group fiscal year of the consolidated financial statements that are the basis for the comparison.

For the **Total Shareholder Return** performance target, a target achievement of 100% is met when the Total Shareholder Return of Fresenius SE & Co. KGaA in comparison with the Total Shareholder Return of the other companies of the STOXX Europe 600 Health Care Index achieves an average ranking within the benchmark companies, i. e. exactly in the middle (50th percentile), over the four-year performance period. If the ranking corresponds to the 25th percentile or less, the level of target achievement is 0%. Where the ranking is between the 25th percentile and the 50th percentile, the level of target achievement is between 0% and 100%; and, for a ranking between the 50th percentile and the 75th percentile, between 100% and 200%. Intermediate values will also be calculated through linear interpolation. Total Shareholder Return denotes the percentage change in the stock market price within the performance period including reinvested dividends and all capital measures, whereby capital measures are to be calculated through rounding down to the fourth decimal place. The ranking values are determined using the composition of STOXX Europe 600 Health Care on the grant date. For equalization purposes, the relevant market price is the average market price in the period of 60 stock exchange trading days prior to the beginning and end of a performance period; the relevant currency is that of the main stock exchange of a company, which was listed in STOXX Europe 600 Health Care on the grant date.

A level of target achievement in excess of 200% is not possible for both performance targets.

To calculate the level of overall target achievement, the level of target achievement of the two performance targets is given equal weighting. The total number of performance shares vested on each plan participant is calculated through multiplying the number of performance shares granted by the overall target achievement.

The performance targets for the 2018, the 2019 and the 2020 grant were not achieved. Therefore, the performance shares granted in 2018, 2019 and 2020 forfeited.

In the event of violation of compliance rules, the Supervisory Board of Fresenius Management SE, in due exercise of its discretion, is entitled to reduce the number of performance shares vested on a member of the Management Board to zero. Regarding all other plan participants, such decision is made by the Management Board of Fresenius Management SE. Furthermore, Fresenius SE & Co. KGaA is entitled to a complete or partial reimbursement in the event of violation of compliance rules in the period of three years following disbursement.

Due to the government financing and support received by the Fresenius Group in fiscal year 2023, the Company is subject to restrictions under the Energy Price Brake Acts, according to which the members of the Management Board of Fresenius Management SE may not be awarded any variable compen-sation components for fiscal year 2023 in particular. The long-term variable compensation of the members of the Management Board has also been affected, in that the tranche 2023 – i.e. the part relating to the year 2023 – must be disregarded in the future payment of the grants under the LTIP 2018 and the LTIP 2023, the respective measurement period of which also includes fiscal year 2023. This therefore affects the annual tranche 2023 of the grants 2020 to 2022 under the LTIP 2018 and the grant 2023 under the LTIP 2023. As the overall target achievement for the grant 2020 is 0% and the grant 2020 was therefore not paid out in total, the statutory restrictions did not have any impact insofar.

LTIP 2013

The LTIP 2013 is comprised of the Fresenius SE & Co. KGaA Stock Option Plan 2013 and the Fresenius SE & Co. KGaA Phantom Stock Plan 2013. It combines the granting of stock options with the granting of phantom stock awards. Under this program, the last stock options and phantom stocks were granted in 2017. By the end of 2022, all phantom stocks were paid out. The stock options issued in fiscal year 2017 can still be exercised in fiscal year 2025. However, exercise is very unlikely due to the level of the exercise price.

Transactions during 2024 and 2023

On September 18, 2024, retroactive to January 1, 2024, Fresenius SE & Co. KGaA granted 1,220,976 stock awards with a total fair value of €34 million to executives of the Fresenius Group under the LTIP 2023. On March 15, 2024, retroactive to January 1, 2024, Fresenius SE & Co. KGaA granted 257,773 stock awards with a total fair value of €7 million to the Management Board of Fresenius Management SE under the LTIP 2023. The fair value per stock award on the grant date of January 1, 2024 was €28.25. On January 1, 2023, Fresenius SE & Co. KGaA awarded 1,437,322 stock awards under the LTIP 2023, the total fair value at the grant date being €37 million, including 246,336 stock awards valued at €6 million to the members of the Management Board of Fresenius Management SE.

The fair value per stock award at the grant date was €25.98.

During fiscal years 2024 and 2023, no stock options were exercised.

At December 31, 2024, 364,828 stock options issued under the LTIP 2013 were outstanding and exercisable. The members of the Fresenius Management SE Management Board did not hold any stock options. At December 31, 2024, 1,871,162 performance shares issued under the LTIP 2018, were outstanding, the Management Board members of Fresenius Management SE held 93,165 performance shares and 258,774 were held by the employees of Fresenius SE & Co. KGaA. 2,815,972 stock awards issued under the LTIP 2023 were outstanding on December 31, 2024, of which 474,919 were held by the members of the Fresenius Management SE Management Board and 430,403 were held by the employees of Fresenius SE & Co. KGaA.

At December 31, 2023, 1,957,336 stock options issued under the LTIP 2013 were outstanding and exercisable. The members of the Fresenius Management SE Management Board held 303,750 stock options. At December 31, 2023, 2,957,830 performance shares issued under the LTIP 2018 were outstanding, the Management Board members of Fresenius Management SE held 133,750 performance shares and employees of Fresenius SE & Co. KGaA held 2,318,606 performance shares under the LTIP 2018. 1,433,394 stock awards issued under the LTIP 2023 were outstanding on December 31, 2023, of which 217,146 were held by the members of the Fresenius Management SE Management Board and 207,495 were held by the employees of Fresenius SE & Co. KGaA.

Stock option transactions are summarized as follows:

	stock options
Number as of December 31, 2023	1,957,336
less forfeited options	-1,592,508
less exercises	–
Number as of December 31, 2024	**364,828**

13. CAPITAL RESERVES

Capital reserves comprise the premium paid on the issue of shares and the exercise of stock options (additional paid-in capital).

The capital reserves have developed during the fiscal year as follows:

€ in millions	2024	2023
As of January 1	3,487	3,487
As of December 31	**3,487**	**3,487**

The capital reserve exceeds 10% of the subscribed capital and therewith conforms with the legal reserve as in section 150 (1) and (2) of the German Stock Corporation Act (AktG).

14. OTHER RESERVES

Other reserves developed as follows:

€ in millions	2024	2023
As of January 1	2,304	2,611
Withdrawals from other reserves	-1,556	-307
As of December 31	**748**	**2,304**

According to the restrictions in Section 253 (6) HGB, an amount of €0,00 of other reserves shall not be distributed.

15. RETAINED EARNINGS

An amount of €1,556 million was withdrawn from other reserves in the fiscal year 2024. Thereafter, retained earnings amounted to €563 million.

Given that the amount of capital that shall not be distributed is sensibly higher than retained earnings, there is no distribution restriction for this amount.

16. ACCRUED EXPENSES

The **pension obligation** has been determined according to the method described under Note (3) "Accounting principles and standards of valuation". Included in accrued expenses is an obligation of €42 million in favor of Fresenius Management SE for pension obligations related to its Management Board members.

In accordance with legal regulations the employee credit balances of **partial retirement agreements** are secured against insolvency. To fulfill this purpose the company buys shares of a money-market-similar investment fund in the amount of the cumulated credit balances. The securitization is done via pledging the investment fund shares to a trustee, hence the securities have the sole purpose of fulfilling the obligations derived from the partial retirement agreements and are not available to other creditors. They have been netted with their matching obligations following Section 246 (2) sentence 2 HGB. The acquisition cost of these securities at the date of issuance reflects their fair value.

€ in thousands	31.12.2024
Amount to be paid for partial retirement agreements	1,057
Fair value of matching securities	633
Funded status (surplus of obligations over assets)	424
Acquisition cost of securities	605

On the basis of a Works Council Agreement from 2009 and starting on January 1, 2010, employees can participate in a demography fund **(Demografiefonds)** by contributing part of their compensation or working time to an account run by Fresenius SE & Co. KGaA in exchange of time-off in the future. The credit balances of the employees are invested in an insurance product via a trust agreement so that Fresenius SE & Co. KGaA and its creditors do not have access to the funds. This construction is a security-based pension obligation in the sense of Section 253 (1) sentence 3 HGB. The amount provisioned for the time balances of the employees corresponds to the fair value of the insurance product. The fair value results from the forecasted actuarial reserves of the insurance company plus the present profit sharing on the surplus.

€ in thousands	31.12.2024
Amount to be paid for obligations from the demography fund	7,604
Fair value of matching insurance	7,604
Funded status (surplus of assets over obligations)	–
Acquisition cost of insurance	6,795

The statement of income includes €128 thousand of netted expense and income, from the valuation of the insurance product and the corresponding provision.

Accruals for income taxes mainly include income tax accruals of €218 million (previous year €216 million). Accruals for income taxes refer to estimated amounts of outstanding tax payments from fiscal year as well as prior years expected to be received.

The accruals for income taxes include an amount of €1 million resulting from the Minimum Tax Act and foreign minimum tax laws in accordance with Section 274 (3) No. 2 HGB for the financial year.

Other accruals mainly include provisions for onerous contracts from financial commitments to Vamed subsidiaries in relation with the exit from the Fresenius Vamed business segment in the amount of €610 million.

Moreover accruals for invoices outstanding of €21 million (previous year €37 million) and accruals to cover personnel expenses of €44 million (previous year €23 million) are included.

17. LIABILITIES

€ in millions	December 31, 2024 Total	thereof with a remaining term of up to 1 year	1 year to 5 years	over 5 years	December 31, 2023 Total	thereof with a remaining term of up to 1 year	1 year to 5 years	over 5 years
Senior notes	6,824	1,250	4,024	1,550	6,584	–	4,034	2,550
Convertible bonds	–	–	–	–	500	500	–	–
Bank loans	2,114	425	1,553	136	2,688	594	1,873	221
Trade accounts payable	8	8	–	–	13	13	–	–
Accounts payable to related parties	2,782	2,492	28	262	1,505	1,246	34	225
Accounts payable to companies in which a participating interest is held	11	11	–	–	–	–	–	–
Other liabilities	103	103	–	–	106	106	–	–
	11,842	**4,289**	**5,605**	**1,948**	**11,396**	**2,459**	**5,941**	**2,996**

Bonds

The following table shows the liabilities from bonds as of December 31, 2024.

Issuer	Notional amount	Maturity date	Interest rate
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%
Fresenius SE & Co. KGaA 2022/2025	€750 million	May 24, 2025	1.875%
Fresenius SE & Co. KGaA 2022/2026	€500 million	May 28, 2026	4.250%
Fresenius SE & Co. KGaA 2020/2026	€500 million	Sep. 28, 2026	0.375%
Fresenius SE & Co. KGaA 2020/2027	€750 million	Oct. 8, 2027	1.625%
Fresenius SE & Co. KGaA 2020/2028	€750 million	Jan. 15, 2028	0.750%
Fresenius SE & Co. KGaA 2023/2028	CHF275 million	Oct. 18, 2028	2.960%
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%
Fresenius SE & Co. KGaA 2024/2029	CHF225 million	Oct. 24, 2029	1.598%
Fresenius SE & Co. KGaA 2022/2029	€500 million	Nov. 28, 2029	5.000%
Fresenius SE & Co. KGaA 2022/2030	€550 million	May 24, 2030	2.875%
Fresenius SE & Co. KGaA 2023/2030	€500 million	Oct. 5, 2030	5.125%
Fresenius SE & Co. KGaA 2020/2033	€500 million	Jan. 28, 2033	1.125%

Fresenius SE & Co. KGaA maintains a debt issuance program which enables the company to issue bonds up to a total volume of €15 billion in various currencies and maturities. In the previous fiscal year, the proceeds of the financing activities were mainly used for general corporate purposes, including refinancing of existing financial liabilities.

On October 24, 2024, Fresenius SE & Co. KGaA issued a bond of CHF225 million with a five year maturity.

As of December 31, 2024, the Fresenius Group was in compliance with all of its covenants.

CONVERTIBLE BONDS, EQUITY-NEUTRAL

The convertible bonds issued by Fresenius SE & Co. KGaA in fiscal year 2017 were repaid at the nominal value of €500 million on January 31, 2024. In November 2023, the conversion rights of the convertible bonds expired. The stock options on treasury shares which Fresenius SE & Co. KGaA purchased in 2017 to protect against risks from conversion rights also expired in November 2023.

BANK LOANS

SCHULDSCHEIN LOANS

At December 31, 2024 Fresenius SE & Co. KGaA had €1,379 million (previous year €1,625 million) liabilities from Schuldschein Loans.

The Schuldschein Loan in the amount of €246 million which were due on January 31, 2024 were redeemed at maturity.

LOAN FROM THE EUROPEAN INVESTMENT BANK

On January 31, 2022, Fresenius SE & Co. KGaA drew a loan from the European Investment Bank in the amount of €400 million with variable interest rates which is due on December 15, 2025.

COMMERCIAL-PAPER-PROGRAM

Fresenius SE & Co. KGaA has a commercial-paper-program in the amount of €1,500 million under which Fresenius SE & Co. KGaA and Fresenius Finance Ireland PLC can issue short-term notes. As of December 31, 2024 the commercial paper program was not utilized by Fresenius

SE & Co. KGaA (previous year utilized in the amount of €330 million).

ACCOUNTS PAYABLE TO RELATED PARTIES

Accounts payable to related parties comprise loans and financing accounts with affiliated companies in the context of inhouse banking (cash pool) in an amount of €2,782 million (previous year €1,502 million).

Included in this item are liabilities of €10 million (previous year €3 million) in favor of the general partner Fresenius Management SE. Moreover, liabilities of €59 million (previous year €53 million) in favor of Fresenius Management SE are included in pension liability and other liabilities.

OTHER LIABILITIES

Other liabilities primarily include interest liabilities and liabilities from tax on wages.

Liabilities from tax on wages amount to €2 million (previous year €1 million).

18. DEFFERRED INCOME

In the previous year, deferred income of €291 thousand included a premium of €59 thousand, which arose when the convertible bond was issued in January 2017 in the amount of €5 million and was released on a straight-line basis over the term of the convertible bond.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

The structure of the profit and loss statement has been adapted to the holding character of Fresenius SE & Co. KGaA and starts with income from participations.

19. INCOME FROM PARTICIPATIONS

€ in millions	2024	2023
Income from profit transfer agreements	471	360
Income from participations	112	135
(thereof amount from affiliated companies)	(–)	(135)
Expenses from loss transfer agreements	-565	-139
	18	**356**

In the 2024 fiscal year, the income from participations includes extraordinary expenses totalling €821 million in relation with the exit from the Fresenius Vamed business segment.

In fiscal year 2023, the income from participations included extraordinary expenses in relation to the transformation of Fresenius Vamed, the disposal of the Eugin group and the discontinuation of business activities of Curalie group in an total amount of €417 million.

20. REVENUE

€ in millions	2024	2023
Revenue from personnel services	65	74
Revenue from rental services	17	17
	82	**91**

21. OTHER OPERATING INCOME

Other operating income of €262 million in total (previous year €295 million) is comprised primarily of foreign currency gains of €213 million (previous year €251 million), cost transfers to group companies of €40 million (previous year €37 million), as well as other income from other accounting periods, mainly income from the dissolution of short-term accruals of €7 million (previous year €3 million). The total income from other accounting periods was €8 million in the fiscal year (previous year €4 million).

The main reason for the decrease in other operating income is a decrease in foreign currency gains, that is levelled by foreign currency losses of €210 million included in operating expense.

22. COST OF MATERIALS

Cost of materials of 25 Mio € (previous year €20 million) mainly consist of costs to attain revenue from rentals and lease agreements such as rents and lease payments for buildings as well as repair, maintenance and cleaning costs for the mentioned buildings.

23. PERSONNEL EXPENSES

€ in millions	2024	2023
Wages and salaries	84	59
Social security contributions, cost of retirement pensions and social assistance	11	13
(thereof retirement pensions)	(3)	(6)
	95	**72**

The annual average number of employees of Fresenius SE & Co. KGaA by function is divided into the following groups:

	2024	2023
Wage earners	7	9
Salaried employees	484	426
Apprentices	182	188
	673	**623**

24. DEPRECIATION AND AMORTIZATION OF INTANGIBLE ASSETS AND PROPERTY PLANT AND EQUIPMENT

Depreciation of intangible assets and property plant and equipment of €9 million (previous year €11 million) is regular depreciation.

25. OTHER OPERATING EXPENSES

Other operating expenses of €1,074 million in total (previous year €841 million) were primarily extraordinary expenses for impending losses from financial commitments to Vamed subsidiaries and for waiver of receivables in relation with the exit from the Fresenius Vamed business segment in an amount of €641 million (in previous year expenses for waiver of receivables related to the transformation of Fresenius Vamed in an amount of €371 million).

Also included are foreign currency losses of €210 million (previous year €249 million), IT-related expenses, insurance premiums and consulting expenses, as well as the costs of Fresenius Management SE for business management activities of €11 million (previous year €12 million) that are passed on. Total expenses from other accounting periods were €1 million in the fiscal year (previous year €2 million).

26. NET INTEREST

€ in millions	2024	2023
Interest income from long-term loans	20	45
(thereof amount from affiliated companies)	(20)	(45)
Depreciation of long-terms loans	-84	–
(thereof amount from affiliated companies)	(-84)	(–)
Other interest and similar income	315	238
(thereof amount from affiliated companies)	(264)	(211)
(thereof income from interest accrued)	(14)	(–)
Interest and similar expenses	-392	-328
(thereof amount from affiliated companies)	(-79)	(-52)
(thereof expense from interest accrued)	(-2)	(-2)
	-141	**-45**

€76 million of the write-downs on financial assets in the 2024 fiscal year related to an impairment of loans granted to Vamed AG in relation with the exit from the Fresenius Vamed business segment.

27. INCOME TAXES

Income taxes in the amount of €10 million (previous year €61 million) resulted from current income tax expenses of €3 million for the year 2024 (previous year income tax gains €188 thousand) as well as tax expense from other accounting periods in the amount of €7 million (net) (previous year €61 million). Tax expenses relating to other accounting periods amounting to €7 million mainly relate to expenses from accurals for tax audits that have not yet been completed and expenses from expected assessments for outstanding tax assessments.

The current income tax expenses include an amount of €1 million resulting from the Minimum Tax Act and foreign minimum tax laws in accordance with Section 274 (3) No. 2 HGB for the fiscal year 2024.

The deferred tax for the Income-Tax-Group is calculated with a tax rate of 30.5%, which is the tax rate expected to be applicable at the time the temporary differences reverse. Deferred tax liabilities arise from differences in the valuation of accounts receivables and from other assets not recognized for tax purposes. Differences in the valuation of pensions and other provisions generate deferred tax assets that exceed the amount of deferred tax liabilities. The option to recognise the surplus of deferred tax assets arising after offsetting all deferred taxes is not exercised.

OTHER NOTES

28. CONTINGENT LIABILITIES

€ in millions	31.12.2024	31.12.2023
Contingencies from indemnity agreements and guarantees	3,367	3,794
(thereof amount in favor of and from affiliated companies)	(3,364)	(3,752)
Commitments from retirement provisions	13	14
(thereof amount to affiliated companies)	(11)	(12)
	3,380	**3,808**

According to our judgment the affected companies can meet the underlying obligations in any case and assertion of the claim is, taking into account the positive earnings situation of the affiliated companies, currently not expected.

Commitments from retirement provisions comprise liabilities for joint commitments resulting from transferring pension obligations to affiliated companies of the business segments.

Fresenius SE & Co. KGaA has committed itself to exempt on certain preconditions various members of the managing boards of foreign affiliates from claims, in case such claims were made due to their function as members of the managing board of the affiliates concerned, and these claims were based on the law of the respective country.

Fresenius SE & Co. KGaA has committed itself, to the extent legally admissible, to indemnify the members of the Management Board of Fresenius Management SE against claims against them arising from their work for the Company and its affiliates, if such claims exceed their responsibilities under German law. To secure such obligations, the Company concluded a 'Directors & Officers' insurance with an excess, in compliance with stock corporation requirements. The indemnity applies for the time in which each member of the Management Board is in office and for claims in this connection after the ending of the membership of the Management Board in each case. 'Directors & Officers' insurance has also been taken out for the Supervisory Board of Fresenius Management SE and the Supervisory Board of the company.

COMMERCIAL-PAPER-PROGRAM

Fresenius SE & Co. KGaA guarantees the commercial paper issued by Fresenius Finance Ireland PLC under the Commercial-Paper-Program. As of December 31, 2024, the commercial paper program was utilized by Fresenius Finance Ireland PLC in the amount of €70 million.

Bonds

Fresenius SE & Co. KGaA guarantees the bonds of Fresenius Finance Ireland PLC, an directly wholly-owned subsidiary of Fresenius SE & Co. KGaA. Some of the bonds issued of Fresenius Finance Ireland PLC may be redeemed prior to their maturity at the option of the issuer at a price of 100% plus accrued interest and a premium calculated pursuant to the terms of the indentures under observance of certain notice periods.

The holders have the right to request that the issuer repurchase the bonds at 101% of principal plus accrued interest upon the occurrence of a change of control followed by a decline in the rating of the respective bonds.

The following table shows these liabilities of Fresenius Finance Ireland PLC as of December 31, 2024:

Issuer	Notional amount	Maturity date	Interest rate
Fresenius Finance Ireland PLC 2021/2025	€500 million	Oct. 1, 2025	0.00%
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%
Fresenius Finance Ireland PLC 2021/2028	€500 million	Oct. 1, 2028	0.50%
Fresenius Finance Ireland PLC 2021/2031	€500 million	Oct. 1, 2031	0.875%
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%

Syndicated Credit Facility

The syndicated credit facility of Fresenius SE & Co. KGaA in the amount of €2.0 billion which was entered into in July 2021 serves as backup line. As an expression of the company's commitment to integrating sustainability into all aspects of its business, a sustainability component has been embed-ded in the credit line. In June 2023, the syndicated credit facility was extended by a further year until July 1, 2028. Fresenius SE & Co. KGaA is the sole guarantor.

As of December 31, 2024, the Syndicated Credit Facility was undrawn.

29. OTHER FINANCIAL COMMITMENTS

€ in millions	**31.12.2024**	31.12.2023
Commitments from building leases, and leasing commitments		
due 2025 (prior year 2024)	4	6
due 2026-2029 (prior year 2025-2028)	7	12
due after 2029 (prior year after 2028)	0	0
	11	18
Commitments from ongoing capital expenditures	14	18
	25	**36**

Other financial commitments in their entirety are against third parties.

30. DERIVATIVES

Fresenius SE & Co. KGaA uses derivative financial instruments, normally micro-hedges, to hedge against existing or highly probable future interest and currency risks. Derivative financial instruments are contracted exclusively for hedging purposes. As the critical terms of the underlying transactions basically match those of the derivative financial instruments it can be assumed that hedges are highly effective. Fresenius SE & Co. KGaA has approved guidelines for assessing risks and to control the use of financial instruments. The guidelines require a clear separation between the execution function on the one side and the clearing, accounting and control on the other side. Fresenius SE & Co. KGaA uses derivative financial instruments to reduce fluctuations in earnings and cash flows caused by changes in foreign currency exchange rates and interest rates. The high effectiveness of the derivative financial instruments leads to the expectation that, in general, the underlying transaction and the corresponding derivative will offset each other.

FOREIGN EXCHANGE RISK

The company uses foreign exchange forward contracts to hedge foreign exchange risk.

Fresenius SE & Co. KGaA entered into foreign exchange forward contracts with external partners to hedge foreign currency risks from accounts receivable and liabilities as well as highly probable forecasted transactions from the Company and its affiliates. On the balance sheet date, the Company had only currency derivatives in relation with €-currency risks hedging with a nominal value of €1,170 million and a positive fair value of €13 million with a maximum remaining term to maturity of 46 months.

For foreign exchange forward contracts contracted with banks that were closed to hedge the foreign exchange risk of Fresenius SE & Co. KGaA Group companies' and that were passed down with the same conditions to the affected Group companies via Group internal transactions, hedges were built for the forward contracts and the underlying transactions with an offsetting fair value. The company does not revaluate these hedges for financial reporting purposes until maturity ('Einfrierungsmethode'). The net fair value of internal and external hedges was €0 thousand. As of December 31, 2024, the notional amount of these transactions totaled €157 million. The offsetting cash flows will level after 25 months the latest.

Related to the issuance of the CHF bond in an amount of CHF275 million (€284 million) and the resulting cash-effective foreign exchange risks, the foreign exchange risks were hedged by concluding a cross currency swap simultaneously. The company does not revaluate these hedges for financial reporting purposes until maturity ('Einfrierungsmethode'). As of December 31, 2024, the notional volume of the cross currency swap was €284 million and its fair value amounted to €12 million was not recognized for financial reporting purposes. Its remaining term to maturity was 46 months.

Further hedges were built for loans in foreign currencies that Group companies have borrowed from the company or that the company has borrowed from Group companies, and their offsetting foreign exchange forward contracts closed for hedging purposes. In this case only the spot component is designated in the valuation unit. The loan receivables and payment obligations hedged against currency risk had a net book value of €13 million (liability). External foreign currency hedging contracts for the individual loan receivables and payment obligations with a nominal value of €13 million on December 31, 2024 had a negative fair value of €80 thousand and were recognized in the balance sheet in an amount of €165 thousand. The changes in value of both the loan receivables and payment obligations and the foreign currency hedging contracts have been recognized as income ('Durchbuchungsmethode'). The offsetting cash flows will nearly level after three months the latest.

The rest of the currency derivative contracts can have positive and negative fair values. Positive fair values of €2 million were not recognized for financial reporting purposes. Negative fair values amounting to €1 million were recognized as provision for contingent losses.

INTEREST RATE RISK

In the fiscal year 2024, the company entered into interest rate swap transactions with a nominal value of €400 million and negative fair value of €2 million. The company does not revaluate these hedges for financial reporting purposes until maturity (‘Einfrierungsmethode’). This interest rate swaps mature on December 15, 2025 the latest.

STANDARDS OF VALUATION

The fair values of derivative financial instruments are valuated according to customary standards that take market information (market values) on the balance sheet date into account. In detail following principles are used:

- The fair value is based on the market value of a derivative that could be reached in voluntary transactions by independent parties without taking forced or liquidation sales into account.
- To determine the market value of foreign exchange forward contracts, the contracted forward rate is compared to the current forward rate for the remaining term of the contract as of the balance sheet. date The result is then discounted on the basis of the market interest rates prevailing at the date of the statement of financial position.
- The value of interest rate swaps is calculated by discounting the future cash flows on the basis of the market interest rates applicable for the remaining term of the contract as of the date of the balance sheet.

The effectiveness of hedging relationships for foreign exchange forward contracts is measured with the Critical Terms Match-Method and for the cross currency swap the Cumulated Dollar Offset-Method.

31. COMPENSATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Detailed and individualized information regarding the compensation of the members of the Management Board and of the Supervisory Board is disclosed in the Compensation Report.

The compensation of the Management Board is, as a whole, performance-based and geared towards promoting sustainable corporate development. It is composed of the following elements:

- non-performance-based compensation (fixed compensation and fringe benefits)
- short-term performance-based compensation (one-year variable compensation (bonus))
- components with long-term incentive effects (multi-year variable compensation comprising stock awards and postponed payments of the one-year variable compensation / of the bonus).

Due to the government financing and support received by the Fresenius Group, the Company is subject to restrictions under the so-called “Energy Price Brake Acts”, according to which the members of the Management Board of Fresenius Management SE may not be awarded any variable compensation components for fiscal year 2023 in particular. This means that the short-term variable compensation for fiscal year 2023 was not paid out to the members of the Management Board. This also affects the long-term variable compensation of the members of the Management Board in such a way that the so-called annual slice 2023 – i.e. the part relating to the year 2023 – must be disregarded in the future payment of the grants under the LTIP 2018 and the LTIP 2023, the respective measurement period of which also includes fiscal year 2023. This therefore affects the 2023 annual slice of the grants 2020 to 2022 under the LTIP 2018 and the grant 2023 under the LTIP 2023. As the overall target achievement for the grant 2020 is 0% and the grant 2020 will therefore not be paid out in total, the statutory restrictions do not have any effect in this respect.

The cash compensation paid to the Management Board for the performance of its responsibilities was €11,374 thousand (2023: €7,939 thousand). Thereof, €5,626 thousand (2023: €7,939 thousand) is not performance-based. The non-performance based compensation in fiscal year 2024 amounted to €5,748 thousand. As already described, the non-performance based compensation was not paid out in fiscal year 2023. The the short-term performance-based compensation depends on the achievement of targets relating to the net income and the revenue of the Fresenius Group and the business segments as well as on the achievement of sustainability criteria. It is not paid out for fiscal year 2023.

As a long-term incentive component, the members of the Management Board received 257,773 stock awards of Fresenius SE & Co. KGaA (2023: 242,486) in the equivalent value of €7,282 thousand (2023: €6,300 thousand).

Requirements and conditions of the long-term incentive components are explained under Note (12) Conditional Capital (Description of the Fresenius SE Co. KGaA Share-Based Compensation Plans in place).

The total compensation of the Management Board was €18,656 thousand (2023: €14,239 thousand).

The total compensation paid to the Supervisory Board of Fresenius SE & Co. KGaA and its committees was €2,445 thousand in 2024 (2023: €2,446 thousand). The total compensation paid to the Supervisory Board of Fresenius Management SE and its committees was €1,295 thousand in 2024 (2023: €1,295 thousand). In addition, the employee representatives on the Supervisory Board receive a regular salary from their respective employment contracts.

In 2024 former members of the Management Board received €1,522 thousand (2023: €13,386 thousand). The pension obligation of these persons according to HGB amounted to €65,592 thousand in 2024 (2023: €65,909 thousand).

In the fiscal years 2024 and 2023, no loans or advance payment on future compensation components were granted to any member of the Management Board of Fresenius Management SE.

32. SUBSEQUENT EVENTS

On February 3, 2025, the Fresenius Group announced that it entered an agreement with Worldwide Hospital Group (WWH), a healthcare company based in Germany, to fully divest Vamed's international project business (Health Tech Engineering, HTE). Closing is expected mid-2025 and subject to the fulfillment of certain closing conditions.

Since the beginning of fiscal year 2025, trends towards a changing geopolitical order can be observed. The potential implications for customs duties, taxes, regulation, administration, and political decision-making, for example, may have a direct and indirect negative impact on the operating environment and the business activities of the Fresenius Group, which, however, cannot be estimated at present.

This may have a direct or indirect impact on the assets and liabilities, financial position and results of operations of Fresenius SE & Co. KGaA.

Since the end of fiscal year 2024 until February 25, 2025, no other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred.

33. 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).

34. CONSOLIDATED FINANCIAL STATEMENTS

As parent company Fresenius SE & Co. KGaA prepares and publishes consolidated financial statements and management report in accordance with the International Financial Reporting Standards (IFRS) which are binding to be applied in the EU applying Section 315e of the German Commercial Code (HGB) for the smallest group of consolidated companies. The consolidated financial statements are published in the electronic Bundesanzeiger (German Federal Gazette). Fresenius Management SE, Bad Homburg v.d.H. prepares and publishes the consolidated financial statements for the largest group of consolidated companies which is also published in the electronic Bundesanzeiger (German Federal Gazette).

35. AUDITOR'S FEES

The fees for the auditor PricewaterhouseCoopers GmbH, Frankfurt am Main (PwC), are disclosed in the company´s consolidated financial statements. They contain audit-related fees and other fees mainly related to the review of quarterly financial statements, audit services in connection with financing activities as well as audits with respect to implementation activities in the IT.

36. PROPOSAL OF DISTRIBUTION OF EARNINGS

The general partner and the Supervisory Board of Fresenius SE & Co. KGaA propose to the Annual General Meeting that the earnings for 2024 of Fresenius SE & Co. KGaA are distributed as follows:

in €	
Dividend proposal	563,237,277.00
Balance to be carried forward	–
Retained earnings	**563,237,277.00**

For fiscal year 2024, a dividend of €1.00 per bearer ordinary share on 563,237,277 ordinary shares entitled to dividend is planned, corresponding to a total distribution of €563,237,277.00.

Bad Homburg v. d. H., February 25, 2025

Fresenius SE & Co. KGaA,
represented by:
Fresenius Management SE, its general partner

The Management Board

M. Sen

P. Antonelli

S. Hennicken

R. Möller

Dr. M. Moser

BOARDS

SUPERVISORY BOARD FRESENIUS SE & CO. KGAA

Name	Occupation	Year of birth	Initial appointment	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies: External positions as at Dec. 31, 2024	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies: Fresenius Group company positions as at Dec. 31, 2024
Wolfgang Kirsch Chair	Member of various supervisory boards	1955	2021	Adolf Würth GmbH & Co. KG B. Metzler seel. Sohn & Co. AG (Chair)	Fresenius Management SE (Chair)
Prof. Dr. med. D. Michael Albrecht	Medical Director and Spokesman of the Management Board of the University Hospital Carl Gustav Carus Dresden (until December 31, 2024)	1949	2011		
Bernd Behlert	Full-time Works Council Member Helios Vogtland-Klinikum Plauen GmbH	1958	2018		Helios Vogtland-Klinikum Plauen GmbH
Michael Diekmann Deputy Chair	Member of various supervisory boards	1954	2015	Allianz SE [1] (Chair)	Fresenius Management SE
Grit Genster Deputy Chair	Secretary of the Trade Union ver.di, Vereinte Dienstleistungsgewerkschaft Division Manager Health Care/ Health Policy	1973	2020		
Konrad Kölbl (until July 31, 2024)	Full-time Works Council Member VAMED-KMB Krankenhausmanagement und Betriebsführungsges. m.b.H.	1959	2007		
Frauke Lehmann	Full-time Works Council Member Helios Kliniken Schwerin GmbH	1963	2016		Helios Kliniken Schwerin GmbH (Deputy Chair)
Prof. Dr. med. Iris Löw-Friedrich	Member of various supervisory boards	1960	2016	Evotec SE [1] (Chair) Celosia Therapeutics Pty Ltd., New South Wales, Australia (Chair since October 01, 2024)	
Holger Michel	Full-time Works Council Member Fresenius Kabi Deutschland GmbH	1969	2023		
Oscar Romero de Paco	Production staff member Fresenius Kabi España S.A.U.	1974	2016		

The term of office expires at the end of the Annual General Meeting 2025.

[1] Stock-listed company

BOARDS

SUPERVISORY BOARD FRESENIUS SE & CO. KGAA

Name	Occupation	Year of birth	Initial appointment	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies: External positions as at Dec. 31, 2024	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies: Fresenius Group company positions as at Dec. 31, 2024
Harald Steer (since August 01, 2024)	Chairman of the Group Works Council of VAMED AG Chairman of the Works Council and Psychiatric Nurse of Anton Proksch Institut (VAMED AG) Member of the European Works Council of Fresenius Fresenius SE & Co. KGaA	1973	2024		
Susanne Zeidler	Supervisory Board Member	1961	2022		Fresenius Management SE
Dr. Christoph Zindel	Member of various supervisory boards	1961	2022	Gerresheimer AG[1]	
Dr. Gerd Krick	Honorary Chairman of the Supervisory Board of Fresenius SE & Co. KGaA and Fresenius Management SE				

The term of office expires at the end of the Annual General Meeting 2025.

COMMITTEES OF THE SUPERVISORY BOARD

Nomination Committee	Audit Committee	Joint Committee[1]
Wolfgang Kirsch (Chair)	Susanne Zeidler (Chair)	Dr. Dieter Schenk (Chair)
Michael Diekmann	Bernd Behlert	Michael Diekmann
Susanne Zeidler	Grit Genster	Wolfgang Kirsch
	Wolfgang Kirsch	Susanne Zeidler
	Dr. Christoph Zindel	

[1] The committee consists equally of two members each of the Supervisory Board of Fresenius SE & Co. KGaA and of Fresenius Management SE.

BOARDS

MANAGEMENT BOARD FRESENIUS MANAGEMENT SE

(General partner of Fresenius SE & Co. KGaA)

Name	Segment	Year of birth	Initial appointment	Term expires	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies: External positions as at Dec. 31, 2024	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies: Fresenius Group company positions as at Dec. 31, 2024
Michael Sen	Chairman	1968	2021	2027	Fresenius Medical Care AG [1] (Chair)	Fresenius Kabi AG (Chair)
Pierluigi Antonelli	Business Segment Fresenius Kabi	1963	2005	2026		
Sara Hennicken	Chief Financial Officer	1980	2022	2027	Fresenius Medical Care AG [1] (Deputy Chair until March 14, 2024) Deutsche Lufthansa AG[1] (since May 7, 2024)	Fresenius Kabi AG (Deputy Chair) VAMED AG, Austria (Deputy Chair)
Robert Möller	Business Segment Fresenius Helios	1967	2023	2026		Amper Kliniken Aktiengesellschaft Helios Kliniken Breisgau-Hochschwarzwald GmbH Helios Spital Überlingen GmbH Helios Beteiligungs Aktiengesellschaft Imaging Service AG
Dr. Michael Moser	Legal, Compliance, Risk Management, Sustainability, Human Resources, Corporate Audit and business segment Fresenius Vamed	1976	2023	2026	UEE Holding Verwaltungs SE (Enercon) (since August 23, 2024)	VAMED AG, Austria

[1] Stock-listed company

BOARDS

SUPERVISORY BOARD FRESENIUS MANAGEMENT SE

(General partner of Fresenius SE & Co. KGaA)

Name	Occupation	Year of birth	Initial appointment	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies: External positions as at Dec. 31, 2024	Membership of statutory supervisory boards and comparable domestic or foreign supervisory bodies: Fresenius Group company positions as at Dec. 31, 2024
Wolfgang Kirsch Chair	Member of various Supervisory Boards	1955	2020	Adolf Würth GmbH & Co. KG B. Metzler seel. Sohn & Co. AG (Chair)	Fresenius SE & Co. KGaA [1] (Chair)
Dr. Frank Appel	Member of various supervisory boards	1961	2021	Deutsche Telekom AG [1] (Chair) RWE AG [1] (since May 03, 2024)	
Michael Diekmann	Member of various Supervisory Boards	1954	2015	Allianz SE [1] (Chair)	Fresenius SE & Co. KGaA [1] (Deputy Chair)
Dr. Heinrich Hiesinger	Member of various Supervisory Boards	1960	2020	ZF Friedrichshafen AG (Chair) BMW AG [1] Deutsche Post AG [1]	
Dr. Dieter Schenk Deputy Chair	Member of several supervisory boards	1952	2010	Gabor Shoes AG (Chair) TOPTICA Photonics AG (Chair) Else Kröner-Fresenius-Stiftung (Chair)	VAMED AG, Austria (Chair)
Susanne Zeidler	Supervisory Board Member	1961	2021		Fresenius SE & Co. KGaA [1]
Dr. Gerd Krick	Honorary Chairman of the Supervisory Board of Fresenius SE & Co. KGaA and Fresenius Management SE				
Dr. Karl Schneider	Honorary Member of the Supervisory Board of Fresenius Management SE				

The term of office expires at the end of the Annual General Meeting 2025.

[1] Stock-listed company

FRESENIUS SE & CO. KGAA, BAD HOMBURG V. D. HÖHE

MANAGEMENT REPORT AS AT DECEMBER 31, 2024

Fresenius SE & Co. KGaA acts as an holding that holds the shares of the Fresenius Group management companies. Fresenius SE & Co. KGaA collects income from service contracts, and in a higher amount, income from participations. The income from investments and with it, the result of operations, financial position and the assets and liabilities are highly dependent on the performance of the whole Group. Therefore the business development of the Group is described in the following paragraphs.

FUNDAMENTAL INFORMATION ABOUT THE GROUP

THE GROUP'S BUSINESS MODEL

Fresenius is a global healthcare group in the legal form of an SE & Co. KGaA (a partnership limited by shares). As a therapy-focused healthcare company, Fresenius offers system-critical products and services for leading therapies for the treatment of critically and chronically ill patients.

In addition to the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., Germany, the operating activities in the 2024 fiscal year were spread across the following legally incorporated, fully consolidated business segments:

- Fresenius Kabi
- Fresenius Helios

As part of the strategic review of the Fresenius Group, since the 2023 fiscal year, we have distinguished between the Operating Companies Fresenius Kabi and Fresenius Helios (each with 100% ownership share) and the Investment Companies Fresenius Medical Care (32% ownership share) and Fresenius Vamed.

For the **Operating Companies**, the focus is on profitability optimization and growth. For the **Investment Company** Fresenius Medical Care, the focus is on financial value management.

OPERATING COMPANIES

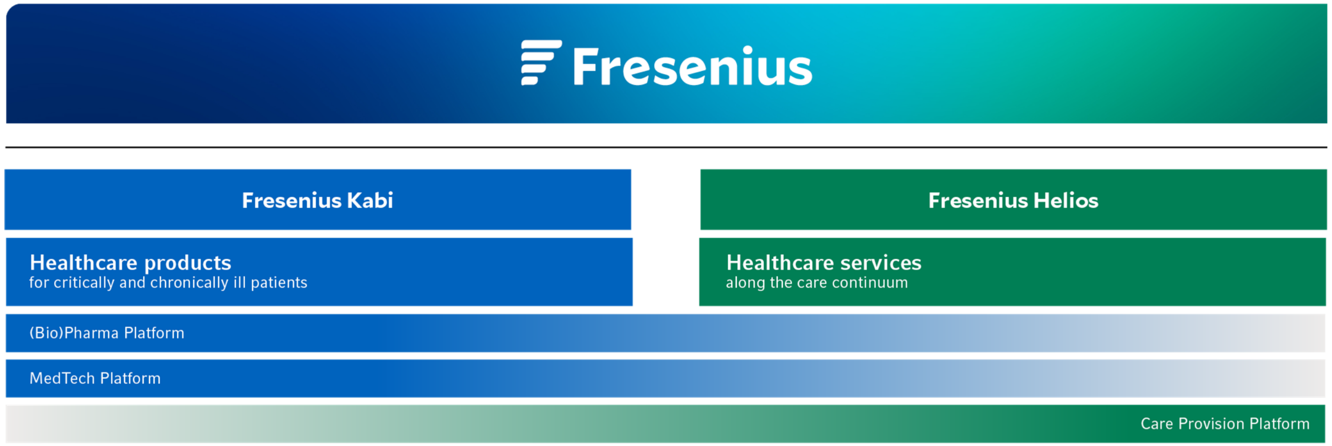
- **Fresenius Kabi** specializes in products for the therapy and care of critically and chronically ill patients. The portfolio includes biopharmaceuticals, clinical nutrition, MedTech products, intravenously administered generic drugs (generic IV drugs), and IV fluids.
- **Fresenius Helios** is Europe's leading private hospital operator. In fiscal year 2024, the company included Helios Germany, Helios Spain, and Eugin Group, which was sold on January 31, 2024. Helios Germany operates more than 80 hospitals, ~220 medical care centers, 27 occupational health centers, and 6 prevention centers. Helios Spain operates 50 hospitals, ~130 outpatient health centers, and more than 300 facilities for occupational health management. Helios Spain is also active in Latin America with 7 hospitals and as a provider of medical diagnostics.

INVESTMENT COMPANIES

- In 2024, the Fresenius Group initiated a structured exit from its Investment Company Fresenius Vamed. Since Q2 2024, Fresenius Vamed has no longer been a reporting segment of Fresenius. **Fresenius Vamed** realized projects and provided services for hospitals and other healthcare facilities on an international level. The range of services covered the entire value chain: from development, planning, and turnkey construction to maintenance, technical management, total operational management, and high-end services. The company comprised three functional areas: High-End Services (HES), Health Facility Operations (HFO), and Health Tech Engineers (HTE), and is steered according to the Projects and Services reporting segments.
- **Fresenius Medical Care** offers services and products for patients with chronic kidney failure. Dialyzers and dialysis machines are among the most important product lines. In addition, Fresenius Medical Care offers dialysis-related services.

Fresenius SE & Co. KGaA is the largest shareholder of Fresenius Medical Care AG, with a 32% stake. By changing the legal form of Fresenius Medical Care AG & Co. KGaA into a stock corporation, Fresenius Medical Care was deconsolidated in the reporting year 2023. Since November 30, 2023, the investment in Fresenius Medical Care has been accounted for using the equity method in accordance with IAS 28.

GROUP-WIDE OPERATING MODEL



OPERATING MODEL AND FUNCTIONAL SERVICES

Within the Fresenius Group, we provide effective, supportive service and governance functions as part of the operating model, which benefit our business segments and increase the Group's overall capital efficiency. This operating model enables us to steer and improve performance in a more targeted manner in the future based on the Fresenius Financial Framework.

Important markets and competitive position

Fresenius operates in more than 60 countries through its subsidiaries. The main markets are Europe with 73% and North America with 13% of revenue, respectively. Fresenius operates an international distribution network and more than 50 production sites.

Fresenius Kabi aims to make a significant contribution to the treatment and care of critically and chronically ill patients with its products and services. In this area of care particularly, the need for high-quality, modern, and affordable therapies is growing, as the proportion of chronic diseases is steadily increasing.

Fresenius Kabi is one of the leading companies in Europe for large parts of its product portfolio and has significant market shares in the growth markets of Asia-Pacific and Latin America. Furthermore, Fresenius Kabi is one of the leading companies in the field of generic IV drugs both in the U.S. market and in Europe.

Fresenius Helios is Europe's leading private hospital operator. Helios Germany and Helios Spain are the largest private hospital operators in their respective home markets.

External factors

In fiscal year 2024, the global economy has remained resilient, with inflation continuing to ease and global trade recovering, albeit with differences across geographies and sectors. Labor market tightness has also eased, although unemployment rates generally remain at or close to historical lows.

Further, the structural growth drivers in the non-cyclical healthcare markets are still in place.

The legal framework for the operating business of the Fresenius Group remained essentially unchanged in 2024. We carefully monitor and evaluate country-specific, political, legal, and financial conditions regarding their impact on our business activities. This also applies to the potential impact of inflation and currency risks.

Management and control

In the legal form of a KGaA, the Company's corporate bodies are the Annual General Meeting, the Supervisory Board, and the general partner, Fresenius Management SE. Fresenius Management SE is wholly owned by Else Kröner-Fresenius-Stiftung. The KGaA has a **two-tier management system** – management and control are strictly separated.

The **general partner**, represented by its **Management Board**, conducts the business, and represents the Company in dealings with third parties. The Management Board consists of five members. According to the Management Board's rules of procedure, each member is accountable for his or her own area of responsibility. However, the members have joint responsibility for the management of the Group. In addition to the Supervisory Board of Fresenius SE & Co. KGaA, Fresenius Management SE has its own Supervisory Board. The Management Board is required to report to the Supervisory Board of Fresenius Management SE regularly, in particular on its corporate policy and strategies. In addition, the Management Board reports on business profitability, current operations, and any other matters that could be of significance for the Company's profitability and liquidity. The Supervisory Board of Fresenius Management SE also advises and supervises the Management Board in its management of the Company. It is prohibited from managing the Company directly. However, the Management Board's rules of procedure require that certain transactions obtain the prior approval of the Supervisory Board of Fresenius Management SE.

The members of the Management Board are appointed and dismissed by the Supervisory Board of Fresenius Management SE. Appointment and dismissal is in accordance with Article 39 of the SE Regulation[1]. The articles of association of Fresenius Management SE also provide that deputy members of the Management Board may be appointed.

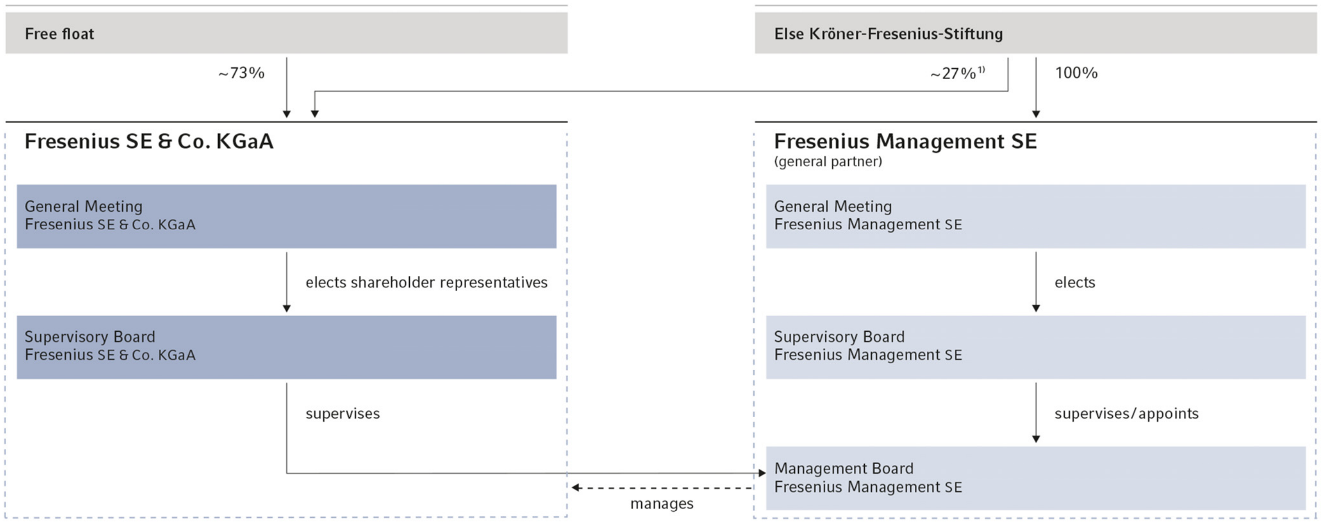
[1] Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) (SE Regulation – SE-Reg)

The **Supervisory Board of Fresenius SE & Co. KGaA** advises on and supervises the management of the Company's business by the general partner, reviews and approves the annual financial statements and the consolidated financial statements, and performs the other functions assigned to it by law and the Company's articles of association. It is involved in corporate planning and strategy, and in all matters of fundamental importance for the Group. The Supervisory Board of Fresenius SE & Co. KGaA has six shareholder representatives and six employee representatives. A Nomination Committee of the Supervisory Board of Fresenius SE & Co. KGaA has been instituted for election proposals for the shareholder representatives. Its activities are aligned with the provisions of law and the Corporate Governance Code. The shareholder representatives are elected by the **Annual General Meeting of Fresenius SE & Co. KGaA.** The European works council elects the employee representatives to the Supervisory Board of Fresenius SE & Co. KGaA.

The Supervisory Board must meet at least twice per calendar half-year. The Supervisory Board of Fresenius SE & Co. KGaA has two permanent **committees:** the Audit Committee, consisting of five members, and the Nomination Committee, consisting of three members. The Company's annual corporate governance declaration pursuant to Section 315d and Section 289f of the German Commercial Code (HGB) describes the procedures of the Supervisory Board's committees. The declaration can also be found on the website www.fresenius.com / corporate-governance.

The descriptions of both the **compensation system** and individual amounts paid to the Management Board and Supervisory Board of Fresenius Management SE, and the Supervisory Board of Fresenius SE & Co. KGaA, are included in the Compensation Report.

CORPORATE STRUCTURE AT FRESENIUS SE & CO. KGAA



[1] For selected items no voting power, e.g., election of Supervisory Board of Fresenius SE & Co. KGaA, discharge of general partner and Supervisory Board of Fresenius SE & Co. KGaA, election of the auditor.

Capital, shareholders, articles of association

The subscribed capital of Fresenius SE & Co. KGaA amounted to 563,237,277 ordinary shares as of December 31, 2024 (December 31, 2023: 563,237,277).

The shares of Fresenius SE & Co. KGaA are non-par-value bearer shares. Each share represents €1.00 of the capital stock. Shareholders' rights are regulated by the German Stock Corporation Act (AktG – Aktiengesetz) and the articles of association.

Fresenius Management SE, as general partner, is authorized, subject to the consent of the Supervisory Board of Fresenius SE & Co. KGaA: to increase the subscribed capital of Fresenius SE & Co. KGaA by a total amount of up to €125 million, until May 12, 2027, through a single issuance or multiple issuances of new bearer ordinary shares against cash contributions and / or contributions in kind **(Authorized Capital I).**

In principle, the shareholders shall be granted a subscription right. In certain cases, however, the right of subscription can be excluded.

In addition, there are the following **Conditional Capitals** according to the articles of association of March 7, 2024:

- The subscribed capital is conditionally increased by up to €4,735,083.00 through the issuance of new bearer ordinary shares **(Conditional Capital I)**. The conditional capital increase will only be executed to the extent that convertible bonds for ordinary shares have been issued under the 2003 Stock Option Plan and the holders of these convertible bonds exercise their conversion rights. Following the expiry of the 2003 Stock Option Plan in 2018, Conditional Capital I is no longer used.
- The subscribed capital is conditionally increased by up to €3,452,937.00 through the issuance of new bearer ordinary shares **(Conditional Capital II)**. The conditional capital increase will only be executed to the extent that subscription rights have been issued under the 2008 Stock Option Plan, the holders of these subscription rights exercise their rights, and the Company does not use its own shares to service the subscription rights or does not exercise its right to make payment in cash. Following the expiry of the 2008 Stock Option Plan in 2020, Conditional Capital II is no longer used.
- The general partner is authorized, with the approval of the Supervisory Board, until May 12, 2027, to issue option bearer bonds and/or convertible bearer bonds, once or several times. To fulfill the granted subscription rights, the subscribed capital of Fresenius SE & Co. KGaA was increased conditionally by up to €48,971,202.00 through issuance of new bearer ordinary shares **(Conditional Capital III)**.

  The conditional capital increase shall only be implemented to the extent that the holders of convertible bonds issued for cash, or of warrants from option bonds issued for cash, exercise their conversion or option rights and as long as no other forms of settlement are used. As of December 31, 2024, Fresenius had not utilized this authorization.
- The share capital is conditionally increased by up to €22,824,857.00 by the issuance of new ordinary bearer shares **(Conditional Capital IV)**. The conditional capital increase will only be implemented to the extent that subscription rights have been, or will be, issued in accordance with the Stock Option Program 2013 and the holders of subscription rights exercise their rights, and the Company does not grant its own shares to satisfy the subscription rights. As of December 31, 2024, Fresenius had not utilized this authorization.

The Company is authorized, until May 12, 2027, to purchase and use its **own shares** up to a maximum amount of 10% of the subscribed capital. In addition, when purchasing its own shares, the Company is authorized to use equity derivatives with possible exclusion of any tender right. The Company had not utilized this authorization as of December 31, 2024.

As the **largest shareholder**, Else Kröner-Fresenius-Stiftung, Bad Homburg, Germany, informed the Company on December 17, 2024, that it held 151,842,509 ordinary shares of Fresenius SE & Co. KGaA. This corresponds to an equity interest of 27.0% as of December 31, 2024.

Amendments to the articles of association are made in accordance with Section 278 (3) and Section 179 (2) of the German Stock Corporation Act (AktG) in conjunction with Article 17 (3) of the articles of association of Fresenius SE & Co. KGaA. Unless mandatory legal provisions require otherwise, amendments to the articles of association require a simple majority of the subscribed capital represented in the resolution. If the voting results in a tie, a motion is deemed rejected. Furthermore, in accordance with Section 285 (2) sentence 1 of the German Stock Corporation Act (AktG), amendments to the articles of association require the consent of the general partner, Fresenius Management SE. The Supervisory Board is entitled to make such amendments to the articles of association that only concern their wording without a resolution of the Annual General Meeting.

Under certain circumstances, a **change of control** would impact our major long-term financing agreements, which contain customary change of control provisions that grant creditors the right to request early repayments of outstanding amounts in case of a change of control. The majority of our financing arrangements, in particular our bonds placed in the capital markets, however, require that the change of control is followed by a decline or a withdrawal of the Company's rating or that of the respective financing instruments.

STRATEGY AND GOALS

Committed to life

At Fresenius, we live up to our promise of being committed to life. We save and improve human lives with affordable, accessible, and innovative healthcare products and the highest quality in clinical care. In doing so, we consider significant paradigm shifts in the healthcare environment with regards to biologic products and therapies, technological change, and new forms of data generation, processing, and usage.

Patients are always in the focus of our activities. Our vision is to be the trusted, market-leading healthcare company that unites cutting-edge technology and human care to shape next-level therapies. Our portfolio targets three platforms: **(Bio)Pharma – including clinical nutrition**, **MedTech**, and **Care Provision**. With these platforms, we cater to major trends in healthcare and are becoming a more therapy-focused company. The health and quality of life of our patients is at the core. At the same time, our platforms address attractive value pools in healthcare, which will provide opportunities for future profitable growth. Hence, we orient our portfolio towards businesses that enable a strong focus on margins and capital returns, and the highest ambitions for operational excellence and competitiveness.

Fresenius operates in key healthcare areas. We continuously develop our business segments and strive to assume leading positions in system-critical healthcare markets and segments.

At the same time, we hold ourselves accountable to the highest standards of quality and integrity. All of our business segments make an overall contribution to increasing the quality, affordability, and efficiency of healthcare as well as patient satisfaction. At the same time, we care for our environment by protecting nature and using its resources carefully.

Fresenius Kabi's commitment is to improving the quality of life of its patients. The quality and safety of its products and services is thus of paramount importance to Fresenius Kabi.

Fresenius Helios hospitals are characterized by high standards of treatment quality, hygiene, patient safety, and quality of care.

At Fresenius, we combine our medical expertise with extensive production capacities, and clinical practice with technology know-how to continuously improve therapies for our patients. We will continue building on our strength in technology, our competence and quality in patient care, and our ability to manufacture cost-effectively. Developing products and systems that provide a high level of safety and user-friendliness and enable tailoring to individual patient needs is an inherent part of our strategy of sustainable and profitable growth. We plan to develop more effective products and treatment methods in order to offer best-in-class medical standards. Digitalization is playing an increasingly important role – whether it is in healthcare facilities or in production. It drives innovative technologies and treatment concepts and can contribute to solving numerous challenges in the healthcare system.

The commitment of our more than 176,000 employees worldwide is key for the success and sustained growth of Fresenius. We are convinced that different perspectives, opinions, experiences, and values enable Fresenius to continue successfully growing as a global healthcare company.

To tackle the upcoming challenges and be able to continue to grow as a company, attracting new employees is key. Not only do we try to attract new talent, but also do everything we can to retain and develop our employees over the long term. We offer a variety of flexible working-time models and incentive programs to ensure that our long-term needs for highly qualified employees are met. Furthermore, we offer our employees attractive opportunities to develop their careers in an international and dynamic environment.

EXECUTING SEGMENT STRATEGIES

The Fresenius Group offers a broad spectrum of system-critical products and services for the health and quality of life of our patients. Our business segments hold leading positions in key areas of healthcare, and all of them are continuing to execute their respective strategic priorities to sustain leadership and contribute significantly to the benefit of healthcare systems. At the level of the Fresenius Group, we manage the strategic direction of the Group, and orient our portfolio towards value-maximizing business areas and maximum patient impact.

With its Vision 2026, **Fresenius Kabi** has developed a strategic plan to transform the company for the next decade and to better capture new growth opportunities. Fresenius Kabi will continue to focus on high-quality products for critically and chronically ill patients. Within this clear direction, Fresenius Kabi has defined three growth vectors, alongside the strengthening of the resilience of our volume businesses (3+1 strategy). The growth vectors are:

- the broadening of our biopharmaceutical offering,
- further rollout of clinical nutrition,
- expansion in the MedTech area.

We consistently pursued our segment strategy in FY/2024.

Fresenius Kabi and mAbxience form a complete, vertically integrated biopharmaceutical business, that holds a strong portfolio and pipeline, provides extensive and cost-efficient manufacturing, and is strengthening the targeted commercial footprint in Fresenius Kabi's and mAbxience's target regions. In addition, Fresenius Kabi and mAbxience continue to strengthen the biopharma business and strategic network through new agreements and partnerships.

Successful market launches have made Fresenius Kabi the leading provider of intravenous lipid nutrition in North America. This strengthens the global clinical nutrition business beyond its solid base in Europe, Latin America, and Asia-Pacific.

Our MedTech business has been further strengthened by Ivenix. With the award-winning Ivenix infusion system, we are entering the infusion therapy market in the United States. The design of the Ivenix infusion system is easier to use than conventional systems and increases the safety of infusions. The pump also works seamlessly with other systems.

In parallel, Fresenius Kabi has continued to build resilience in its volume-driven IV business and is extending the portfolio with continued launches in all regions.

Fresenius Helios wants to further strengthen its position as the leading private healthcare service provider in Europe.

Helios Germany will continue to focus its offerings on cross-sector healthcare, further specialize hospitals, and coordinate their respective medical service portfolios within regional structures. In regional competence centers, we are already pooling expertise in various specialist areas in order to achieve the best treatment results for our patients. We will continue to drive this clustering forward in the future in order to further enhance medical quality. We intend to exploit the growth potential in the outpatient sector by linking our medical care centers (MVZs) even more closely with hospitals. In addition, we will seize the newly created regulatory opportunity of daytime inpatient treatment as a further form of care. We also aim to increase the efficiency of our energy consumption in the interests of sustainability and climate protection.

In Spain, we expect demand for hospital and other healthcare services to continue to rise. We aim to integrate our diverse range of inpatient and outpatient services even better and further expand them across the entire network of sites. We will selectively consider building new clinics and expanding existing hospital sites.

Fresenius Helios consistently puts focus on the strategic factors of medical excellence, innovation, and service quality in order to attract patients. Our focus here is on optimal treatment quality as well as patient satisfaction.

Fresenius Helios is constantly advancing its digitalization agenda in order to further improve patient care and service, building on our already extensive digital offering in particular through the Quirónsalud patient portal and app. Alongside the digitalization of our documents and internal processes, we will focus even more strongly on the digitalization of direct clinical processes and clinical decision support in the future. In doing so, we also want to make responsible use of the opportunities offered by artificial intelligence.
Fresenius Helios' strategy update was transparently presented at a Capital Markets Day in June 2024.

#FUTUREFRESENIUS

In the 2024 fiscal year, we further advanced our #FutureFresenius program in order to transform our Group and position it for the coming decades. We continued to make great progress in the 2024 fiscal year, in both the structural and financial progression of the Group, and kept the transformation momentum.

The healthcare industry has a long runway for growth, which will be accelerated by quickly evolving technologies, new therapies such as biopharmaceuticals, more and more professional steering of patient journeys, and a true digital revolution. We want Fresenius to be at the forefront of these trends and have thus charted our course for continued system relevance in our businesses.

The first step of this journey was a Reset: strengthening our return focus, driving structural productivity, and creating change momentum across the organization. The next step in the journey was the Revitalize phase, with continuous portfolio optimization and the pursuit of growth verticals. In fiscal year 2025, we will start the rejuvenate phase, in which we aim to grow profitably along our strategic platforms. In addition to the disciplined continued development of our portfolio, we will also succeed in driving forward future-oriented innovations.

After the deconsolidation of Fresenius Medical Care and targeted divestments in fiscal year 2023, we further sharpened the focus of the portfolio in 2024 with a structured exit from Fresenius Vamed, achieving structural simplification. Financial progression was further driven based on the clear structures and responsibilities defined with the new operating model as well as rigorous productivity measures. The Fresenius Financial Framework enabled us to steer and enhance performance more effectively in 2024 and will continue to guide us in the future.

PORTFOLIO FOCUS

We have executed a comprehensive diagnosis of our Group portfolio at sub-segment level, in order to highlight growth opportunities aligned with market trends, further refine our management approach for each business we operate, and identify areas to strengthen our portfolio focus.

Going forward, we want to increasingly orient our portfolio to three platforms: **(Bio)Pharma – including clinical nutrition**, **MedTech**, and **Care Provision**. With these platforms, we cater to major trends in healthcare and are becoming a more therapy-focused company. The health and quality of life of our patients who we serve with high-quality, affordable products and services is at the core. At the same time, our platforms address attractive value pools in healthcare, which will provide opportunities for future profitable growth.

We will pursue growth investments in the health care products and services of tomorrow through our operating companies Fresenius Kabi and Fresenius Helios, thus focusing on our core business areas. This will ensure that we have a solid capital structure and sufficient funds to seize future growth opportunities. Within the Fresenius Group, we will – under the operating model initiated in 2023 – provide strategic direction, effective governance and risk management, and provide targeted services to the benefit of our segments and the overall capital efficiency of the Group.

STRUCTURAL PRODUCTIVITY

While fundamentally healthy and geared toward long-term growth, our market environment is also characterized by typical macro headwinds that challenge our operations and increase our cost base. With that in mind, we have continued our focus on structural productivity and are running corresponding programs in all our business segments and at the corporate center.

Structural productivity improvements are expected to offset market headwinds and to create financial flexibility for future growth investments in the coming years.

The Group-wide cost and efficiency measures have progressed faster than planned. The target for annual sustainable cost savings of ~€400 million at EBIT level has already been achieved with accumulative savings totaling €408 million at the end of Q3/2024. Originally, the target was expected to be achieved by year-end 2025. A total of €474 million in savings was realized by the end of 2024. One-time costs of around €144 million were incurred in fiscal year 2024 to achieve these savings. These costs will continue to be classified as special items in line with previous practice.

Fresenius will continue its efforts to increase structural productivity. So far, Fresenius Kabi has delivered the majority of the savings. Going forward, Fresenius Helios is expected to increase its operational excellence as part of a dedicated performance program focused on improving clinical processes, improving non-patient-facing areas as well as synergies and procurement.

EXIT FROM FRESENIUS VAMED

In May 2024, the Fresenius Group initiated the structured exit from its investment company Fresenius Vamed. Based on an overall plan, the exit takes place in the following major steps:

- the sale of a 70% majority stake in Vamed's rehabilitation business to PAI Partners. The transaction was largely closed on September 30, 2024.
- the sale of Vamed's activities in Austria to an Austrian consortium of construction companies Porr and Strabag. The transaction is expected to be completed in the first half of 2025.
- The Health Tech Engineering (HTE) business unit, which is responsible for the international project business and accounts for approximately 15% of Vamed's revenue, will gradually be scaled back in an orderly manner. The process should largely be completed by 2026. Current project contracts will be fulfilled. Until then, the business will be reported as a special item separate from Fresenius' core business. On February 3, 2025, the Fresenius Group announced that it entered an agreement with Worldwide Hospital Group (WWH), a healthcare company based in Germany, to fully divest Vamed's international project business (Health Tech Engineering, HTE). Closing is expected mid-2025 and subject to the fulfillment of certain closing conditions.

The Vamed High-End Services (HES) business unit, which provides services for Fresenius Helios and other hospitals, was transferred to Fresenius.

Since May 2024, in accordance with IFRS 5, the Vamed activities in Austria have been reported as a separate item (discontinued operations) in the consolidated statement of income and the consolidated statement of cash flows as well as in the consolidated statement of financial position (assets held for sale). The rehabilitation business is also reported as a separate item in the consolidated statement of income, the consolidated statement of financial position and the consolidated statement of cash flows in accordance with IFRS 5 for the period from May 2024 until its disposal in October 2024. Since October 1, 2024, the investment has been accounted for using the equity method in accordance with IAS 28.

The relevant IFRS require valuation at fair value, which is derived from the purchase prices, if the fair value is below the carrying amount of the net assets. In the consolidated financial statements of the Fresenius Group, mainly non-cash special items of €605 million were recognized due to the Vamed exit, of which €464 million were attributable to the shareholders of Fresenius SE & Co. KGaA and €141 million to the noncontrolling interests of the Fresenius Group. This includes a deconsolidation gain of €3 million as part of the sale of the rehabilitation business as at September 30, 2024, which mainly resulted from the reclassification of currency translation differences from other comprehensive income to consolidated net income and other consolidation effects. The special items are reported as part of net income from discontinued operations.

Due to the application of IFRS 5, the prior year figures have been adjusted in the consolidated statement of income and the consolidated statement of cash flows.

Spread over several years, the exit from the project business is expected to result in special items in the high three-digit million euro range which will mainly be cash effective. The special items will be recognized in the consolidated statement of financial position if and to the extent that the respective recognition criteria are met.

As a result of the exit from the project business, Fresenius Vamed remeasured the business activities to be wound down and recognized special items of €473 million in fiscal year 2024.

In fiscal year 2023, Fresenius comprehensively analyzed Fresenius Vamed and initiated an extensive transformation of the company's organization. As part of this transformation, Fresenius Vamed remeasured the affected business activities in fiscal year 2023 and recognized special items of €554 million.

The special items recognized in fiscal years 2024 and 2023 are attributable in particular to impairments of contract assets, receivables and inventories as well as of loans and investments and to restructuring expenses as well as the recognition of corresponding provisions. These special items are largely non-cash items.

As of January 1, 2025, Fresenius operates the hospital services business, previously owned by Vamed, as a Fresenius subsidiary under the name Fresenius Health Services (FHS). Enrico Jensch, previously Chief Operating Officer of Helios Germany, is CEO of FHS. At the Fresenius Management Board level, Robert Möller (CEO Fresenius Helios) is responsible for FHS.

Fresenius Health Services supports healthcare facilities in operating an efficient and needs-based technical infrastructure. The company offers comprehensive services and advice on medical technology, operating technology, and sterile supply.

CHANGE MOMENTUM

At Fresenius, our collective actions have always been driven by our enormous passion and the strongest possible commitment to patients. On our pathway to #FutureFresenius, we want to nurture this passion, and combine it with a strong appetite for change, preparing us for the dynamic shifts in the healthcare industry for the best of our patients. As part of #FutureFresenius, we aim to embrace new ways of working and establish a culture of excellence, where we measure ourselves against the best and maintain trusting dialog that welcomes diverse perspectives. Throughout our company, we engage in such trusting dialog with our employees, stakeholders, and external partners, and our global top leaders are agreed about the need for change. We aim to continuously pick up the pace of change and improvement and use this momentum to create #Future-Fresenius.

Sustainability program

For Fresenius, sustainability is an integral part of its business model. The Company is working to establish global sustainability standards and continuously improve its own sustainability performance. To this end, Fresenius continued to drive forward its ESG (Environment, Social, Governance) initiatives in fiscal year 2024. Fresenius has set climate targets for the Group complementing its existing sustainability targets and programs. The Company aims to be climate-neutral in Scope 1 and Scope 2 by 2040 and to reduce 50% of absolute Scope 1 and Scope 2 emissions by 2030 compared to 2020 levels. On June 27, 2024, Fresenius announced an additional decarbonization target: The Company aims to become net zero along the entire value chain by 2050, this includes Scope 1 and Scope 2 as well as also material Scope 3 emissions. The latter were initially reported for fiscal year 2023.

CORPORATE PERFORMANCE CRITERIA

The key performance indicator for Fresenius SE & Co. KGaA as group parent company is retained earnings. The goal is to implement our long-term, earnings-driven dividend policy by means of profit transfers and distributions from affiliates.

RESEARCH AND DEVELOPMENT

New product and process development and the improvement of therapies are at the core of our strategy. Research and development activities mainly take place in the Fresenius Kabi business segment. We focus our R & D efforts on our core competencies in the following areas:

- Generic IV drugs
- Biopharmaceuticals
- 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 services provided by third parties are mainly used by Fresenius Kabi, especially in the field of biopharmaceuticals.

KEY FIGURES RESEARCH AND DEVELOPMENT

	2024	2023	2022	2021	2020
Group: R & D expenses, € in millions[1,2]	636	607	631	574	560
Fresenius Kabi: R & D expenses as % of revenue[1,2]	7.5%	7.5%	8.0%	8.1%	8.2%
Group: R & D employees[1]	2,510	2,522	2,564	2,366	2,288

[1] Previous year's figures were adjusted due to the application of IFRS 5 to the deconsolidated activities of Fresenius Medical Care.
[2] Before special items and excluding impairment losses from capitalized in-process R & D activities

As of December 31, 2023, there were 2,510 employees in research and development (2023: 2,522).

Our main research sites are in Europe, the United States, and India. Product-related development activities are also carried out in China.

Group research and development **expenses**[1,2] were €636 million (2023: €607 million) in the fiscal year. Research and development expenses[1,2] at Fresenius Kabi accounted for 7.5% of Fresenius Kabi´s total revenue (2023: 7.5%).

EMPLOYEES

The knowledge, experience, and commitment of our employees are critical to our success. The interplay of a wide range of views, opinions, cultural backgrounds, experiences, and values enables us to successfully exploit our potential as a global company.

The **number of employees** of Fresenius SE & Co. KGaA at the end of 2024 was 694 (December 31, 2023: 635).

Human resources management

We are constantly adapting our human resources tools to meet new requirements arising, among other things, from demographics, the transformation to a service economy, the shortage of skilled workers, and employees' desire for a better work-life balance. For example, we offer flexible working hours and have established a modern hybrid working environment.

Employee recruitment and personnel development

In order to meet our need for highly qualified employees in the long term and attract new employees, we rely on targeted HR marketing activities. For example, we cooperate with universities for a variety of formats, have our own HR channels on the most important social media platforms for our target groups, and have launched an ambassador program for all Fresenius employees (Fresenius Ambassadors).

In addition, we try to retain our employees in the long term by offering attractive development opportunities and making internal development opportunities transparent to all employees through a cross-divisional global internal job exchange (stayFresenius).

In addition, the training of junior staff (apprentices and dual students) is an important part of our recruitment process. We also offer exciting internships and student jobs for students to get to know Fresenius and build loyalty to the Company.

In 2024, we launched a program (joinFresenius – Employees Recruit Employees) for some business units in Germany that is designed to encourage our employees to use their knowledge, contacts, and personal networks to attract talented people for externally advertised positions that will strengthen and expand our Fresenius team.

The development and implementation of concepts and measures for recruiting and promoting staff will be aligned with the market requirements of the respective segments and will be more standardized in the future. A cross-divisional approach is being pursued in order to ensure a more coherent and effective strategy. We select applicants solely on the basis of their qualifications and experience. We aim to ensure that everyone with comparable aptitude has the same career opportunities at Fresenius, regardless of gender, age, origin, nationality, religion, disability, sexual identity and orientation, or other characteristics.

The proportion of female employees in the Fresenius Group was 68% as of December 31, 2024 (Dec. 31, 2023: 68%). The proportion of females in services or care is traditionally higher than in the area of production. This is reflected in the proportion of female employees in our business segments: Our business segment Fresenius Helios has, with 74%, the highest proportion of female employees within the Group.

From the perspective of the management board, the CSRD regulatory framework for governance structure is also to be applied, and at the same time, relevant regulations outside Europe are to be observed.

[1] Before special items
[2] Before special items and excluding impairment losses from capitalized in-process R & D activities

For the calculation of gender distribution in the top management, Fresenius defines employees in the top management as those who perform the daily tasks of company management and belong to level 1 or 2 below the Management Board (Fresenius SE Management Board). This only includes persons who actually hold a management position, so, for example, secretarial or assistant positions are not counted. Management activities include at least one of the following criteria: management responsibility and/or budget responsibility. This group-wide female quota for the first and second management level as of December 31, 2024 was 28.2%.

You can visit our multiple-award-winning careers portal at www.career.fresenius.com.

CHANGES TO THE SUPERVISORY BOARD

At the end of July 31, 2024, the employee representative Mr. Konrad Kölbl left the Supervisory Board due to retirement. On August 1, 2024, Mr. Harald Steer joined the Supervisory Board as a personal substitute member. On January 31, 2025, Harald Steer left the Supervisory Board. He was succeeded by Alberto Fuentelsaz Franganillo, a member of the European Works Council. He works for Quirónsalud.

CHANGE TO THE MANAGEMENT BOARD

The Supervisory Board of Fresenius Management SE extended Sara Hennicken´s mandate as Chief Financial Officer (CFO) ahead of time until 2027. Originally, it was set to run until 2025. The Company thus ensures continuity on the Management Board in order to further advance the #FutureFresenius strategy.

There were no changes to the Management Board in FY/2024.

The CVs of the members of the Supervisory Board and the Management Board can be found on our website at https://www.fresenius.com/Corporate-Management.

ECONOMIC REPORT

MACROECONOMIC CONDITIONS[1]

Global economic growth remained strong in 2024, with a projected growth rate of 3.4%. Notably, the United States and China stood out, with China´s manufacturing sector and the U.S. services sector experiencing robust growth. In the third quarter of 2024, the U.S. economy performed unexpectedly well, while the European area faced weaker growth. The outlook for 2025 remains positive, although uncertainties persist due to geopolitical tensions and political changes in the United States.

In 2024, world trade remained strong, supported by a front-loading of imports, particularly from the United States, driven by uncertainties around U.S. trade policies and rising consumer demand. Private consumption showed signs of recovery in many regions, contributing to increased demand for goods. In the euro area, private consumption rose by 0.7% in the third quarter, partly driven by factors such as the Paris 2024 Olympic Games. However, signs of a slowdown in consumption emerged in the fourth quarter, reflecting weaker demand. This weakening trend also affected global trade. Geopolitical tensions and rising protectionism continue to pose risks to future trade growth. World trade is expected to grow by 3.6% in 2025, although geopolitical factors and increasing trade barriers could dampen this growth.

Global inflation, measured based on the worldwide Consumer Price Index (CPI), moderated overall in 2024, but remained high in certain areas. The main inflationary pressure came from the services sector, which was strongly influenced by rising wages. In OECD countries, the inflation rate rose slightly to 2.6% in October, driven by less negative energy inflation. Core inflation remained stable, with services prices continuing to exert significant influence. A normalization of inflation is expected for 2025, particularly due to a cooling of wage growth in labor markets.

Global financing conditions developed to be challenging in 2024, given ongoing geopolitical uncertainties and the increasing burden of rising interest rates and energy prices. In many regions, especially the euro area and the United Kingdom, economic growth was dampened by weak investment activity. This was primarily due to uncertainties around global trade policies, geopolitical tensions, and the impact of higher financing costs. While investments in green and digital technologies are expected to see growth, overall business investments remained cautious. Persistently high oil and gas prices, exacerbated by geopolitical tensions in the Middle East, further heightened the uncertainty surrounding global financing conditions.

HEALTHCARE INDUSTRY

The healthcare sector is one of the world’s largest industries and we are convinced that it demonstrates 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 healthcare 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 healthcare, and
- increasing national incomes and hence higher spending on healthcare.

[1] European Central Bank, 2024

Overall, OECD countries[1] spent an average of 9.2% of their GDP on healthcare services in 2023 (2022: 9.2%). The average share of healthcare expenditure in national income in OECD countries was still significantly higher in 2023 than before the COVID-19 pandemic (2019: 8.8%), despite being lower than during the crisis.

The United States recorded the highest expenditure per capita with an estimated US$13,432 in 2023 (2022: US$12,742). Based on current estimates, Germany ranks fourth in the OECD country comparison with US$8,440 in 2023 (2022: US$8,011).

In order to limit the constantly rising **expenditure in the healthcare system**, cost bearers are increasingly reviewing care structures to identify potential savings. However, rationalization alone cannot compensate for the rise in costs. For this reason, market-based incentives for cost- and quality-conscious action in the healthcare sector should also be created. In this way, treatment costs can be reduced by improving the overall quality of care. As a result, prevention programs are becoming just as important as innovative remuneration models that are linked to the quality of treatment. The digitalization of the healthcare system in particular can also contribute to improved patient care and greater cost efficiency.

HEALTHCARE SPENDING AS % OF GDP

in %	2023	2010	2000	1990	1980	1970
USA	16.7	16.3	12.5	11.2	8.2	6.2
France	11.6	11.2	9.6	8.0	6.8	5.2
Germany	11.8	11.1	9.9	8.0	8.1	5.7
Switzerland	12.0	9.9	9.1	7.6	6.4	4.8
Spain	9.6	9.1	6.8	6.1	5.0	3.1
China	5.7	4.4	-	-	-	-

Source: OECD health data; the available data refers to the year 2023 or the most recent available values from the previous year.

Our most important **markets** developed as follows:

The markets for biopharmaceuticals, clinical nutrition, MedTech, generic IV drugs, and IV fluids[2]

The market for **biopharmaceuticals** from the therapeutic areas of oncology and autoimmune diseases – consisting of originator products and biosimilars – grew by approximately 9% to around €255 billion, of which the biosimilars market was approximately €20 billion with a growth rate of 15% versus the prior year. The acquisition of a majority stake in **mAbxience** significantly strengthened **Fresenius Kabi** in this growth market, in which the company participates through biosimilars and contract development and manufacturing of biopharmaceuticals. The market for biopharmaceuticals is a fast-growing and innovative segment, which will gain even more relevance for the care of patients going forward. Competitors in the biosimilars market for biopharmaceuticals include Amgen, Sandoz, Celltrion, Biocon, Alvotech, Samsung Bioepis, and Teva.

In 2024, the addressed global clinical nutrition market reached approximately €12 billion, reflecting a strong growth of 7% versus the previous year, with equal contribution by most regions. Despite these positive developments, there remains considerable potential for further growth, as nutrition therapies continue to be underutilized in patient care, despite evidence of their medical and economic benefits. Research indicates that these therapies can help reduce hospital costs by shortening patient stays, particularly in cases involving health- or age-related nutritional deficiencies.

Fresenius Kabi, a leading provider of parenteral nutrition and a notable player in the enteral nutrition market, is focusing on addressing this growth opportunity. The company plans to introduce its clinical nutrition offerings in countries where its current portfolio is limited. By expanding its range of products and leveraging additional distribution channels, Fresenius Kabi seeks to enhance its global market presence.

The competitive landscape includes Baxter and B. Braun in the parenteral nutrition market, while Abbott, Nestlé, and Danone are among the main competitors in the enteral nutrition segment.

The **MedTech Infusion and Nutrition Systems** (INS) product portfolio of Fresenius Kabi is broad and composed of product groups such as infusion and nutrition pumps and their dedicated disposables, extended by software-based solutions focusing on application safety, user

[1] The following key figures and explanations are based on OECD health data and corresponding OECD publications; the available data refers to the year 2023 or the latest available figures from the previous year.
[2] Market data is based on company research and refers to the markets relevant for Fresenius Kabi. This is subject to annual volatility due to currency fluctuations and patent expiries of original drugs in the IV drug market, among other things.

workflows, increased therapy efficiency and interoperability with hospital systems, non-dedicated disposables, anesthesia monitoring devices, and dedicated sensors. The market for devices and related dedicated disposables is estimated to be around €5 billion with a growth rate of around 5%. There is a significant further market for non-dedicated disposables. The MedTech INS product range has been extended with the Ivenix portfolio, designed to address specific needs for the U.S. market. In the MedTech INS segment, Fresenius Kabi ranks among the leading suppliers worldwide.

Competitors in the MedTech INS market include Baxter, B. Braun, Becton Dickinson, and ICU Medical.

In 2024, the market for **MedTech Transfusion Medicine and Cell Therapies** (TCT) was about €4 billion. Fresenius Kabi holds market-leading positions in blood as well as in plasma collection where, especially for the latter, increased demand for plasma-derived therapies has resulted in attractive market growth. Due to newly approved treatments, the cell and gene therapies segment continues to be the fastest-growing market within TCT. Our Lovo has quickly become an industry standard for automated cell washing and concentration.

Competitors in the MedTech TCT market include Terumo, Haemonetics, and Macopharma.

In 2024, the global market for **generic IV drugs and IV fluids** was around €50 billion[1]. With significant regional differences, the market generated low-single-digit growth. Fresenius Kabi was able to enter additional segments of the global addressable market due to the expansion of our product portfolio in the areas of complex formulations, differentiated generics, and prefilled syringes, among others.

Fresenius Kabi’s competitors in the market for generic IV drugs include Pfizer, Teva, Sandoz, Viatris, and Hikma. Competitors in the market for IV fluids include Baxter, B. Braun, and Grifols.

The hospital market[2]

The **market volume for acute hospitals** in Germany in 2023 was around €136 billion[3]. Measured in terms of total gross costs, around 60% of this was attributable to personnel costs and 38% to material costs, which increased by around 5% and 7%, respectively.

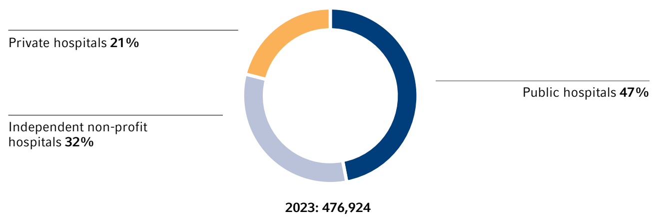
Based on the number of admissions, Helios Germany is the leading company in the German market for acute hospitals, with a market share of around 6%[4]. The Helios clinics mainly compete with individual hospitals or local and regional clinic associations. Private competitors include Asklepios Kliniken, Sana Kliniken, and the Ameos Group.

The number of **inpatient treatment** cases in German hospitals rose again in 2022 for the first time since the start of the COVID-19 pandemic. Nevertheless, the figure was still below the pre-pandemic year of 2019, at over 10% in 2023. In total, 17.2 million cases were treated.

The increase in the **remuneration of hospital services** in the German flat rate per case billing system (DRG system) is based on what is known as the change value (“Veränderungswert”). It is consented on an annual basis. For 2024, the change value was 5.13% (2023: 4.32%).

The flat rates per case are used to determine the reimbursement of inpatients. The related nursing staff costs per case at the bedside have been carved out from the flat rates since 2020. The nursing staff costs are reimbursed in full by the care budget based on the actual costs incurred. It is not tied to services provided, and is individually negotiated by the contractual partners as part of the overall budget negotiations.

HOSPITAL BEDS BY OPERATOR



Mainly due to the inflation-related general cost increases, the economic situation of the German hospitals has deteriorated. The proportion of hospitals with an annual surplus was only 30% (2022: 35%). 61% of German hospitals posted losses in 2023 (2022: 54%). In addition, there is a significant **need for investment**. The German Hospital Institute (DKI) estimates that the annual investment requirements of German hospitals amount to about €7 billion.

To provide **financial support**, hospitals in Germany were supplied with compensation and reimbursement amounts from the liquidity reserve of the healthcare fund for inflation-related additional costs. The financial support, which was last provided by the end of April 2024, amounted to a total of €1.5 billion in hospital-specific reimbursement amounts and €4.5 billion in flat-rate compensation payments based on the number of beds (indirect costs).

[1] As in the previous year, the market definition also includes revenue of off-patent products.
[2] In each case, the most recent market data available refers to the year 2023 as no more recent data has been published: German Federal Statistical Office, 2023 data; German Hospital Institute (DKI) 2023, Krankenhaus Barometer 2024
[3] The market is defined by total costs of the German acute care hospitals (gross), less academic research and teaching.
[4] Measured by Helios Germanys’ number of acute care admissions in 2023 in relation to total admissions numbers in Germany in 2023 (German Federal Statistical Office, 2023 data)

KEY FIGURES FOR INPATIENT CARE IN GERMANY

	2023	2022	2020	2010	2000	Change 2023/2022
Hospitals	1,874	1,893	1,903	2,064	2,242	-1%
Beds	476,924	480,382	487,783	502,749	559,651	-1%
Average length of stay (days)	7.2	7.2	7.2	7.9	9.7	0%
Number of admissions (millions)	17.20	16.80	16.79	18.03	17.26	2%
Average costs per admission in €[1]	6,996	6,796	6,232	3,804	-	3%

[1] Values adjusted for miscoding in the equalization fund (Section 17a KHG)
Source: German Federal Statistical Office, 2023 data

In 2024, the **shortage of specialist staff** and problems filling vacancies in the nursing care sector continued to pose a challenge for inpatient hospital care in Germany.

The central topic in the German hospital sector in 2024 was the **hospital structure reform**. The aim of the reform is to fundamentally reshape the hospital landscape in Germany. With the adoption of the Hospital Care Improvement Act (Krankenhausversorgungsverbesserungsgesetz – KVHG), the volume-based remuneration based on flat rates per case will be limited to 40%. In future, an average of 60% of the remuneration is to be distributed independently of performance via the maintenance flat rates and the care budget.

The maintenance funding is to be linked to medical service groups that are allocated to the individual hospitals by the federal states and which require compliance with defined criteria. Among other things, this is intended to ensure that complex treatments may only be carried out in hospitals that have the appropriate personnel and technical equipment. Depending on the performance group and its relevance, hospitals will receive financial resources. The changeover to the maintenance financing is expected to take place gradually over several years.

In order to promote **outpatient care**, since the beginning of 2023, day treatments without overnight stays in the hospital can be billed using flat rates per case. This is intended to reduce night shifts, particularly in nursing, in order to create additional capacity for nursing staff on the day shift. In addition, the first hybrid DRGs were introduced on January 1, 2024, which provide the same level of remuneration for treatments in hospital and by general practitioners.

The **market volume for private hospitals in Spain** was around €21 billion in 2023[1].

With a sales share of around 14%, Helios Spain is the leading company in the private hospital market. Its competitors are a large number of privately run individual hospitals or smaller chains, including Vithas, HM Hospitales, Hospiten, Ribera Salud, Hospitales Sanitas, and HLA.

Of the approximately 800 hospitals in Spain, around two thirds of hospital beds are in public hospitals[2]. In an OECD comparison, Spain has around 3.0 beds per 1,000 inhabitants, which is well below the OECD average of 4.7 beds per 1,000 inhabitants.

Public healthcare facilities in Spain are largely tax-financed and are generally open to the population without further charges or co-payment obligations. In addition, the Spanish government promotes the private healthcare sector through tax reliefs for private health insurance purchased by employers, among other things.

A challenge in some regions of the country continued to be the **shortage of skilled workers**, particularly in the care sector, although the situation has improved significantly compared to during the waves of COVID-19. In addition, a certain shortage of doctors is emerging in some specialist areas due to the steadily increasing demand for healthcare services.

In addition to inflation-related cost increases, the shortage of specialists and changes in the regulatory environment, digitalization is another challenge for the hospital sector in Germany and Spain. At the same time, it offers enormous opportunities, for example by standardizing and automating processes to a greater extent. New technologies offer the possibility of tapping into efficiency potential while maintaining at least the same, and often even higher, quality, and reducing costs. It is estimated that in Germany alone, around 12%[3] of total expenditure on healthcare and patient care can be saved through digitalization.

[1] Market data based on company research and refers to the addressable market of Quirónsalud. Market definition includes both inpatient and outpatient healthcare services. It includes neither public-private partnership (PPP) nor occupational risk prevention centers (ORP). The market definition may differ from the definition in other contexts (e.g. regulatory definitions).
[2] Healthcare in Spain (masainternational.de)
[3] Digitalization in German hospitals McKinsey & Company, Healthcare September 2018

OVERALL BUSINESS DEVELOPMENT

The Management Board's assessment of the effect of general economic developments and those in the healthcare sector for Fresenius as well as business results and significant factors affecting operating performance

In 2024, economic conditions improved overall. Although uncertainties, inflation-related cost increases and staff shortages persisted, they have eased significantly. In this macroeconomic environment, the Fresenius Group was able to increase its revenue and earnings guidance twice over the course of the year.

For this reason, the Management Board believes that 2024 was a very successful fiscal year for the Fresenius Group.

Fresenius Kabi achieved organic revenue growth of 10%. EBIT[1] increased by 15% (16% in constant currency) to €1,319 million (2023: €1,145 million).

The organic revenue growth of Fresenius Helios was 6%. EBIT[1] increased by 8% (8% in constant currency) to €1,288 million (2023: €1,190 million).

Following the deconsolidation of Fresenius Medical Care, this business segment is accounted for using the equity method. The profit attributable to the shareholders of Fresenius SE & Co. KGaA is recognized in a separate line in the income statement. From fiscal year 2024, it will also include the shares in Fresenius Vamed, which are also accounted for using the equity method. In fiscal year 2024, the result from the equity method amounted to €38 million (2023: -€12 million).

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

RESULTS OF OPERATIONS

Net loss of Fresenius SE & Co. KGaA in the fiscal year 2024 was €993 million (previous year €308 million). The decline in net result is mainly due to extraordinary expenses resulting in a lower income from participation, higher other operating expenses and an increased negative net interest.

All the following companies have profit and loss transfer agreements with Fresenius SE & Co. KGaA: Fresenius Kabi AG, Fresenius ProServe GmbH and Fresenius Versicherungsvermittlungs GmbH.

Fresenius ProServe GmbH contributed with losses of €546 million (previous year €109 million) to the net income from participations. The decrease mainly results from extraordinary expenses related to the exit from the Fresenius Vamed business segment in an total amount of €821 million.

The profit and loss transfer agreement with Fresenius Kabi AG yielded earnings of €471 million (previous year €360 million). The increase in relation to the previous year mainly results from higher dividend income from foreign Kabi affiliated companies.

Other significant income from participations came from a €112 million Fresenius Medical Care AG dividend (previous year €106 million).

In addition to earnings from dividends and from profit and loss transfer agreements, Fresenius SE & Co. KGaA receives €82 million of income from rents and from providing personnel services (previous year €91 million). Other operating income includes €213 million (previous year €251 million) of foreign currency gains while €210 million (previous year €249 million) of foreign currency losses are included in other operating expenses.

The increase in other operating expenses mainly results from extraordinary expenses for impending losses from financial commitments to Vamed subsidiaries and for waiver of receivables in relation with the exit from the Fresenius Vamed business segment in an amount of €641 million.

In previous year, they mainly included expenses from the waiver of €371 million of cash pool receivables from Vamed subsidiaries, as part of the transformation of Fresenius Vamed and related to the waiver and compensation agreement concluded.

The general partner and the Supervisory Board of Fresenius SE & Co. KGaA will propose to the Annual General Meeting a dividend of €1.00 per ordinary share to be paid to shareholders for fiscal year 2024. Accordingly, the total dividend distribution amounts to €563 million (previous year no dividend distribution.

[1] Before special items

CASH FLOW STATEMENT

€ in millions	2024	2023
Net loss	-993	-308
Depreciation and amortization on intangible assets and on property, plant and equipment	9	11
Compounding of loans to subsidiaries	-4	-4
Increase in pension liabilities	2	5
Interest result	141	45
Loss from participations	-18	-356
Cash flow	**-863**	**-607**
Increase in accruals for income taxes and other accrued expenses	646	100
Decrease/Increase in trade accounts payable	-5	3
Decrease/Increase in other operating assets and liabilities	-9	19
Increase in working capital	**632**	**122**
Cash flows from operating activities	**-231**	**-485**
Payments for purchasing shares of subsidiaries, for contributions to equity of subsidiaries and for loans to subsidiaries	-1,227	-1,991
Proceeds from merger and liquidation of subsidiaries and from capital reductions in subsidiaries	25	1,745
Proceeds from loans to subsidiaries	750	525
Payments for investments in intangible assets and property plant and equipment	-6	-10
Proceeds from the disposal of intangible and tangible fixed assets	3	2
Interest received	335	283
Dividends received	362	644
Cash flows from investing activities	**242**	**1,198**
Proceeds from bank loans	260	2,272
Repayment of bank loans	-1,094	-1,030
Change in financing activities with related parties	1,025	-142
Interest paid	-392	-328
Dividends paid	–	-518
Cash flows from financing activities	**-201**	**254**
Change of cash and cash equivalents	**-190**	**967**
Cash and cash equivalents at the beginning of the year	1,508	541
Cash and cash equivalents at the end of the year	**1,318**	1,508

The following paragraphs "financial position" and "investments, divestments and acquisitions" describe material positions of the cash flow statements in more detail.

Fresenius believes that its existing credit facilities, as well as the operating cash flows, income from transfer agreements and additional sources of short-term funding, are sufficient to meet the company's foreseeable liquidity needs. More information on credit facilities can be found in the notes to the financial statements.

As of December 31, 2024, Fresenius SE & Co. KGaA complied with the covenants under all the credit agreements.

FINANCIAL POSITION

Total assets of Fresenius SE & Co. KGaA increased by €101 million to €18,341 million (previous year €18,240 million).

On the asset side, receivables against related companies decreased from €4,540 million to €4,448 million mainly due to the impairment of loans granted to Vamed AG related to the exit from the Fresenius Vamed business segment.

In addition, financial assets increased due to significant changes described in chapter Investments, disvestments and acquisitions.

On the liability side, accruals have increased from €490 million to €1,138 million , primarily due to the recognition of provisions for onerous contracts from financing commitments to Vamed companies in connection with the exit from the Fresenius Vamed business segment totalling €610 million.

Moreover, liabilities have increased from €11,396 million to €11,842 million mainly due to following transactions:

- Intercompany loans and financing accounts with Helios Health GmbH and Vamed subsidiaries in the context of inhouse banking (cash pool) increased.
- Fresenius SE & Co. KGaA issued a bond of CHF225 million (€240 million).
- This was offset by the regular repayments of the Schuldschein loan in the amount of €246 million and the convertible bond in the amount of €500 million as well as the €330 million lower utilization of the commercial-paper-program.

The equity ratio decreased from 34.8 % to 29.2 %.

INVESTMENTS, DISVESTMENTS AND ACQUISITIONS

Total investments in property, plant and equipment and intangible assets were €6 million in 2024.

Changes in the financial assets in the fiscal year 2024 mainly resulted from following transactions:

- The shares in Hyginus Publisher GmbH and the limited partnership shares in Fresenius Immobilien-Verwaltungs-GmbH & Co. Objekt Friedberg KG were contributed to the additional paid-in capital of Fresenius Kabi AG.
- The shares in Fresenius Immobilien-Verwaltung Objekt Schweinfurt GmbH and Fresenius Immobilien-Verwaltung St. Wendel GmbH were contributed to the additional paid-in capital of Fresenius ProServe GmbH.
- As part of the ongoing restructuring of the Irish financing companies, Fresenius Finance Holdings Ltd. was merged into Fresenius Finance Ireland PLC.
- Loans were granted to Fresenius Kabi Deutschland GmbH in the amount of CHF225 million (€240 million), to Fresenius Finance Ireland PLC in the amount of €100 million, to Vamed Deutschland Holding GmbH in the amount of €452 million and to Vamed AG in the amount of €76 million. The latter were fully impaired in relation with the exit from the Fresenius Vamed business segment.

OVERALL ASSESSMENT OF THE BUSINESS SITUATION

Trends towards a changing geopolitical order have been observable since the beginning of the 2025 fiscal year. The potential implications of this for customs duties, taxes, regulation, administration and political decision-making, for example, may have direct and indirect negative effects on the industry environment and the business activities of the Fresenius Group, although these cannot be estimated at present.

Irrespective of this, the Management Board considers the business outlook for the Group to be positive and expects a successful fiscal year 2025.

OUTLOOK

This Group Management Report contains forward-looking statements, including statements on future revenue, expenses, and investments, as well as potential changes in the healthcare sector, our competitive environment, and our financial situation. These statements were made on the basis of the expectations and assessments of the Management Board regarding events that could affect the Company in the future, and on the basis of our mid-term planning. Such forward-looking statements are subject, as a matter of course, to risks, uncertainties, assumptions, and other factors, so that the actual results, including the financial position and profitability of Fresenius, could differ materially – positively or negatively – from those expressly or implicitly assumed or described in these statements. For further information, please see our Opportunities and Risk Report.

GENERAL AND MID-TERM OUTLOOK

In a generally improving economic environment, the Management Board continues to assess the business outlook of the Fresenius Group as positive at the time of preparing the Group Management Report. We continue to see steadily growing demand for our products, services, and therapies worldwide.

We are continuously striving to optimize our costs, adjust our capacities, and improve our product mix, as well as to expand our products and services business. This includes plans for cost-efficient production and a further-optimized procurement process. In addition, we can use digital technologies to accelerate central administrative processes and make them more efficient.

Fresenius recognizes very good opportunities to meet the growing demand for healthcare resulting from the aging population with its increasing need for comprehensive care and from technological progress worldwide. Fresenius expects that access to healthcare in developing and emerging countries will continue to improve and that efficient healthcare systems with appropriate reimbursement structures will develop over time. We will continuously review and optimize our activities and growth options in the global regions and look for opportunities to introduce further products from our portfolio in attractive markets that enable profitable growth.

The mid-term business outlook for Fresenius' **Operating Companies** is determined by the following factors:

- **Fresenius Kabi** is focusing on three growth areas: broadening the biopharmaceuticals business, expanding the clinical nutrition business, and expanding the MedTech business. In the field of biopharmaceuticals, Fresenius Kabi specializes in the development of products for the treatment of autoimmune diseases and for use in oncology, and has a pipeline of molecules in various stages of development. The acquisition of a majority stake in mAbxience in 2022, which will enable a fully integrated vertical biopharma business, strengthens Fresenius Kabi's presence in the high-growth biopharmaceuticals market. We expect these measures to boost the company's earnings in the coming years. The clinical nutrition portfolio has grown successfully in recent years and will be further expanded, making the product offering more accessible from a geographical perspective. The MedTech portfolio was strengthened by the acquisition of Ivenix and its advanced infusion system. Fresenius Kabi continues to expand its MedTech product offering to keep pace with modern software and connectivity requirements. To strengthen the resilience of its high-volume IV drug business, Fresenius Kabi is developing generic drug formulations that are available at the time of market launch, i.e. immediately after the patents of the originator drugs expire.

In addition, Fresenius Kabi is developing new formulations of already off-patent IV drugs, as well as ready-to-use products that are particularly user-friendly and safe, such as prefilled syringes and ready-to-use solutions in our freeflex infusion bags. Fresenius Kabi aims to further expand its product portfolio in selected countries where the company does not yet have a comprehensive offering, depending on the respective local market conditions.

- **Fresenius Helios** operates almost-nationwide hospital networks in Germany and Spain and provides outpatient care at various facilities. Patient care is to be further improved through the exchange of knowledge and experience (best practice) between Helios Germany and Helios Spain. The increasing number of privately insured patients opens up growth opportunities for Helios Spain, with a very deliberate and targeted allocation of capital for future expansion and hospital construction. Furthermore, the close integration of Helios Spain's corporate health management facilities with its own hospitals offers additional growth opportunities. In addition to innovative therapies, digitalization creates potential to further expand our market position. Helios Germany and Helios Spain are developing innovative business areas such as digital offerings.

HEALTHCARE SECTOR AND MARKETS

The healthcare sector is considered to be widely independent of economic cycles. The demand, especially for lifesaving and life-sustaining products and services, is expected to increase regardless of the macroeconomic challenges, given that they are medically needed and the population is aging. Moreover, medical advances and the large number of diseases that are still difficult to cure – or are incurable – are expected to remain growth drivers.

In the emerging countries, the availability of basic healthcare and the demand for high-quality medical treatment are increasing. As per-capita income increases, individuals increasingly have to cope with the illnesses associated with lifestyle diseases.

On the other hand, experts estimate that further financial constraints in the public sector could result in more pricing pressure and a slowdown in revenue for companies in the healthcare industry. Some countries are experiencing significant financing problems in the healthcare sector due to the strained public finance situation. Especially in the industrialized countries, increased pressure to encourage saving can be expected as healthcare costs constitute a large portion of the budget.

It will be increasingly important for companies in the healthcare sector to increase patient benefit, to improve treatment quality, and to offer preventive therapies. In addition, especially those products and therapies that are not only medically but also economically advantageous will be of increasing importance.

The markets for biopharmaceuticals, clinical nutrition, MedTech, generic IV drugs, and IV fluids[1]

It is forecasted that the market for **biopharmaceuticals** from the therapeutic areas of oncology and autoimmune diseases will experience high-single-digit percentage growth in the upcoming years, whereby the biosimilars segment is clearly in the double-digit range. Today, more than one in three new drug approvals is a biopharmaceutical and significant growth of this global market, especially biosimilars, is expected in the next few years and decades.

Going forward, we anticipate mid-single-digit growth in the **clinical nutrition** market. This outlook is underpinned by the growing awareness of the importance of early clinical nutrition, as emphasized in the latest guidelines. Moreover, the increasing adaption of mandatory screening for malnutrition[2] is contributing to the positive growth prospects. We see further potential in addressing the substantial number of malnourished hospitalized individuals who still lack access to nutrition therapies and in creating more awareness about malnutrition and our product offering in the community.

The **MedTech Infusion and Nutrition System** (INS) market should experience growth in the mid-single-digit range going forward, mainly driven by infusion management systems. In many countries, we continue to see strong demand in the infusion technology segment with drivers such as increase in chronic diseases, geriatric population, and the rising number of surgical procedures. In addition, the infusion pumps already placed in recent years will increase the demand for dedicated infusion sets.

[1] Market data refers to Fresenius Kabi's addressable markets. Those are subject to annual volatility due to currency fluctuations and patent expiries of original drugs in the IV drug market, among other things. Percentage increase based on market value (price × volume).
[2] Sources: New ESPEN guideline on clinical nutrition and hydration in geriatrics. Clin Nutr. 2022 41:958-989; by Volkert D, Beck AM, Cederholm T, Cruz-Jentoft A, Goisser S, Hooper L, et al.; latest implemented e.g., in Portugal: "National Policy for effective screening implementation"; Directorate General of Health DGS

In the **MedTech Transfusion Medicine and Cell Therapies** (TCT) market, we expect to see mid-single-digit growth in the near future, which is primarily driven by three segments. Firstly, the cell and gene therapy segment where we expect extraordinary double-digit growth due to an increase in approved therapies for first- and second-line treatments. Secondly, the hospital segment with double-digit growth in therapeutic apheresis and, thirdly, the plasma collection segment. In the blood center segment, we expect continued single-digit market growth, driven by increased platelet apheresis use in developing markets.

Going forward, the markets for **generic IV drugs and IV fluids** are expected to grow in the low-to-mid-single-digit range, with significant regional differences. The demand for generic IV drugs is expected to grow based on their relatively low cost advantage compared to originator drugs. The growth will continue to be driven by several other factors, including the aging population, the rising prevalence of chronic conditions, alongside the expansion of home healthcare and outpatient services. Technological advancements will also play a significant role. Improved healthcare infrastructure, greater access to healthcare in emerging markets, and patent expiration of originator drugs contribute to the overall market of generic IV drugs globally. A factor working in the opposite direction is the price pressure on off-patent brands and generic drugs, as regulators seek to keep healthcare budgets under control, and it is expected that the competitive pressure in the market will further increase.

The hospital market[1]

Due to the increasing provision of treatments in the outpatient setting, in particular, as well as the growing acceptance and use of digital healthcare services, we assume that the number of inpatient hospital treatments in Germany will continue to remain on a constant level or have limited growth potential in the future. This is due in particular to an increase in outpatient care and the growing acceptance and use of digital health services.

According to calculations, the **potential for outpatient treatment** in German hospitals is around 20% of inpatient cases (excluding births)[2]. Increasing outpatient treatment is desirable, not least for reasons of the shortage of specialist staff. To promote ambulatory care, the first hybrid DRGs were introduced on January 1, 2024. In future, hybrid DRGs are to be extended to other service areas.

In addition, a stronger **cross-sectoral integration** of inpatient and outpatient medicine should ensure high-quality hospital care close to home. Helios is well positioned in terms of cross-sector medicine in Germany with its broad range of inpatient and outpatient services.

The increase in the **remuneration of hospital services** in Germany is determined, among other things, by what is known as the change value. It amounts to 4.41% for 2025. The hospital financing system also provides for various surcharges and discounts for acute hospitals.

From 2025, the costs of midwives will be included in the **nursing budget,** in addition to the costs of specialist and assistant nursing staff. The so-called other professions will be reintegrated into the DRG accounting.

German hospitals will still be facing challenges in 2025: According to the Hospital Barometer 2024 of the German Hospital Institute (DKI), only 6% of hospitals expect an improvement in their financial situation. On the other hand, 65% of hospitals expect their economic situation to deteriorate. The ending of energy cost subsidies is further worsening the financial situation of hospitals.

Helios expects to continue to grow profitably in Germany in 2025. Since its founding, the company has focused on good organization, cost efficiency, and measurable, high medical quality as well as transparency of medical results.

In November 2024, the German Bundesrat approved the hospital structural reform. It came into force in January 2025. The aim is to fundamentally restructure the hospital landscape in Germany. The key elements here are the expansion of hospital financing to include volume-independent maintenance flat rates linked to specific medical service groups, which in turn are subject to defined structural and quality criteria. This is intended to promote the quality-oriented bundling of care capacities and to increase the level of outpatient care, which is low by international standards. The reform is to be implemented over a period of several years, with a budget-neutral transition phase for 2025 and 2026. From 2027, the maintenance flat rates will be aligned with the assigned service groups.

In principle, Helios Germany considers itself to be well positioned for the upcoming reform as it has been strategically focusing on structural changes, new forms of care, and regional healthcare networks (clusters) for many years. Helios expects the hospital structure reform to be rather beneficial than detrimental to the company.

According to our expectations, we anticipate that the **private hospital market in Spain** in 2025 will continue to grow in the mid-single-digit percentage range in terms of revenue. The continuing increase in the number of privately insured patients should also open up opportunities for private operators in the future.

Relevant indicators, for example nationwide healthcare spending and bed density, indicate the further market development potential in the Spanish healthcare system

[1] Sources: Company research; German Hospital Institute (DKI), Krankenhaus Barometer 2023
[2] Care Compass BARMER Institute for Health Systems Research (bifg, 2023a)

compared with other EU countries. This also provides opportunities for the establishment of new hospitals. Investments are being made both by the public sector and by private hospital operators[1]. In addition, the highly fragmented Spanish private hospital market offers further consolidation potential.

The availability of skilled workforce will continue to change in the coming years. It is expected that more people will leave the labour force than will enter it. This will also lead to changes in hospitals, which will aim to use existing resources efficiently and effectively. Digitalization, robotics, and innovative forms of collaboration offer possible solutions for meeting this challenge.

This is another reason to expect the trend towards digitalization in the healthcare sector to become even more important. Increasingly, the degree of **digitalization** will be central to the future viability and competitiveness of a hospital. Networks and the use of digital solutions are opening up new opportunities to make processes more efficient and safer and thus to break new ground in patient care. Digitalization is a core element in enabling agile responses to upcoming changes.

ECONOMIC OUTLOOK OF FRESENIUS SE & CO. KGAA FOR THE YEAR 2025

For the fiscal year 2025 the company expects a significantly higher net income in the mid-three-digit million € range, mainly due lower one-time costs. Retained earnings are expected to be similar to those in the 2024 fiscal year.

DIVIDEND

Fresenius is committed to generating attractive and predictable dividend yields as set out in the Fresenius Financial Framework. As part of the full-year reporting in February 2025, Fresenius defined a new dividend policy. Our target is to distribute ~30-40% of core net income (net income excluding FMC, before special items). The new dividend policy reflects the capital allocation priorities in line with the #FutureFresenius strategy. It also underscores our intention to reinvest in growth, reduce leverage, maintain a solid investment-grade rating and provide attractive shareholder returns.

Fresenius will propose to the 2025 Annual General Meeting to distribute a dividend of €1.00 for the 2024 fiscal year.

NON-FINANCIAL TARGETS

The KPIs cover the key sustainability topics of medical quality and employees and these quantitative ESG KPIs are reflected in the short-term variable Management Board compensation (Short-Term Incentive – STI).

The topic of employees is measured with the key figure of the Employee Engagement Index (EEI) for the Fresenius Group. Fresenius is aiming for an EEI of 4.33 (achieved 2024: 4.02) for fiscal year 2025 (corresponds to 100% target achievement).

The Medical Quality topic is composed of equally weighted key figures that are defined at the business segment level. The indicators are based on the respective relevance for the business model.

Fresenius Kabi aims for an Audit & Inspection Score of at most 2.3 (achieved 2024: 1.7; 100% target achievement).

Helios Germany aims to achieve an Inpatient Quality Indicator (G-IQI) score of at least 88% (achieved 2024: 90.7%; 100% target achievement), and Helios Spain aims to achieve a score of at least 75% (achieved 2024: 73.3%; 100% target achievement).

[1] Foreign Trade Center Madrid, The Spanish Economy – Austrian Chamber of Commerce 2022

OPPORTUNITIES AND RISK REPORT

We will continue to take advantage of the wide-ranging opportunities for sustainable growth and expansion that the health care market offers to the Fresenius Group. Fresenius comprises the operating companies Fresenius Kabi and Fresenius Helios as well as the investment company Fresenius Vamed. All business segments are market leaders in growth areas of the healthcare sector. At the same time, the Fresenius Group is exposed to several risks due to the complexity and the dynamics of its business. These risks are inevitable consequences of entrepreneurial activity because opportunities can only be exploited when there is a willingness to take risks. Our many years of experience, as well as our regularly leading market position, serve as a solid basis for achieving a realistic assessment of opportunities and risks.

KEY CHARACTERISTICS OF THE FRESENIUS RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Risk management is a continuous process. The aim of risk management is to identify potential risks as early as possible to assess their impact on our business and, if necessary, to take appropriate mitigating measures. The ability to identify, assess, and manage risks that put the achievement of our business goals at risk is an important element of solid corporate governance. The Fresenius risk management and internal control system is therefore closely linked to its corporate strategy. It explicitly considers all types of risk, including non-financial risks associated with our business activities or our business relationships, products, and services. In this context, sustainability-related risks are also considered in accordance with the German Corporate Governance Codex.

We consider short-, medium-, and long-term risks. For example, we consider a period of ten years and beyond when analyzing product development, investment and acquisition decisions.

Due to the constantly changing external and internal requirements and environment, our risk management and internal control system is being continuously developed. In the past financial year, the risk strategy was updated, and the risk appetite concept was further operationalized. In addition, in 2024 the Management Board engaged an external auditor to audit the risk management system and the internal control system for appropriateness and effectiveness in accordance with auditing standards PS 981 and PS 982 to further improve our systems. Recommendations from these audits are directly taken into account in the further development of the risk management system (RMS) and internal control system (ICS).

Our risk management and internal control system is regularly audited by the Internal Audit department. The findings from these audits are used to continuously improve our risk management and internal control system.

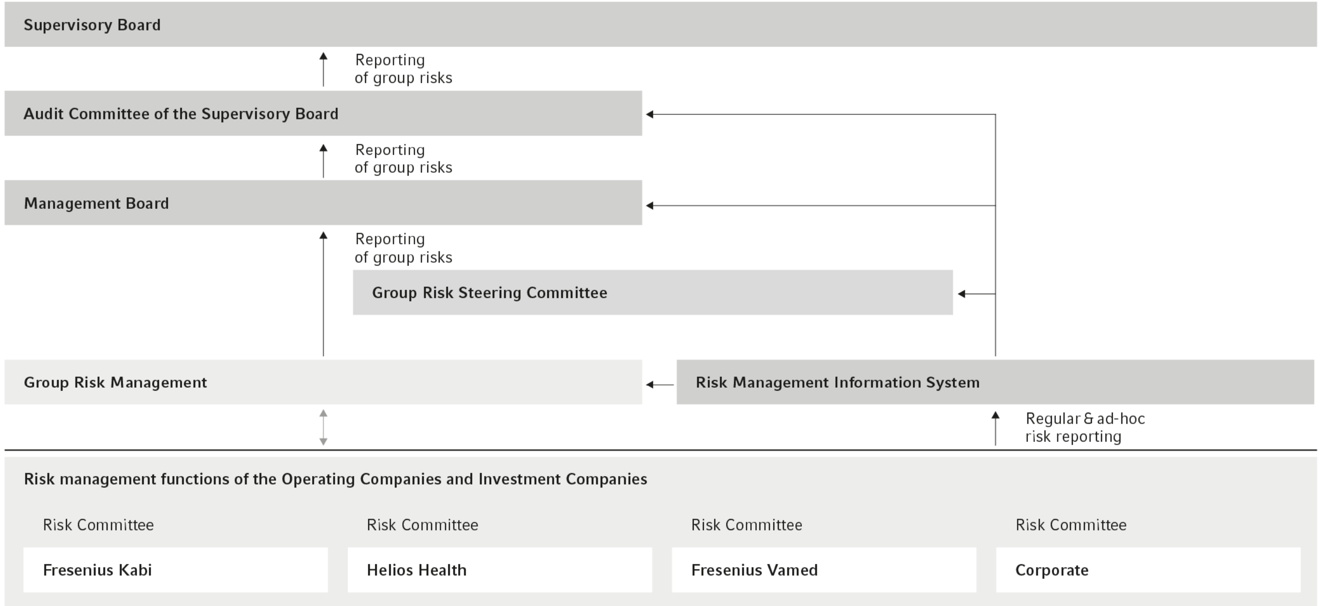
The structure of the Fresenius risk management and internal control system is based on the internationally recognized framework for corporate risk management, the ''Enterprise Risk Management – Integrated Framework'' from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and on the ''Three Lines of Defense'' model from the Institute of Internal Auditors (IAA) as well as on requirements set by applicable audit standards. Based on those requirements the Group function Risk Management & Internal Controls sets guidelines and minimum requirements for the Group. Based on these guidelines, group-wide standards are established and documented for the risk management and internal control system.

In addition, the core principles of the risk culture and of the risk strategy and risk appetite are defined and integrated into the business processes.

The organization and responsibilities of the risk management process and process control are defined as follows:

- The business segments and their operational business units are responsible for identifying, assessing, and managing risks.
- The managers of each organizational unit are required to report any relevant changes in the risk profile to the Management Board without delay.
- A dedicated Risk Management function at Group level defines standards valid for the entire Group and supports and monitors risk management and internal control system structures and processes. Specialized subdepartments have been set up within this Group function.
- The Group function is supplemented by risk management functions at segment or entity level. The tasks and responsibilities between the different organizational levels are clearly defined and documented.
- The Risk Steering Committee chaired by the member of the Management Board for Risk Management is an advisory body that discusses internal and external developments regarding the risk management and internal control system. In addition, the Risk Steering Committee advises on significant risks, test results of internal controls and prepares decision proposals for the Fresenius Management Board.
- The Management Board of the Fresenius Group has the overall responsibility for effective risk management and regularly discusses the current risk situation. Within the Fresenius Group Management Board, the member of the Management Board for Risk Management is responsible for the risk management and internal control system, as well as their organization.

ORGANIZATION OF THE RISK MANAGEMENT PROCESS



- The Audit Committee of the Supervisory Board monitors whether the Management Board fulfills its obligations to establish an appropriate and effective internal control system and risk management system, has their effectiveness regularly monitored by the internal audit department and appropriately remedies any weaknesses identified. If necessary, it also consults an external body (e.g., an external auditing company) for monitoring purposes.

The risk situation is evaluated regularly via a company-wide IT tool and compared with specified requirements. If relevant changes to the risk profile or new risks arise between the regular reporting cycles, these are recorded and evaluated as part of the ad hoc reporting process. Should negative trends arise, we can then take countermeasures at an early stage.

In addition to risk reporting, regular financial reporting to management as well as short- and medium-term financial planning are important tools for managing and controlling risks. Detailed monthly and quarterly reports are used to identify and analyze deviations of actual versus planned business development.

Risk assessment and risk-bearing capacity

Fresenius uses standardized processes to assess risks. These include both quantitative and qualitative valuation methods. The assessment of a risk considers its likelihood of occurrence, its potential impact on our assets, liabilities, financial position and financial performance, and the time horizon. Fresenius assesses the potential impact on the results of operations consistently based on the key figure EBIT. The risks are presented after consideration, description, and evaluation of already initiated and implemented mitigating measures. Risks are evaluated for a period of twelve months to assess the impact of the risk situation on the one-year forecast for the Fresenius Group. In addition, potential risks with an impact on the medium- and long-term company goals are analyzed and estimated.

Fresenius categorizes the likelihood of occurrence of a risk as follows:

Probability	Classification
Almost certain	> 90%
Likely	> 50 bis ≤ 90%
Possible	> 10 bis ≤ 50%
Unlikely	≤ 10%

The following overview shows how the potential impact on assets, liabilities, financial position and financial performance is classified:

Potential impact	Classification
Severe	≥ EUR 75 million
Major	≥ EUR 50 million
Medium	≥ EUR 15 million
Low	≥ EUR 5 million

As part of this process, the potential impact on our assets, liabilities, financial position and financial performance is usually assessed on a three-point basis, being the impact in the best-case, the realistic-case, and the worst-case scenario.

Risk groups that could lead to deviations from the expected development of the business are displayed in the table of the top 10 risk groups in capter Major Risk Groups.

Based on the quantitative risk assessment, the overall aggregated risk position is determined at Group level by means of a Monte-Carlo Simulation. This involves taking correlations and dependencies between risks into account. The calculated overall aggregated risk position is compared to the Group’s risk-bearing capacity. The risk-bearing capacity represents the maximum acceptable level of risk exposure beyond which the continued existence of the Fresenius Group could be at risk. Fresenius determines its risk-bearing capacity based on selected key balance sheet figures, such as the liquidity reserve, and rating-related key figures of the Group, such as the leverage ratio.

Opportunities management

Managing opportunities is an ongoing, integral part of corporate activity. To be successful over the long term, we consolidate and improve on what we have already achieved and create new opportunities. The Fresenius Group and its business segments are organized and managed in a way that enables us to identify and analyze trends, requirements, and opportunities in our often-fragmented markets, and to focus our actions accordingly.

Opportunities in the sense of our risk management are positive deviations with regard to our corporate goals that have not yet been taken into account in the annual financial statements or financial planning. These opportunities in the sense described above are also systematically recorded in our risk management system. We continue to see steadily growing demand for our products, services and therapies worldwide. This is not least due to the growing need for healthcare services resulting from the ageing population with their increasing need for comprehensive care and technical progress worldwide.

We also want to take advantage of the opportunities presented by our global position: Access to healthcare in developing and emerging countries will continue to improve and, over time, efficient healthcare systems with appropriate remuneration structures will develop. We are continuously reviewing our growth options here and looking for opportunities to introduce further products into attractive markets.

The market for biopharmaceutical drugs represents a further opportunity. We expect high growth rates here in the coming years. We assume that our pipeline of molecules, our stake in mAbxience and our positioning in the market will increase our earnings in the coming years. We expect the trend towards digitalization in the healthcare sector to become even more important. The degree of digitalization will be increasingly crucial for the future viability of a hospital. Networking and the use of digital solutions create new opportunities to make processes more efficient and safer and thus to break new ground in patient care. We will continue to make consistent use of these opportunities, for example in the establishment and operation of "virtual hospitals'' and the consistent use of the possibilities that artificial intelligence offers us.

The continued positive development of our cost and efficiency programs, resulting from process optimization, the reduction of sales, administration, and procurement costs, as well as further digitalization measures, would have a positive impact on our assets, liabilities, financial position and financial performance. We monitor and manage these programs and the associated developments centrally at Group level. Furthermore, we expect an additional positive development due to the normalization of general cost inflation.

Compliance Management System as part of the Risk Management System

In all business segments and at Fresenius SE & Co. KGaA, we have set up dedicated risk-oriented compliance management systems. These are based on three pillars: prevention, detection and response. Our compliance measures are primarily aimed at using preventive measures to avoid compliance violations. Key preventive measures include comprehensive risk identification and risk assessment, appropriate and comprehensive policies and processes, regular training, and ongoing consultation. We also carry out internal controls to identify possible compliance violations and ensure that we act in accordance with the rules.

Internal Control System as part of the Risk Management System

The internal control system is an important part of Fresenius' risk management. In addition to internal controls with regard to the financial reporting, it includes control objectives for further critical processes, such as quality management and patient safety, cybersecurity and data protection, and sustainability. Fresenius has documented relevant critical control objectives in a Group-wide framework, integrating the various management systems into the internal control system in a holistic manner. As risk-mitigating measures, internal controls are a key component of risk management. In addition, weaknesses in the internal control system can indicate risks, which are then recorded and evaluated in risk management.

Internal Financial Reporting Controls

Fresenius employs numerous measures and internal controls to ensure that accounting processes are reliable, and that financial reporting is correct, including the preparation of annual financial statements, consolidated financial statements, and management reports in compliance with applicable regulations and principles. Our four-tier reporting process especially promotes intensive discussion and ensures control of the financial results. At each reporting level, i.e.,

- ► the local entity,
- ► the region,
- ► the business segment, and
- ► the Group

financial data and key figures are reported, discussed, and compared with the prior-year figures, budget, and latest forecast on a monthly basis.

In addition, all parameters, assumptions, and estimates that are of relevance for the externally reported Group and segment results are discussed intensively with the department responsible for preparing the Group's consolidated financial statements. These matters are also reviewed and discussed quarterly by the Supervisory Board's Audit Committee.

Control mechanisms, such as automated and manual reconciliation processes, are further precautions put in place to ensure that financial reporting is reliable and that transactions are correctly accounted for. All consolidated entities report according to Group-wide standards, which are determined at the head office. These are regularly adjusted to allow for changes made to the **accounting regulations**. The consolidation proposals are supported by the IT system. In this context, internal Group balances, among other things, are reconciled in a comprehensive manner. To prevent abuse, we take care to maintain a strict separation of functions.

Monitoring and assessments carried out by management also help to ensure that risks with a direct impact on financial reporting are identified and that controls are in place to minimize them. Moreover, changes in accounting principles are closely monitored and employees involved in financial reporting are instructed regularly and comprehensively. External experts and specialists are engaged if necessary. The treasury, tax, controlling, and legal departments are involved in supporting the preparation of the financial statements. Finally, the information provided is verified once more by the department responsible for preparing the consolidated financial statements.

Assessment of the aggregated risk position for the one-year forecast period and the overall aggregated risk position

The established risk management and internal control system is fundamental to the assessment of the aggregated risk position for the one-year forecast period and the assessment of the Fresenius Group's overall aggregated risk position. Risks for Fresenius arise from factors that we cannot influence directly. These include, for example, the general economic trend, which we analyze regularly. In addition, there are risks that we can influence directly, mostly of an operational nature, which we anticipate as early as possible and against which we initiate measures if necessary.

Overall, there are currently no identifiable risks to the future development of Fresenius that could have a lasting and material adverse effect on the assets, liabilities, financial position and financial performance of the Fresenius Group.

The aggregated risk position for the one-year forecast period is fully covered by the Fresenius Group's risk-bearing capacity. In order to be informed of possible changes in the risk situation at an early stage and to be able to take appropriate risk-mitigating measures, we have introduced further observation limits below the risk-bearing capacity. To this end, we have included risk appetite and risk tolerance in our risk-bearing capacity approach. The aggregated risk position for the one-year forecast period is also fully covered with regard to these limits. The overall aggregated risk position for all reported periods, including those beyond the one-year forecast period, is also fully covered by the Fresenius Group's risk-bearing capacity.

Statement of the Management Board on the appropriateness and effectiveness of the RMS and ICS

Overall responsibility for our RMS and ICS lies with the Management Board. The Group Risk Management & Internal Controls organization supports the Management Board in designing and maintaining appropriate and effective internal control and risk management activities by coordinating, monitoring and reporting on these processes. Findings from this functional monitoring of the risk management and internal control system are addressed through appropriate measures.

At the end of each fiscal year, the Management Board performs an evaluation of the adequacy and effectiveness of the ICS and RMS. This evaluation is based on:

- quarterly reporting in Management Board meetings about the company-wide risk and opportunity situation and the results of the internal control process;
- the review of certification processes for our risk management and internal control system by relevant Group functions and the management of affiliated companies;
- the assessment of the appropriateness and effectiveness of our RMS and ICS by Internal Audit based on the audits carried out in this reporting period;
- the annual assessment by the Group Risk Management & Internal Controls organization regarding the adequacy and effectiveness of our RMS or ICS;
- the results of the adequacy audit of the internal audit system and the risk management system as of December 31, 2024.

Based on this, the Management Board has no indication that our RMS or ICS in their respective entirety have not been adequate or effective as of December 31, 2024.[1]

Nevertheless, there are inherent limitations on the effectiveness of any risk management and internal control system. For example, no management system -- even if deemed to be adequate and effective -- can guarantee that all risks that will occur will be identified in advance or that any process violations will be ruled out under all circumstances.

Prior to the preparation of the management report, the Audit Committee of the Supervisory Board also engages with the Management Board's statement on the appropriateness and effectiveness of the risk management system and internal control system. The Audit Committee asks the Management Board to explain how it has derived its opinion and discusses the procedure with the Management Board.

[1] unaudited

MAJOR RISK GROUPS

Risks that could lead to deviations from the expected development of the company of the ten most significant risk groups based on the aggregated risk position are shown in the table below. The TOP 10 risk groups with their respective aggregated risk position range between EUR 90 million and EUR 330 million. The respective impact of each risk group, based on their relative share on the overall aggregated risk position, is displayed in the table as well. These risk groups and the respective material risks per risk group, the significant changes and the risk mitigation measures are presented in detail below.

#	Risk group	Impact on aggregated Risk position
1	Healthcare Financing, Innovation & Competition	High
2	Production & Services	Moderate
3	Sales, Customers & Product Strategy	Moderate
4	Legal	Moderate
5	Compliance	Moderate
6	Financials	Moderate
7	Cybersecurity	Limited
8	Quality	Limited
9	Supply Chain	Limited
10	Human Resources	Limited

Healthcare Financing, Innovation and Competition

In our largely regulated business environment, changes in legislation, especially regarding reimbursements, can have a drastic impact on our business success. National healthcare systems are financed very differently. Changes in reimbursement systems and pricing in particular would have a significant impact on our assets, liabilities, financial position and financial performance. The following risks are significant components of this risk group.

In China, increasing competition through the expansion of tender procedures and the associated reduction in drug prices represent significant risks.

A further expansion of tenders at national level, known as "National Volume-based Procurement" (NVBP), and of tenders at provincial level, known as "Provincial Volume-based Procurement" (PVBP), are evaluated as likely and may lead to a severe impact. We are countering these risks with cost-saving initiatives and efficiency gains in the sales organization and in production. We are also closely monitoring individual developments at national and provincial level.

In the USA and Europe, changes in the reimbursement system in particular could have a significant impact on our business due to the high proportion of sales generated by the Kabi segment. Changes in legislation, reimbursement practices and healthcare programs could influence the scope of reimbursements for services, the scope of insurance coverage and the product business. This possible risk can have a major negative impact on our business as well as on our assets, liabilities, financial position and financial performance.

We counter these risks by monitoring possible changes to reimbursement systems at an early stage and then reacting promptly by increasing productivity and reducing costs in order to counteract them.

In the hospital market in Germany, the current system of purely volume-dependent remuneration via case rates is to be converted into a mixed remuneration system as part of the hospital structural reform. The plan is to limit remuneration based on case rates to 40%. In the future, an average of 60% of remuneration is to be distributed independently of performance via retention rates (including the care budget). The amount of retention funding is to be linked to service groups that are allocated to individual hospitals by the federal states, and which require compliance with defined criteria. Among other things, this is intended to ensure that complicated treatments may only be carried out in hospitals that have the appropriate personnel and technical equipment. Depending on the service group and therefore relevance, hospitals will receive financial resources. The exact financial impact of the reform on the Helios clinics cannot be quantified at present, as key details, particularly regarding the planned allocation of service groups, are not yet known. This uncertainty has been evaluated as unlikely with a medium potential impact.

The requirements of the hospital structural reform confirm the necessity for initiatives to form cluster and centers of excellence that have been underway at Helios for years. In this context, especially the focus on more outpatient care and more flexibility as well as specialization is to be viewed as particularly positive.

As part of the "Nursing Personnel Strengthening Act" (PpSG), nursing care costs were removed from case rates (DRG) and the costs of patient-centered nursing care were reimbursed in full by the health insurance funds via separate care budgets. Potential discounts on our receivables resulting from ongoing negotiations with the payers pose a possible risk with a major impact on our assets, liabilities, financial position and financial performance.

We are preparing for further negotiations with the healthcare payers and are using a strategic approach here to balance the advantage of generating liquidity in the short term with the disadvantage of a discount on our receivables.

Numerous competitors are active within the healthcare sector, some of which have considerable resources in the areas of finance, marketing or research and development. Increased competition, including in the area of generic IV drugs and technical equipment for plasmapheresis, may continue to have a low adverse effect, with a possible to likely probability, on the pricing and sale of our products and services.

In the USA, Fresenius Kabi sells almost all injectable pharmaceutical products through agreements with "Group Purchasing Organizations'' (GPOs) and distributors. The GPOs also have contracts with other manufacturers and the bidding process is highly competitive. For example, upcoming renegotiations of our distribution agreement for individual products are estimated as unlikely to possible with a potentially medium to major impact.

In addition, the introduction of new products and services or the development of superior technologies by competitors may make our products and services less competitive or, in an unlikely case, even obsolete and thus have a major adverse effect on their sales, the prices of the products and the scope of the services.

In order to ensure our long-term competitiveness and counteract potential competition and innovation risks, we work closely with medical professionals and scientists. Important technological and pharmaceutical innovations are leveraged and further developed at an early stage through this cooperation, also by adapting our corporate strategy if necessary. In addition, we ensure our competitiveness by continuously analyzing our market environment and the legal framework. We closely monitor market developments, in particular concerning our competitors' products. The interaction between the various technical, medical and academic institutions within our Group also ensures our competitiveness.

Overall, the risks described have contributed to an increase in the aggregated risk position of the risk group.

Production and Services

Risks that may arise in connection with the manufacturing of our vital products, in the provision of services to our patients or in the project business have a significant impact on Fresenius.

This primarily concerns risks directly related to our production, such as potential manufacturing downtime, delays in the commissioning of new production capacities or restrictions on existing production capacities following interruptions. To minimize the risks of such failures as far as possible, we are continuously working to improve our business continuity management and thus reduce potential damage to our production and value chain. These Risks are evaluated with a possible likelihood of occurrence and a potentially medium to severe impact.

Delays in delivery can also have a negative impact on our assets, liabilities, financial position, and financial performance. In addition to direct financial risks, such as loss of sales or contractual penalties, persistent delivery delays and shortages entail a high reputational risk and can lead to disadvantages in future tenders. We evaluate those risks as almost certain with a medium potential impact. In order to mitigate the occurrence of supply shortages, we are already investing in the development of additional production capacities and are continuously monitoring our delivery routes so that we can react to any delays in good time.

Various operational risks arise from the wind-down of the international project business at Fresenius Vamed. These relate to possible risks in connection with project handling costs, the departure of key employees, the termination of important supplier relationships or unexpected project delays and risks of staff shortages, which can have a medium to severe negative impact on our assets, liabilities, financial position, and financial performance. Overall, these risks have contributed to an significant increase in the aggregated risk position of the risk group.

Sales, Customers and Product Strategy

In the long term, Fresenius aims to expand its position as one of the leading international providers of healthcare products and services. In recent years, we have expanded our company along our value chain, thereby increasing the global availability of our products and services.

While Fresenius Kabi offers a wide range of different products worldwide, many of these products are sold exclusively through a limited number of buyers, especially in the USA, which creates a special dependency on these customers. There is therefore a risk that these buyers will exploit their market position to force pricing adjustments. This results in unlikely to possible risks which could have a medium to major impact on our assets, liabilities, financial position and financial performance. In order to avoid over-relying on individual customers as far as possible, we continuously monitor our customer structure, diversify our product range and negotiate purchase agreements in advance and for long-term periods.

A potential deviation from the planned case numbers represents a significant sales risk for Helios Germany. The ongoing monitoring of the development of case numbers resulted in a likely risk with a major potential impact. To mitigate this risk, Helios Germany is further enhancing the attractiveness of its clinics through a large number of initiatives.

In order to remain profitable in the healthcare market, Fresenius Kabi has recently launched a number of new products and continues to plan to launch new products. For such new product launches, however, there is still a risk that market entry will be delayed or that products will not be absorbed by the market in the forecast sales volumes after launch. Such possible delays in market entry and sales shortfalls for new products can have a low negative impact on assets, liabilities, financial position and financial performance. Overall, those risks contributed to an increase in the aggregated risk position for the risk group.

Legal

The Fresenius Group is regularly involved in lawsuits, legal disputes, regulatory and tax audits, investigations, and other legal matters, most of which arise in the ordinary course of business of providing healthcare services and products. These risks are identified, assessed and if material, reported on an ongoing basis. This also includes risks arising from an unclear legal situation, such as the legislation surrounding the energy price compensation payments made for the years 2022 and 2023. Those risks are estimated as unlikely with a potentially severe impact. Overall, those risks contributed to an increase in the aggregated risk position for the risk group.

Fresenius continuously monitors the development of laws and proposed legislation and, if necessary, also consults external bodies such as law firms.

Compliance

Fresenius' business activities are subject to comprehensive government regulations and controls in almost all countries. In addition, Fresenius must comply with other generally applicable legal provisions that differ from country to country. New regulations, particularly from the European Union, especially in the area of potential environmental violations, together with a possible sales-based fine under corporate criminal law, represents an unlikely risk with a severe potential impact.

Other possible risks with a potentially major to severe impact are also regularly examined as part of compliance investigations. Potential breaches of laws and regulations are also regularly investigated as part of the wind-down of the international project business.

At Fresenius, risk-oriented compliance management systems are implemented in every business segment. These systems take into account the markets in which the respective business segments operate and are tailored to the specific requirements of the business segment. With our compliance programs, we set binding guidelines for our employees. We assume that we have taken sufficient precautions to ensure that national and international rules are observed and complied with. Nevertheless, even with a comprehensive compliance program, misconduct by individual employees or contractual partners that could cause damage to the company cannot be completely ruled out. In total, those risks lead to an increase in the aggregated risk position for the risk group.

Financials

Our global business operations give rise to a variety of foreign currency risks. The financing of business activities can also give rise to interest rate risks, which can affect the value of our assets, particularly firm value.

In view of the strong US business, the relationship between the US dollar and the euro is of significant importance to us. Foreign currency and interest rate risks are possible to likely and respectively could cause a medium effect on the aggregated risk position for the risk group.

To limit these risks, we use derivative financial instruments, among other things. We limit ourselves to marketable, over-the-counter instruments and use them exclusively to hedge underlying transactions, not for trading or speculative purposes.

As a globally active company, we also have production capacities in all major foreign currency areas.

As part of the structured exit and the wind-down of the international project business at Fresenius Vamed, there is a risk that guarantee commitments made in projects by external parties could be called. This unlikely risk with a potentially severe impact increases in particular if delays occur in the course of the project. This would result in repayment claims.

As a listed company, Fresenius is obliged to publish regular (quarterly) financial reports in accordance with current IFRS regulations. There is therefore the risk that Fresenius does not comply with current IFRS regulations and/or that our reports do not represent true and fair financial reporting due to accounting errors. In addition, Fresenius is exposed to risks due to non-financial reporting regulations. This year, the guidelines on sustainability reporting for companies and the corresponding comprehensive European standards on sustainability reporting will become binding for Fresenius. To continue to comply with the requirements for our financial reporting, we monitor changes in accounting very closely and continue to ensure the high quality of our financial statements through harmonized accounting standards. Risks in connection with our reporting remain primarily unchanged with an unlikely probability and major impact. The aggregated risk position has increased for the risk group.

Cybersecurity

As one of the leading healthcare groups, digital information is a cornerstone and enabler for our global business. Fresenius is continuously digitalizing its processes, opening up new markets with digital product solutions and taking into account the fact that digitalization is associated with cyber risks that could compromise confidentiality, integrity or availability.

The main risks that affect Fresenius include the theft and disclosure of personal and patient data and confidential business secrets, as well as attacks on and associated failures of our IT infrastructures and applications, e.g. due to malware or the targeted manipulation of data. There are also cyber risks in connection with the business activities of our respective business segments: In the product business, these relate to the interruption of production and logistics processes and the theft of intellectual property. In our healthcare facilities, cyber risks relate to patients, their health data and the medical devices used. The unavailability of IT systems in critical situations or the compromise of medical devices could have a negative impact on patient safety and the effectiveness of treatment and have been evaluated as unlikely to possible with a potentially severe impact.

The loss of sensitive data or non-compliance with laws, regulations and standards could damage our competitive position, our reputation and the company as a whole.

Our stakeholders place great trust in the cyber security of our products and services. To minimize cyber risks, we have implemented security architectures and concepts that include preventive, detective and reactive measures. We can detect cyber threats at an early stage through monitoring mechanisms in our networks as well as on our devices, such as desktops, servers and mobile devices. The security of applications that process sensitive patient or personal data is regularly checked using penetration tests and red-teaming exercises that simulate targeted attacks. Critical systems, such as central communication systems or clinical information systems, are subject to special protection concepts that can, for example, compensate for the failure of a system. Our aggregated risk position in this area has not changed compared to the previous year.

Quality

The quality of our products, services and therapies is a prerequisite for optimal medical care. For the well-being of patients and the protection of our employees, we therefore apply the highest quality and safety standards to all processes. Nevertheless, violations of production regulations and quality deficits in our production may occur under certain circumstances, e.g. due to a ban on critical pharmaceutical ingredients (e. g. PFAS) or deficiencies in the research and development process. However, this has been evaluated as unlikely with a potentially severe impact. Major risks can also arise from the highly complex transfer of technologies from external partners to our own production environment. The corresponding likelihood has been estimated as possible.

Non-compliance with the requirements of the regulatory authorities at our production facilities or at our suppliers could result in regulatory measures, including warning letters, product recalls, production interruptions, fines or delays in the approval of new products. Any of these measures could possibly damage our reputation, impair our ability to generate sales and result in major costs.

We ensure compliance with product specifications and production regulations through our quality management systems. These are structured in accordance with the internationally recognized quality standards ISO 9001 and ISO 13485, among others, and take into account relevant international and national regulations. We implement them with the help of internal guidelines such as quality manuals and process instructions and regularly check compliance through internal and external audits at production sites and in sales units. This includes all requirements and regulations from management and administration to product manufacturing, clinical services and patient satisfaction. Our production sites fulfill the Good Manufacturing Practice requirements of their respective markets. They are inspected by local health authorities such as the U.S. Food and Drug Administration (FDA) or the European Medicines Agency (EMA). If an authority identifies deficiencies, Fresenius immediately takes comprehensive and appropriate corrective action.

Fresenius uses the early warning system to evaluate quality-relevant information from various risk areas to identify risks at an early stage and initiate preventive or risk-mitigating measures. Fresenius Kabi uses, for example, globally responsible safety officers, databases in which complaints and side effects are recorded, internal and external audits as well as key performance indicators that serve the internal control and optimization of quality processes. In this way, product safety profiles can be created and evaluated worldwide.

As a risk-minimizing measure, product recalls, for example, are initiated in cooperation with the responsible supervisory authority; at the same time, the cause of the recall is analyzed in detail. If necessary, corrective measures are initiated in order to avoid the circumstances that led to the recall in the future. Our aggregated risk position in these areas slightly increased.

Supply Chain

In the supply chain, potential risks arise mainly from price increases, dependencies on individual suppliers or the lack in availability of raw materials and goods due to interrupted supply chains. In particular, dependence on individual suppliers for certain products or services can have a possible to likely medium negative impact on our assets, liabilities, financial position and financial performance if the contractual relationship is terminated. We counter these risks by appropriately selecting and working together with our suppliers, through long-term framework agreements in certain purchasing segments, and by bundling volumes within the Group.

We only source high-quality products from qualified suppliers whose safety and suitability have been proven and which meet our specifications and requirements. When evaluating our risks and our control measures, we also take new requirements and legal framework conditions into account, such as, for example, the Act on Corporate Due Diligence Obligations in Supply Chains, which has been in force in Germany since 2023. The aggregated risk position for the supply chain risk group has declined slightly.

Human Resources

The shortage of skilled workers in general and the adequate recruitment of qualified personnel also pose likely challenges with a medium potential impact for the Fresenius Group. This applies in particular to our medical staff as well as to specialists in Vamed's international project business. In order to improve to identify and manage risks in the international project business, Vamed assesses potential personnel shortages directly at the level of the individual projects.

To engage these challenges in general, Fresenius is also taking appropriate measures in employer branding and in the recruitment, retention and further development of skilled professionals.

To increase the visibility and attractiveness of the Fresenius Group, we rely on a mix of initiatives in our employer branding. The centerpiece is the multi-award-winning Group careers page with job advertisements and video, image and text information about the Fresenius Group. We are also represented on all relevant social media channels and selected online portals representing our own careers content. To promote internal career development and make internal job opportunities as transparent as possible, there is the global, internal job portal 'stayFresenius'. We strengthen loyalty to our company by offering our employees attractive development opportunities and social benefits as well as variable remuneration and working time models. We also promote international and interdisciplinary cooperation. To ensure a sustainable supply of skilled workers, we offer, for example, target group specific programs for young academics with subsequent retention programs as well as extensive training programs for school students. Depending on their customer and market structure, our business segments pursue various concepts and measures for personnel development. The aforemented transfer of Human Recources related risks individually to project level has reduced the aggregated risk position in this area.

Bad Homburg v. d. H., February 25, 2025

GLOSSARY

Healthcare terms / Products and services

Apheresis
A medical technology in which the blood of a person is passed through a device that separates out one particular blood component and returns the remainder to the circulation. This technology is used for the collection of various blood components by donors, as well as for therapeutic applications for patients.

Biosimilars
A biosimilar is a drug that is "similar" to another biologic drug already approved.

CAR T cell therapy
In this therapy form, the immune cells of patients are collected, genetically modified, and reinfused into the patient with better characteristics than before. In the patient's body, they activate the immune system and destroy cancer cells

CUE
Cue is an automated cell processing system capable of washing, concentrating, and preparing white blood cell suspensions for cryopreservation (freezing in liquid nitrogen) and/or dispensing into final containers.

Cytostatics
Substances that slow or stop the growth of cells, including cancer cells, without killing them. These agents may cause tumors to stop growing and spreading without causing them to shrink in size.

Declaration of Helsinki
Declaration of the World Medical Association on ethical principles for medical research involving human subjects.

DRG flat rate per case
The Diagnosis Related Group (DRG) is a flat rate per case and forms the basis for the reimbursement of inpatients treated in German hospitals.

Enteral nutrition
Application of liquid nutrition as a tube or sip feed via the gastrointestinal tract.

Evidence-based medicine
Evidence-based medicine (EBM) builds on expert knowledge, the experience of those treating patients and their needs, as well as on current scientific findings. The aim is to provide the best possible care for people who are ill.

FDA (U.S. Food & Drug Administration)
Official authority for food observation and drug registration in the United States.

LOVO
LOVO is a cell processing system to wash differentiated and undifferentiated white blood cells for laboratory and research use. It is designed to offer a simple, fast, and automated method to remove supernatant, add and reduce volume in a fully closed system.

Multi-chamber bag
The multi-chamber bag contains all the macronutrients like amino acids, glucose, and lipids, as well as electrolytes, in separate chambers. Immediately before infusion, all nutrients are mixed thoroughly within the bag simply by opening individual chambers. This reduces the risk of contamination and saves time when preparing the infusions.

Outpatient clinic
Interdisciplinary facility for outpatient care, managed by physicians. The responsible body of a medical care center includes all service providers (such as physicians, pharmacists, healthcare facilities) that are authorized to treat patients with statutory health insurance.

Parenteral nutrition
Application of nutrients directly into the bloodstream of the patient (intravenously). This is necessary if the condition of a patient does not allow them to absorb and metabolize essential nutrients orally or as sip and tube feed in a sufficient quantity.

Serialization
Labeling of a pharmaceutical package with a unique serial number that is combined with the item number (GTIN), batch number, and expiration date. This combination is encoded in a 2D Data Matrix code, which is used to verify the authenticity of the medicine when it is dispensed.

Signal detection
Various activities used to determine whether new risks exist in connection with an active ingredient or pharmaceutical product, or whether risks known to us have changed. A review is based on our safety reports, aggregated data from the pharmacovigilance systems, and studies and information from the scientific literature or other data sources available to us. Signal management also includes the assessment of new evidence and related recommendations, decisions, communications, and follow up on the information.

Subcutaneous injection
An injection of vaccines or drugs into the subcutaneous fat tissue.

Telematics infrastructure
The telematics infrastructure is intended to network all those involved in the German healthcare system and enable a secure exchange of information across sectors and systems.

UNE
The Spanish Association for Standardization, UNE, is the body legally responsible for the development of standards in Spain. It is the Spanish representative in ISO.

GLOSSARY

Financial terms[1]

After adjustments
In order to measure the operating performance extending over several periods, key performance measures are "adjusted" where applicable. Adjusted measures are labelled with "after adjustments". A reconciliation table is available within the respective quarterly or annual report and presents the composition of special items.

Audit & Inspection Score
The Audit & Inspection Score at Fresenius Kabi is based on the number of critical and serious non-conformances from regulatory GMP inspections and the number of serious non-conformances from TÜV ISO 9001 audits in relation to the total number of inspections and audits performed. The score shows how many deviations were identified on average during the inspections and audits considered.

Before special items
In order to measure the operating performance extending over several periods, key performance measures are adjusted by special items, where applicable. Adjusted measures are labelled with "before special items". A reconciliation table is available within the respective quarterly or annual report and presents the composition of special items.

Cash flow
Financial key figure that shows the net balance of incoming and outgoing payments during a reporting period.

Operating cash flow
Operating cash flow is a financial measure showing cash inflows from operating activities during a period. Operating cash flow is calculated by subtracting non-cash income and adding non-cash expenses to net income.

Cash flow from investing activities
Cash flow from investing activities is a financial measure opposing payments for the acquisition or purchase of property, plant and equipment and investments versus proceeds from the sale of property, plant and equipment and investments.

Cash flow from financing activities
Cash flow from financing activities is a financial measure showing how the investments of the reporting period were financed.

Cash flow from financing activities is calculated from additions to equity plus proceeds from the exercise of stock options, less dividends paid, plus proceeds from debt increase (loans, bonds, etc.), less repayments of debt, plus the change in noncontrolling interests, plus proceeds from the hedge of exchange rate effects due to corporate financing.

Cash flow before acquisitions and dividends
Fresenius uses the cash flow before acquisitions and dividends as the financial measure for free cash flow. Cash flow before acquisitions and dividends is calculated by operating cash flow less investments (net). Net investments are calculated by payments for the purchase of property, plant and equipment less proceeds from the sale of property, plant and equipment.

Cash Conversion Rate (CCR)
The cash conversion rate is defined as the ratio of adjusted free cash flow (cash flow before acquisitions and dividends; before interest, tax and special items) to operating income (EBIT) before special items. This allows us to assess our ability to generate cash and amongst others, also to pay dividends.

Constant currencies
Constant currencies for income and expenses are calculated using prior-year average rates; constant currencies for assets and liabilities are calculated using the mid-closing rate on the date of the respective statement of financial position.

CSR (Corporate Social Responsibility)
CSR refers to the social responsibility of companies. Their operations can affect economic, social, and environmental conditions all over the world.

DSO (Days Sales Outstanding)
Indicates the average number of days it takes for a receivable to be paid.

EBIT (Earnings before Interest and Taxes)
EBIT does include depreciation and write-ups on property, plant and equipment.

EBIT is calculated by subtracting costs of revenue, selling, general, and administrative expenses, and research and development expenses from revenue.

EBIT margin
EBIT margin is calculated as the ratio of EBIT to revenue.

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)
EBITDA is calculated from EBIT by adding depreciations recognized in income and deducting write-ups recognized in income, both on intangible assets as well as property, plant and equipment.

EBITDA margin
EBITDA margin is calculated as the ratio of EBITDA to revenue.

Employee-Engagement Index (EEI)
The Employee Engagement Index measures how positively employees identify with their employer, how committed they feel, and how engaged they are at work. The key figure can be reported in relation to a business segment or for the entire Group.

[1] Integral part of Management Report

GLOSSARY

Financial terms [1]

Inpatient Quality Indicator
The Inpatient Quality Indicator at Fresenius Helios comprises the measurement of a set of standardized German inpatient quality indicators (G-IQI). These are based on routinely collected hospital billing data from hospital information systems. The number of indicators achieved compared to the total number of indicators is calculated to measure the overall success rate. There is individual target setting and measurement of target achievement in the two Helios segments Helios Germany and Helios Spain. Subsequently, target achievement is consolidated at Helios company level with equal weighting (50% each) for Executive Board compensation.

Net debt / EBITDA
Net debt / EBITDA is a financial measure reflecting the ability of Fresenius to fulfill its payment obligations. Net debt and EBITDA are calculated at LTM (last-12-month) average exchange rates, respectively.

Calculation of net debt:
Short-term debt
+ Short-term debt from related parties
+ Current portion of long-term debt and capital lease obligations
+ Current portion of Senior Notes
+ Long-term debt and capital lease obligations, less current portion
+ Senior Notes, less current portion
+ Convertible bonds
= Debt
- Less cash and cash equivalents
= Net debt

NOPAT
Net Operating Profit After Taxes (NOPAT) is calculated from operating income (EBIT), as stated in the profit and loss statement, less income taxes.

Organic growth
Growth that is generated by a company's existing businesses and not by acquisitions, divestitures, or foreign exchange impact.

ROE (Return on Equity)
Measure of a corporation's profitability revealing how much profit a company generates with the money shareholders have invested.
ROE is calculated by fiscal year's net income / total equity × 100.

ROIC (Return on Invested Capital)
Calculated by: (EBIT - taxes) / Invested capital.

Invested capital = total assets + accumulated amortization of goodwill - deferred tax assets - cash and cash equivalents - trade accounts payable - accruals (without pension accruals) - other liabilities not bearing interest.

ROOA (Return on Operating Assets)
Calculated as the ratio of EBIT to operating assets (average).

Operating assets = total assets - deferred tax assets - trade accounts payable - cash held in trust - payments received on account - approved subsidies.

SOI (Scope of Inventory)
Indicates the average number of days between receiving goods as inventory and the sale of the finished product.

Calculated by: (Inventories / Costs of goods sold) × 365 days.

Working capital
Current assets (including prepaid expenses) - accruals - trade accounts payable - other liabilities - deferred income.

[1] Integral part of Management Report

The following copy of the auditor's report also includes a "Report on the audit of the electronic renderings of the financial statements and the management report prepared for disclosure purposes in accordance with § 317 Abs. 3b HGB" ("Separate report on ESEF conformity"). The subject matter (ESEF documents to be audited) to which the sepa-rate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Federal Gazette.

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

INDEPENDENT AUDITOR'S REPORT

To Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the annual financial statements of Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, which comprise the balance sheet as at 31 December 2024, and the statement of profit and loss for the financial year from 1 January to 31 December 2024 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Fresenius SE & Co. KGaA for the financial year from 1 January to 31 December 2024.

In accordance with German legal requirements, we have not audited the content of the information contained in the section "Statement of the Management Board on the appropriateness and effectiveness of the RMS and ICS" of the management report that is labelled as unaudited.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the above-mentioned disclosure in the section "Statement of the Management Board on the appropriateness and effectiveness of the RMS and ICS".

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

BASIS FOR THE AUDIT OPINIONS

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

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

I. Valuation of shares in affiliated companies and loans to these affiliated companies

Our presentation of this key audit matter has been structured as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Hereinafter we present the key audit matter:

I. Valuation of shares in affiliated companies and loans to these affiliated companies

1. In the company's annual financial statements, shares in affiliated companies totalling EUR 10,467 million and loans to these affiliated companies amounting to EUR 1,441 million are reported under the balance sheet item "Financial assets". Together, the carrying amount of this total commitment is EUR 11,908 million (64.9% of the balance sheet total). The valuation of shares in affiliated companies and loans under commercial law is based on acquisition costs and the lower fair value in the event of an expected permanent impairment. The assessment of a possible need for impairment to a lower fair value is carried out - if available - on the basis of stock exchange or market prices and otherwise using discounted cash flow models on the basis of the present values of the expected future cash flows resulting from the planning calculations prepared by the executive directors. Expectations regarding future market developments and the effects of changes in macroeconomic conditions, including mitigating measures, are also taken into account. Discounting is carried out using the individually calculated cost of capital. The initiated exit from the "Fresenius Vamed" segment resulted in impairment losses on loans totalling EUR 76 million for the financial year.

   The result of this valuation depends to a large extent on how the executive directors' estimate future cash flows and on the discount rates and growth rates used. The valuation is therefore subject to significant uncertainties, also against the backdrop of the changed macroeconomic conditions, including the mitigating measures. Against this background and due to the high complexity of the valuation and its material significance for the net assets and results of operations of the company, this matter was of particular significance in the context of our audit.

2. As part of our audit, we assessed, among other things, the company's methodology for measuring the shares in affiliated companies and loans to these affiliated companies. In particular, we assessed whether the assessment of a possible need for impairment to a lower fair value was appropriately performed on the basis of discounted cash flow models, taking into account the relevant valuation standards. In doing so, we relied, among other things, on a comparison with general and industry-specific market expectations as well as on extensive explanations provided by the executive directors on the key value drivers underlying the expected cash flows. In this context, we also evaluated the executive directors' assessment of the effects of the changed macroeconomic environment, including the mitigating measures, and analysed their consideration in the estimation of future cash flows.

With the knowledge that even relatively small changes in the discount rate and growth rates used can be significant in terms of value, we intensively analysed the parameters used to determine the discount rate and growth rates with the support of our internal valuation specialists and verified the calculation methods. Finally, we assessed whether the values determined in this way were correctly compared with the corresponding carrying amount in order to determine any need for impairment or write-ups.

Taking into account the information available, we believe that the estimates made by the executive directors, the valuation parameters applied and the underlying valuation assumptions are appropriate overall for the proper valuation of the shares in affiliated companies and the loans to these affiliated companies.

3. The company's disclosures on financial assets are contained in notes 3, 4 and 26 to the financial statements.

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises the information contained in the section of the management report entitled "Statement of the Management Board on the appropriateness and effectiveness of the RMS and ICS", which is labelled as unaudited and is not an audited component of the management report.

The other information further comprises

- the corporate governance statement pursuant to Section 289f HGB and Section 315d HGB
- all remaining parts of the report “Fresenius SE Annual Financial Statements 2024 (HGB)”– excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor’s report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control of the Company and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

ASSURANCE OPINION

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file FSE_KGaA_JA_LB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

BASIS FOR THE ASSURANCE OPINION

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on 17 May 2024. We were engaged by the supervisory board on 29 November 2024. We have been the auditor of the Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER– USE OF THE AUDITOR’S REPORT

Our auditor’s report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Prof. Dr. Bernd Roese.

Frankfurt am Main, February 25, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

(Original German Version signed by:)

Dr. Ulrich Störk	Prof. Dr. Bernd Roese
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

RESPONSIBILITY STATEMENT

"To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Company management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company."

Bad Homburg v. d. H., February 25, 2025

Fresenius SE & Co. KGaA,
represented by:
Fresenius Management SE, its general partner

The Management Board

M. Sen

P. Antonelli

S. Hennicken

R. Möller

Dr. M. Moser

REPORT OF THE SUPERVISORY BOARD

Wolfgang Kirsch
Chairman of the Supervisory Board

Dear shareholders, ladies and gentlemen,

2024 was a year of profound global upheaval. Economic and political volatility, coupled with rapid technological advances, impacted markets worldwide. Amid these changes, one thing has endured: the essential importance of healthcare. Demand for medical products and services continues to grow. At the same time, the healthcare industry is undergoing radical change, partially driven by cost pressures. Modern technologies, such as artificial intelligence and digitalization, are enhancing efficiency and redefining healthcare quality. We are witnessing a shift towards personalized medicine and a fully digitalized patient journey.

In this dynamic environment, Fresenius has proven to be adaptable and successful. The #FutureFresenius program launched in 2022 is evidently paying off. Focusing on Fresenius Kabi and Fresenius Helios has proven to be the right approach. In 2024, the company delivered strong growth in revenue and earnings, strengthened its financial base through high cash flow and significantly reduced its debt. The company has also become more innovative. One example is the successful launch of new biosimilars targeting autoimmune diseases and cancer – expanding access to affordable, highly effective therapies for more patients worldwide.

In 2025, Fresenius entered the next phase of #FutureFresenius. Fresenius has set itself higher goals while strengthening its financial position. In this and the following years, the focus will be on further developing the company's core business along the three growth platforms of (Bio) Pharma, MedTech, and Care Provision. Driving innovation and further improving patient care will be key. This will create sustainable value for all stakeholders. The Supervisory Board fully supports the Management Board's strategy under the leadership of Michael Sen. As a modern, global healthcare company, Fresenius is shaping the future of healthcare.

REPORT OF THE SUPERVISORY BOARD

In the reporting year, the Supervisory Board of Fresenius SE & Co. KGaA fulfilled its obligations in accordance with the provisions of the law, the articles of association, and the rules of procedure. It regularly advised the Management Board of the general partner, Fresenius Management SE, regarding the management of the Company and has supervised the management in accordance with its Supervisory Board responsibilities.

COOPERATION BETWEEN THE MANAGEMENT AND THE SUPERVISORY BOARD

Carrying out its monitoring and advisory activities, the Supervisory Board was regularly kept informed by the management in a timely and comprehensive oral and written manner about, among other things:

- all important matters relating to corporate policy
- the course of business
- profitability
- the situation of the Company and of the Group
- corporate strategy and planning
- the risk situation
- risk management and compliance
- the work of Internal Audit
- important business transactions

Based on the reports provided by the Management Board of the general partner, the Supervisory Board discussed all significant business transactions in the Audit Committee and in its plenary meetings, depending on their areas of responsibility. The Management Board of the general partner discussed in detail the Company's strategic direction with the Supervisory Board. The Supervisory Board passed resolutions within its legal and Company statutory authority.

The Supervisory Board of Fresenius SE & Co. KGaA convened for four regular meetings, on March 7, May 17, October 17, and December 5, and one extraordinary meeting on September 3 in the 2024 fiscal year. The meetings were all held in person. Before the meetings, the Management Board of the general partner regularly provided the members of the Supervisory Board with detailed reports and comprehensive draft resolutions. At the meetings, the Supervisory Board discussed with them in detail the business performance and any important corporate matters based on the reports from the general partner's Management Board. The Supervisory Board also met regularly without the Management Board.

All matters requiring Supervisory Board approval were submitted with sufficient time for proper scrutiny. After reviewing the related approval documents and following detailed consultation with the Management Board of the general partner, the Supervisory Board approved all matters submitted to it.

The Supervisory Board was also informed of important business transactions and important events between meetings. In addition, members of the general partner's Management Board, in particular the Chairman, regularly informed the Chairman of the Supervisory Board in separate meetings about the latest development of the business and forthcoming decisions and discussed them with him.

MEETING PARTICIPATION

Ms. Grit Genster and Mr. Michael Diekmann each did not attend one meeting of the Supervisory Board. Otherwise, all meetings of the Supervisory Board and its committees in 2024 were attended by all sitting members of the Supervisory Board of Fresenius SE & Co. KGaA or of the respective committee.

Participation in meetings of the Supervisory Board and its committees is reported individually for each member on the Company's website. Information on this can be found under "Supervisory Board".

MAIN FOCUS OF THE SUPERVISORY BOARD'S ACTIVITIES

In 2024, the Supervisory Board mostly focused its monitoring and consulting activities on supporting the transformation and the business operations of the Fresenius Group. The Supervisory Board thoroughly reviewed and discussed all business activities of significance to the Company with the Management Board of the general partner. The Supervisory Board dealt in particular with the following items:

The Supervisory Board dealt in particular with the following items:

- strategic alignment of the Fresenius Group and its business segments as part of the #FutureFresenius transformation process
- transformation of the Fresenius Group, including restructuring and divestment at Fresenius Vamed
- cost reduction and efficiency improvement measures
- cybersecurity
- budget
- medium-term planning of the Fresenius Group
- further development of the corporate governance management systems (compliance management system, risk management system, internal audit system, and internal control system)

The Management Board of the general partner also regularly informed the Supervisory Board about the risk situation, risk management, and compliance within the Group.

At its meeting on March 7, 2024, the Supervisory Board dealt in detail with the audit and approval of the financial statements, the consolidated financial statement (IFRS), and the Management Report and the Group Management Report of Fresenius SE & Co. KGaA as of December 31, 2023. The results for 2023 were discussed on the basis of a detailed report provided by the Chairman of the Audit Committee and statements by the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. At the same meeting, resolutions were passed on the Compensation Report of Fresenius SE & Co. KGaA for the 2023 fiscal year, the Report of the Supervisory Board of Fresenius SE & Co. KGaA for the 2023 fiscal year, the Corporate Governance Declaration of Fresenius SE & Co. KGaA for the 2023 fiscal year, and the separate Group Non-financial Report for the 2023 fiscal year. In addition, the business segments reported in detail on the course of business in the first two months of the fiscal year. Another item discussed was the upcoming Annual General Meeting of Fresenius SE & Co. KGaA on May 17, 2024.

At the meeting on May 17, 2024, the Management Board reported to the general partner on business performance for the months January through April 2024.

The Supervisory Board meeting on September 3, 2024, focused on the strategy within the individual business areas, with particular focus on the hospital business. The Supervisory Board also received information on the progress and development paths of the #FutureFresenius transformation process, the related cultural shift, and the ESG strategy.

At the meeting on October 17, 2024, the members of the Supervisory Board were informed in detail about business performance from January through September 2024. The Supervisory Board also dealt with the declaration of conformity to the Corporate Governance Code and the topic of cybersecurity at Fresenius.

At the meeting on December 5, 2024, information was provided on the 2025 budget, and medium-term planning for the years 2026 to 2027, the 2025 financing budget and the maturities for 2025 to 2027. The Management Board of the general partner also reported on the business performance from January to October 2024. In addition, the Supervisory Board was informed about projects to expand production capacities and the product portfolio. The ESG expert appointed by the Audit Committee provided information about the work of the external Sustainability Committee. Furthermore, the Supervisory Board passed a resolution on the declaration of conformity to the German Corporate Governance Code.

CORPORATE GOVERNANCE

In December 2024, the Supervisory Board of Fresenius SE & Co. KGaA and the Management Board of the general partner issued the declaration of conformity to the German Corporate Governance Code in accordance with Article 161 of the German Stock Corporation Act (AktG) and made it permanently available to the shareholders on the Company's website.

In the 2024 fiscal year, the Chairman of the Supervisory Board of Fresenius SE & Co. KGaA held discussions with investors on topics specific to the Supervisory Board to the extent permitted by law and in close consultation with the Management Board of the general partner. In this context, the Chairman of the Supervisory Board of Fresenius SE & Co. KGaA again participated in the annual Corporate Governance Roadshow in October 2024.

The Management Board of the general partner and the Supervisory Board of Fresenius SE & Co. KGaA have a duty to act in the best interests of the Company. In performing their activities, they do not pursue personal interests or bestow unjustified benefits on others. Any secondary activities or dealings with the Company by members of the corporate bodies must immediately be reported to, and approved by, the Supervisory Board. There were no conflicts of interest of Supervisory Board members in the past fiscal year.

There are regular separate preliminary meetings of the employee representatives and consultations among the shareholder representatives.

The members of the Supervisory Board independently take on necessary training and further education measures required for their tasks and are supported appropriately by Fresenius. They keep themselves regularly informed, through internal and external sources, about the latest requirements with regard to their supervisory activities and exchange information on relevant external training opportunities. The Supervisory Board at all times ensures that its members are suitably qualified, keep their professional knowledge up to date, and further develop their judgment and expertise. External experts as well as experts from Fresenius provide information about important developments, for example about relevant new laws and precedents or changes in the IFRS accounting and auditing standards. Among other sessions, internal training in fiscal year 2024 included comprehensive training on the subject of ESG, focused on CSRD and sustainability strategy, with the involvement of trainers from the Fresenius Sustainability Advisory Board, an independent advisory body for sustainability topics. New members of the Supervisory Board are offered onboarding, for example on internal structures and corporate strategy. The onboarding is accompanied by visits to sites.

The Supervisory Board regularly, most recently in the 2024 fiscal year, assesses how effectively it and its committees fulfill their tasks.

For more information on Corporate Governance at Fresenius, please see the Corporate Governance Declaration on pages 26 of the Annual Report. Fresenius has disclosed the information on related parties on page 393 of the Annual Report.

WORK OF THE COMMITTEES

In order to perform its duties efficiently, the Supervisory Board has formed various standing committees which prepare the consultations and resolutions in the plenary session or can pass resolutions themselves. The committees of the Supervisory Board consist of an Audit Committee, a Nomination Committee, and a Joint Committee.

The **Audit Committee** held eight meetings in the 2024 fiscal year. Five of these meetings were held in person and three virtually. The auditor took part in all meetings. The committee also held regular discussions without the Management Board.

The Audit Committee dealt with the issues that fall within its area of responsibility under German and European law, the German Corporate Governance Code and the rules of procedure for the Supervisory Board. These topics include, in particular, the monitoring of accounting and the accounting process, and the effectiveness of the internal control system, the risk management system, the compliance management system, and the internal audit system, as well as the audit of the financial statements.

As part of the monitoring of the annual audit, the Audit Committee dealt in particular with the selection and independence of the auditor. The committee used a scorecard to assess the quality of the audit for the 2023 fiscal year and monitored the non-audit services provided by the auditor on a quarterly basis. The Audit Committee recommended to the Supervisory Board that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) be appointed as auditors for the 2024 fiscal year at the Annual General Meeting. The notification, information, and reporting obligations recommended by the German Corporate Governance Code were contractually agreed with the auditor. The Audit Committee discussed with the auditor the audit strategy, the materiality thresholds, the key audit issues, the risk assessment and key audit areas, the audit fee, and the scope of reporting on the audit. For the audit of the Sustainability Report, the Audit Committee discussed with the auditor in particular the planned supplementary audit procedures to obtain reasonable assurance for individual components of the report. The Audit Committee discussed the Half-Year Financial Report and the quarterly financial reports with the Management Board and the auditor prior to their publication and discussed the Auditor's Report on the review of the interim consolidated financial statements and Management Report as at June 30, 2024. The Chair of the Audit Committee regularly discussed the preparation and progress of the various audits with the auditor (of the annual financial statements) outside of meetings and reported on this to the committee. In 2024, the Audit Committee also addressed PwC's proposed internal rotation planning, which is to be implemented in 2025, and discussed potential risks from the Evergrande case for the 2024 audit.

In 2024, the committee's work in the area of accounting focused on the restructuring and divestments at Fresenius Vamed and their impact on the consolidated financial statements. At its meeting on November 4, 2024, the Audit Committee was informed for the first time about the random audit of the consolidated financial statements as of December 31, 2023 by the German Federal Financial Supervisory Authority (BaFin). The Audit Committee discussed in detail the regular reports from the officers responsible for compliance, risk management, internal control, and internal audit. With regard to compliance, it was particularly concerned with the development of the new risk area of environmental compliance, the establishment of the new corporate function of data protection, and the implementation of human rights due diligence obligations at Fresenius Vamed. In the area of risk management and the internal control system, in addition to regular reporting, the focus was on the consideration of geopolitical and fundamental risks, and the further rollout and the planned further development of the systems in the Group. In terms of internal auditing, the committee was primarily concerned with the results of audits and follow-up audits that had been carried out, as well as with risk-oriented audit planning for the years 2025 and 2026. In addition, the Audit Committee discussed in detail the findings from an external assessment of the governance status of the compliance management, risk management, and internal audit system. In the area of sustainability reporting, the focus was on current and future regulatory requirements and their implementation with the help of validated data collection processes – in part due to the failure to transpose the EU CSRD Directive into national law in the previous fiscal year.

The Audit Committee was also informed by the auditor about current regulatory developments in the 2024 fiscal year. The members of the Supervisory Board independently take on necessary training and further education measures relevant to their tasks and are supported by the Company in this.

The Chair of the Audit Committee reports in detail at the subsequent plenary meeting on the topics discussed and resolutions passed and explains the proposed resolutions.

The Company's **Nomination Committee** met once in 2024. The meeting was held in person. It primarily dealt with the succession planning for the Supervisory Board with a view to the upcoming Supervisory Board elections at the 2025 Annual General Meeting.

The **Joint Committee** is responsible for approving certain important transactions of Fresenius SE & Co. KGaA and certain legal transactions between the Company and the Else Kröner-Fresenius-Stiftung. In 2024, no transactions were carried out that required its approval. Accordingly, the Joint Committee did not meet in 2024.

There is no **Mediation Committee** because the Supervisory Board of Fresenius SE & Co. KGaA does not appoint the Management Board members of Fresenius Management SE.

For more information about the committees and their composition and work methods, please refer to the Corporate Governance Declaration from page 29 of the Annual Report.

PERSONNEL

The employee representative Mr. Konrad Kölbl resigned from the Supervisory Board on July 31, 2024. With effect from August 1, 2024, the member elected by the European Works Council as his substitute, Mr. Harald Steer, became a member of the Supervisory Board. There were no other changes in the composition of the Management Board of the general partner, Fresenius Management SE, or the Supervisory Board of Fresenius SE & Co. KGaA and its committees in the past fiscal year.

FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENT 2024

The auditor PwC audited the annual financial statements and Management Report as well as the consolidated financial statements and Group Management Report for the 2024 fiscal year and issued an unqualified audit opinion in each case. PwC has been the auditor for Fresenius SE & Co. KGaA and the Fresenius Group since the 2020 fiscal year. Since then, most recently for the 2024 fiscal year, Dr. Ulrich Störk and Dr. Bernd Roese have served as auditors, the latter also as the auditor responsible for the audit.

The company's annual financial statements, Management Report, and Group Management Report were prepared in accordance with the accounting provisions of the German Commercial Code (HGB) and the company's consolidated financial statements were prepared in accordance with IFRS, as adopted by the EU, and the additional requirements of German law pursuant to Section 315e HGB. The auditors conducted all audits in accordance with Section 317 HGB and the EU Audit Regulation, taking into account the generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and the International Standards on Auditing (ISA).

The Audit Committee already received comprehensive reports on the preparatory work for the 2024 annual and consolidated financial statements at the meetings on October 16, 2024 and December 4, 2024.

At the Audit Committee meeting on February 24, 2025, the Audit Committee discussed the drafts of the annual and consolidated financial statements together with the Management Report and Group Management Report with the Executive Board. The Audit Committee dealt in detail with the Management Board's statement in the Management Report and Group Management Report on the appropriateness and effectiveness of the risk management and internal control system. The auditors informed the Supervisory Board that the audits of the financial statements had been materially completed and – provided there were no new findings – could be concluded on the following day with unqualified audit opinions. The annual and consolidated financial statements together with the Management Report and Group Management Report, the draft Annual Report, and the auditor's reports were made available to the Supervisory Board in good time.

At the Audit Committee meeting on March 19, 2025, the Management Board explained the annual and consolidated financial statements in detail. The auditors reported in detail on the scope, focus, and key findings of their audit, focusing in particular on the key audit matters, including the audit procedures performed in this context. No material weaknesses were reported in the accounting-related internal control system or the early-warning system set up by the Management Board to identify risks. As a result of its review, the Audit Committee recommended that the Supervisory Board approve the findings of the audit at the plenary meeting on March 20, 2025 and, since in its opinion there were no objections to the documents submitted by the Management Board, that it approve the annual and consolidated financial statements, as well as the distribution of the retained profit for the 2024 fiscal year reported in the annual financial statement.

On March 20, 2025, the Supervisory Board conducted its final review of the financial statement documents, taking into account the report and recommendations of the Audit Committee and the auditor's reports. It discussed further issues with the Management Board and the auditor. The Supervisory Board approved the auditor's findings. As there were no objections to the annual financial statements and Management Report of the company or the consolidated financial statements and Group Management Report following the final results of its own examination, the Supervisory Board approved the annual financial statements and consolidated financial statements prepared by the Management Board in accordance with the Audit Committee's proposed resolution. The Supervisory Board approved the Management Board's proposal on the distribution of the retained profit for the 2024 fiscal year reported in the annual financial statement.

SUSTAINABILITY REPORT 2024

Notwithstanding the transposition of the EU CSRD Directive into national law, a Sustainability Report was prepared for the 2024 fiscal year that applies the European Sustainability Reporting Standards (ESRS) as a framework and, at the same time, meets the legal requirements for a separate Group Non-financial Report. PwC subjected the Sustainability Report for the 2024 fiscal year, which has been included in the Group Management Report as a separate section for the first time, to a formal and substantive audit and concluded the audit without objections. The remuneration-relevant key figures of this report were audited with reasonable assurance, while the other components of the report were audited with limited assurance. PwC conducted its audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), issued by the International Accounting and Assurance Standards Board (IAASB).

The Audit Committee already received reports on the preparatory work for the first-time reporting in accordance with the provisions of the EU CSRD guidelines at the meetings on October 16, 2024 and December 4, 2024. In particular, the legal framework for sustainability reporting for the 2024 fiscal year and the recording of KPIs and qualitative data points based on the applicable sustainability reporting standards (ESRS) were discussed.

The Sustainability Report and the Auditor's Report from PwC were made available to each member of the Supervisory Board of the Company in good time. At their meetings on March 19 and 20, 2025, the Audit Committee and then the full Supervisory Board discussed all the documents in detail. At both meetings, the appointed auditor reported on the key findings of its audit and answered questions. The Audit Committee and the Supervisory Board approved the auditor's findings. The Audit Committee's and the Supervisory Board's own review also found no objections to the Sustainability Report. At its meeting on March 20, 2025, the Supervisory Board approved the Sustainability Report in accordance with the resolution proposed by the Audit Committee.

COMPENSATION REPORT

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, formally and materially audited the Compensation Report for the 2024 fiscal year and did not raise any objections.

The Compensation Report was prepared together with the general partner and finally discussed and approved at the Supervisory Board meeting on March 20, 2025.

The Compensation Report is published on page 43 of the Annual Report and the auditor's findings are published on page 399 of the Annual Report.

THANKS FROM THE SUPERVISORY BOARD

The Management Board, led by Chairman Michael Sen, and all employees can look back with pride on a year of great success. In 2025, the focus is on driving Fresenius forward and further enhancing its performance in all areas. The Supervisory Board extends its sincere appreciation to the Management Board of the General Partner and all employees for their achievements in the past fiscal year.

Bad Homburg v. d. H., March 20, 2025

The Supervisory Board of Fresenius SE & Co. KGaA

Wolfgang Kirsch
Chairman