

# Q1 2021

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QUARTERLY FINANCIAL REPORT

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## FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2020, Group sales were €36.3 billion. As of March 31, 2021, more than 310,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

### SALES, EARNINGS, AND CASH FLOW

€ in millions	Q1/2021	Q1/2020	Growth	Growth in constant currency
Sales	8,984	9,135	-2%	3%
EBIT before special items	1,006	1,125	-11%	-6%
Net income reported <sup>1</sup>	435	459	-5%	-1%
Net income before special items <sup>1</sup>	435	465	-6%	-2%
Earnings per share in € reported <sup>1</sup>	0.78	0.82	-5%	-1%
Earnings per share in € before special items <sup>1</sup>	0.78	0.83	-6%	-2%
Operating cash flow	652	878	-26%	--

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

## BALANCE SHEET AND INVESTMENTS

€ in millions	March 31, 2021	December 31, 2020	Change
Total assets	<b>68,966</b>	66,646	3%
Non-current assets	<b>52,273</b>	50,874	3%
Equity	<b>27,514</b>	26,023	6%
Net debt	<b>24,631</b>	24,076	2%
Investments and acquisitions (Q1 2021/Q1 2020)	<b>533</b>	959	-44%

## RATIOS

	Q1/2021	Q1/2020
EBITDA margin <sup>1</sup>	<b>18.1%</b>	19.2%
EBIT margin <sup>1</sup>	<b>11.2%</b>	12.3%
Depreciation and amortization in % of sales <sup>1</sup>	<b>6.9%</b>	6.9%
Operating cash flow in % of sales	<b>7.3%</b>	9.6%
Equity ratio (March 31/December 31)	<b>39.9%</b>	39.0%
Net debt/EBITDA <sup>1, 2</sup> (March 31/December 31)	<b>3.52</b>	3.44

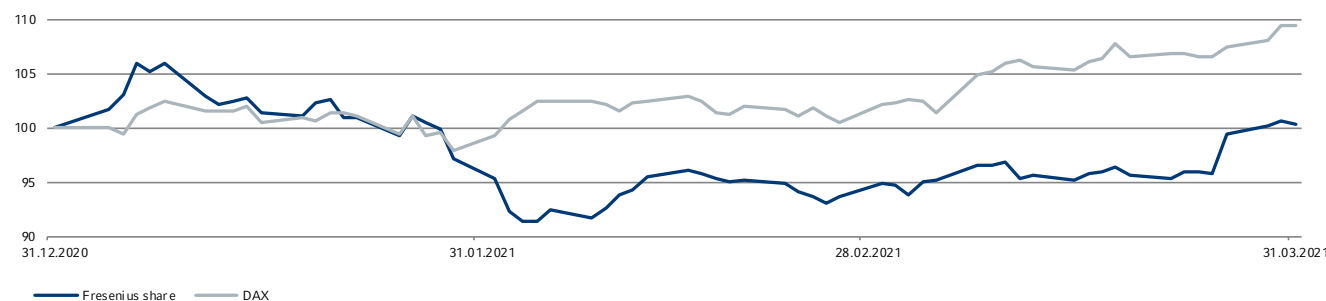
<sup>1</sup> Before special items<sup>2</sup> At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures

# FRESENIUS-SHARE

Since the beginning of the year, the Fresenius share has moved sideways and closed the first quarter of 2021 at a price of €37.98.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2020 = 100



KEY DATA OF THE FRESENIUS SHARE

	Q1/2021	2020	Growth
Number of shares (March 31/December 31)	557,541,659	557,540,909	0%
Stock exchange quotation <sup>1</sup> in €			
High	40.10	50.32	-20%
Low	34.57	25.66	35%
Period-end quotation closing price in €	37.98	37.84	0%
Ø Trading volume (number of shares per trading day)	1,802,020	2,085,926	-14%
Market capitalization <sup>2</sup> in million € (March 31/December 31)	21,175	21,097	0%
Earnings per share in € <sup>3</sup>	0.78	3.22	--

<sup>1</sup> Xetra closing price on the Frankfurt Stock Exchange

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

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

## FIRST QUARTER 2021

The COVID-19 pandemic marked the first three months of 2021 with persistently high infection rates and the spread of virus mutations slowing down the recovery of the global economy. More stringent containment measures imposed by governments led to a setback in economic activity and employment. Despite a gradual vaccination coverage of the population, the further development of the COVID-19 pandemic and the overall global economy remains uncertain. The capital markets and global investment levels remained stable, benefitting from economic stimulus measures taken by governments and favorable financing conditions.

According to the ECB's current forecast, the economy in the euro zone will grow by 4.0% this year. The ECB left its key interest rate unchanged at 0.00% during its March meeting.

The Federal Reserve's latest forecast projects the U.S. economy to grow by 6.5% in 2021. The U.S. Federal Reserve did not change the existing interest rates corridor of 0% to 0.25% at its March meeting.

Within this economic environment, the DAX increased by 9% in the first three months of 2021 to 15,008 points. The Fresenius share closed at €37.98 on March 31, 2021, almost unchanged over the same period.

# MANAGEMENT REPORT

Fresenius with good start to 2021 despite ongoing COVID-19 impact

- ▶ **Guidance for 2021 confirmed**
- ▶ **Fresenius Medical Care delivers solid first quarter**
- ▶ **Fresenius Kabi shows strong performance in Emerging Markets whilst headwinds continue to impact North American business**
- ▶ **Helios Germany continues to be compensated by government for foregone elective treatments; Helios Spain delivers significant sales and earnings growth given recovery of treatment activity**
- ▶ **Fresenius Vamed continues to suffer from COVID-19 related project delays; technical high-end service business remains robust**
- ▶ **Preparation of Group-wide initiatives to improve efficiency and profitability progressing**

## HEALTH CARE INDUSTRY

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

The main **growth factors** are:

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

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

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

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

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

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

### External factors

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

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

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

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

## RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

### SALES

Group **sales** decreased by 2% (increased by 3% in constant currency) to €8,984 million (Q1/20: €9,135 million). Organic growth was 2%. Acquisitions/divestitures contributed net 1% to growth. Currency translation reduced sales growth by 5%. Excluding estimated COVID-19 effects<sup>1</sup>, Group sales growth would have been 4% to 5% in constant currency (Q1/20: 7% to 8%).

### GROUP KEY FIGURES

€ in millions	Q1/2021	Growth	Growth in constant currency
Sales	<b>8,984</b>	-2%	3%
EBIT <sup>2</sup>	<b>1,006</b>	-11%	-6%
Net income <sup>2,3</sup>	<b>435</b>	-6%	-2%

### SALES BY REGION

€ in millions	Q1/2021	Q1/2020	Change	Currency translation effects	Growth at constant rates	Organic sales growth	Acquisitions/divestitures	% of total sales
North America	<b>3,445</b>	3,842	-10%	-8%	-2%	-2%	0%	38%
Europe	<b>4,113</b>	3,990	3%	-1%	4%	2%	2%	46%
Asia-Pacific	<b>917</b>	816	12%	-3%	15%	16%	-1%	10%
Latin America	<b>421</b>	384	10%	-20%	30%	23%	7%	5%
Africa	<b>88</b>	103	-15%	-3%	-12%	-12%	0%	1%
<b>Total</b>	<b>8,984</b>	9,135	-2%	-5%	3%	2%	1%	100%

### SALES BY BUSINESS SEGMENT

€ in millions	Q1/2021	Q1/2020	Change	Currency translation effects	Growth at constant rates	Organic sales growth	Acquisitions/Divestitures	% of total sales <sup>4</sup>
Fresenius Medical Care	<b>4,210</b>	4,488	-6%	-7%	1%	1%	0%	47%
Fresenius Kabi	<b>1,761</b>	1,789	-2%	-6%	4%	3%	1%	20%
Fresenius Helios	<b>2,649</b>	2,466	7%	-1%	8%	4%	4%	29%
Fresenius Vamed	<b>477</b>	499	-4%	0%	-4%	-4%	0%	4%
<b>Total</b>	<b>8,984</b>	9,135	-2%	-5%	3%	2%	1%	100%

<sup>1</sup> For estimated COVID-19 effects in Q1/21 and Q1/20 please see table on page 24.

<sup>2</sup> Before special items

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>4</sup> The following description of sales relates to the respective external sales of the business segments. Consolidation effects and corporate entities are not taken into account. Therefore, aggregation to total Group sales is not possible.



## EARNINGS

Group **EBITDA** before special items and reported Group EBITDA decreased by 7% (-2% in constant currency) to €1,628 million (Q1/20: €1,755 million).

Group **EBIT** before special items and reported Group EBIT decreased by 11% (-6% in constant currency) to €1,006 million (Q1/20: €1,125 million). The constant currency decrease is primarily due to COVID-19 related headwinds. Both the EBIT margin before special items and the reported EBIT margin were 11.2% (Q1/20: 12.3%).

Group **net interest** before special items improved to -€137 million (Q1/20<sup>1</sup>: -€174 million) mainly due to successful refinancing activities, lower interest rates as well as currency translation effects. Reported Group net interest also improved to -€137 million (Q1/20: -€182 million).

Both the Group **tax rate** before special items and the reported tax rate were 22.8% (Q1/20: 22.6%).

Both **Noncontrolling interests** before special items and reported noncontrolling interests were -€236 million (Q1/20: -€271 million) of which 95% were attributable to the noncontrolling interests in Fresenius Medical Care.

Group **net income**<sup>2</sup> before special items decreased by 6% (-2% in constant currency) to €435 million (Q1/20<sup>1</sup>: €465 million). The absolute negative COVID-19 effect was more pronounced in Q1/21 compared to the prior-year quarter. Excluding estimated COVID-19 effects<sup>3</sup>, Group net income<sup>2</sup> before special items would have grown 0% to 4% in constant currency (Q1/20: 6% to 10%). Reported Group net income<sup>2</sup> decreased to €435 million (Q1/20: €459 million).

**Earnings per share**<sup>2</sup> before special items decreased by 6% (-2% in constant currency) to €0.78 (Q1/20<sup>1</sup>: €0.83). Reported earnings per share<sup>2</sup> were also €0.78 (Q1/20: €0.82).

## EARNINGS

€ in millions	Q1/2021	Q1/2020
EBIT <sup>1</sup>	1,006	1,125
Net income <sup>2</sup>	435	459
Net income (before special items) <sup>2</sup>	435	465
Earnings per share in € <sup>2</sup>	0.78	0.82
Earnings per share (before special items) in € <sup>2</sup>	0.78	0.83

## INVESTMENTS/ACQUISITIONS BY BUSINESS SEGMENT

€ in millions	Q1/2021	Q1/2020	Thereof property, plant and equipment	Thereof acquisitions	Growth	% of total
Fresenius Medical Care	315	348	184	131	-9%	59%
Fresenius Kabi	100	162	99	1	-38%	19%
Fresenius Helios	93	419	76	17	-78%	17%
Fresenius Vamed	22	26	22	-	-15%	4%
Corporate/Other	3	4	3	-	-25%	1%
<b>Total</b>	<b>533</b>	<b>959</b>	<b>384</b>	<b>149</b>	<b>-44%</b>	<b>100%</b>

## CASH FLOW STATEMENT (Summary)

€ in millions	Q1/2021	Q1/2020	Growth
Net income	671	730	-8%
Depreciation and amortization	622	630	-1%
Change working capital	-641	-482	-33%
<b>Operating Cash flow</b>	<b>652</b>	<b>878</b>	<b>-26%</b>
Capital expenditure, net	-411	-573	28%
<b>Cash flow before acquisitions and dividends</b>	<b>241</b>	<b>305</b>	<b>-21%</b>
Cash used for acquisitions, net	-63	-287	78%
Dividends paid	-61	-58	-5%
<b>Free cash flow after acquisitions and dividends</b>	<b>117</b>	<b>-40</b>	<b>--</b>
Cash provided by/used for financing activities	-123	72	--
Effect of exchange rates on change in cash and cash equivalents	46	-11	--
<b>Net change in cash and cash equivalents</b>	<b>40</b>	<b>21</b>	<b>90%</b>

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> For estimated COVID-19 effects in Q1/21 and Q1/20 please see table on page 24.

## RECONCILIATION

Consolidated results for Q1/21 do not include special items. Consolidated results for Q1/20 include special items. The special items shown in the reconciliations are shown in the Corporate/Other segment. For a detailed overview of special items please see the reconciliation table on page 24.

## INVESTMENTS

Spending on **property, plant and equipment** was €384 million corresponding to 4% of sales (Q1/20: €547 million; 6% of sales). These investments served primarily for the modernization and expansion of dialysis clinics, production facilities as well as hospitals and day clinics.

Total **acquisition spending** was €149 million (Q1/20: €412 million), mainly for the acquisition of dialysis clinics at Fresenius Medical Care.

## CASH FLOW

Group **operating cash flow** decreased to €652 million (Q1/20: €878 million) with a margin of 7.3% (Q1/20: 9.6%), driven by a seasonal fluctuation in Fresenius Medical Care's invoicing and working capital movements in North America. Free cash flow before acquisitions and dividends decreased to €241 million (Q1/20: €305 million). **Free cash flow after acquisitions and dividends** increased to €117 million (Q1/20: -€40 million).

## ASSET AND LIABILITY STRUCTURE

Group **total assets** increased by 3% (1% in constant currency) to €68,966 million (Dec. 31, 2020: €66,646 million) given currency translation effects and the expansion of business activities. Current assets increased by 6% (4% in constant currency) to €16,693 million (Dec. 31, 2020: €15,772 million), mainly driven by the increase of trade accounts receivables. Non-current assets increased by 3% (0% in constant currency) to €52,273 million (Dec. 31, 2020: €50,874 million).

**Total shareholders' equity** increased by 6% (3% in constant currency) to €27,514 million (Dec. 31, 2020: €26,023 million). The equity ratio was 39.9% (Dec. 31, 2020: 39.0%).

Group **debt** increased by 2% (1% in constant currency) to €26,508 million (Dec. 31, 2020: €25,913 million). Group **net debt** increased by 2% (1% in constant currency) to €24,631 million (Dec. 31, 2020: €24,076 million).

As of March 31, 2021, the **net debt/EBITDA** ratio increased to 3.52x<sup>1,2</sup> (Dec. 31, 2020: 3.44x<sup>1,2</sup>) driven by COVID-19 effects weighing on EBITDA as well as increased net debt.

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

<sup>2</sup> Before special items

For a detailed overview of special items please see the reconciliation table on page 24.

## BUSINESS SEGMENTS

### FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases. As of March 31, 2021, Fresenius Medical Care was treating 344,476 patients in 4,110 dialysis clinics. Along with its core business, the Renal Care Continuum, the company focuses on expanding in complementary areas and in the field of critical care.

€ in millions	Q1/2021	Q1/2020	Growth	Growth in constant currency
Sales	4,210	4,488	-6%	1%
EBITDA	862	956	-10%	-3%
EBIT	474	555	-15%	-8%
Net income <sup>1</sup>	249	283	-12%	-6%
Employees(Mar. 31/Dec. 31)	132,854	133,129	0%	

- Organic treatment growth impacted by COVID-19 pandemic as expected
- Reported revenue and earnings continued to be adversely affected by exchange rate effects
- Earnings development supported by phasing and expected lower SG & A expense anticipated to reverse throughout the year
- Financial targets for FY 2021 confirmed

**Sales** of Fresenius Medical Care decreased by 6% (increased by 1% in constant currency) to €4,210 million (Q1/20: €4,488 million). Thus, currency translation had a negative effect of 7%. Organic growth was 1%.

**EBIT** decreased by 15% (-8% in constant currency) to €474 million (Q1/20: €555 million) resulting in a margin of 11.3% (Q1/20: 12.4%). The decrease was mainly driven by effects from COVID-19 across all regions, higher personnel expenses and a significant negative exchange rate effect. Additionally, EBIT was negatively affected by a positive prior-year effect from the divestiture of cardiovascular clinics and a prior-year partial reversal of a revenue recognition adjustment. These negative effects were partially offset by

an improved payor mix mainly driven by Medicare Advantage and expected lower SG & A expenses, which are anticipated to reverse in the remainder of the year.

**Net income<sup>1</sup>** decreased by 12% (-6% in constant currency) to €249 million (Q1/20: €283 million). Besides the above-mentioned operating earnings effects, net income was supported by a 27% decrease of net interest expense to €76 million (Q1/20: €104 million).

The first quarter 2020 included negative COVID-19 effects that reversed in Q2 2020, including the compensation received under the CARES Act, and therewith increase the base for the second quarter 2021. These base effects impact the phasing of net income growth in 2021.

**Operating cash flow** was €208 million (Q1/20: €584 million) with a margin of 4.9% (Q1/20: 13.0%). The decline was driven by the seasonality in invoicing and periodic delays in payment of public health care organizations.

<sup>1</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

For FY/21, Fresenius Medical Care confirms its outlook as outlined on February 23, 2021. The Company expects revenue<sup>1</sup> to grow at a low- to mid-single digit percentage range and net income<sup>2,3</sup> to decline at a high-teens to mid-twenties percentage range against the 2020 base<sup>4</sup>.

For further information, please see Fresenius Medical Care's press release at [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com).

<sup>1</sup> FY/20 base: €17,859 million

<sup>2</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

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

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

## FRESENIUS KABI

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

€ in millions	Q1/2021	Q1/2020	Growth	Growth in constant currency
Sales	1,761	1,789	-2%	4%
EBITDA <sup>1</sup>	374	388	-4%	2%
EBIT <sup>1</sup>	276	289	-4%	2%
Net income <sup>1,2</sup>	190	197	-4%	3%
Employees (Mar. 31/Dec. 31)	40,910	40,519	1%	

- North America performance impacted by COVID-19 and temporary manufacturing issues
- Solid performance in Europe masked by prior-year COVID-19 related demand spike
- Emerging Markets showed strong sales and earnings growth; China with excellent performance given dynamic recovery of elective treatment activity

**Sales** decreased by 2% (increased by 4% in constant currency) to €1,761 million (Q1/20: €1,789 million). Organic growth was 3%. Negative currency translation effects of 6% were mainly related to weakness of the U.S. dollar, the Brazilian real and the Argentinian peso.

Sales in **North America** decreased by 17% (organic growth: -9%) to €558 million (Q1/20: €669 million). The decrease was driven by fewer elective treatments, competitive pressure, missing sales from a customer in Chapter 11 as well as temporary manufacturing issues which outweighed extra demand for COVID-19 related products.

Sales in **Europe** decreased by 1% (organic growth: -1%) to €626 million (Q1/20: €631 million) mainly related to the strong demand for COVID-19 related drugs in the prior year quarter.

Sales in **Asia-Pacific** increased by 23% (organic growth: 26%) to €392 million (Q1/20: €319 million). The growth is mainly due to a dynamic recovery of elective procedures and a meaningful COVID-19 impact lowering the prior year basis in China as well as a growing recovery in other Asian markets.

Sales in **Latin America / Africa** increased by 9% (organic growth: 28%) to €185 million (Q1/20: €170 million) due to ongoing COVID-19 related extra demand.

**EBIT<sup>1</sup>** decreased by 4% (increased by 2% in constant currency) to €276 million (Q1/20: €289 million) with an EBIT margin of 15.7% (Q1/20: 16.2%). The increase in constant currency was tempered by underutilized production capacities in the United States, competitive pressure coupled with selective supply constraints due to temporary

manufacturing issues and the missing contribution from sales to a customer now in Chapter 11. EBIT was supported by positive COVID-19 effects, lower corporate costs due to travel restrictions and phasing of projects.

**Net income<sup>1,2</sup>** decreased by 4% (increased by 3% in constant currency) to €190 million (Q1/20<sup>1</sup>: €197 million).

**Operating cash flow** increased to €278 million (Q1/20: €174 million) with a margin of 15.8% (Q1/20: 9.7%) mainly due to working capital improvements driven by cash collections.

<sup>1</sup> Before special items

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

For FY/21, Fresenius Kabi confirms its outlook and expects organic sales<sup>1</sup> growth in a low-to-mid single-digit percentage range. Constant currency EBIT<sup>2</sup> is expected to show a stable development up to low single-digit percentage growth. Both sales and EBIT outlook include expected COVID-19 effects.

<sup>1</sup> FY/20 base: €6,976 million

<sup>2</sup> FY/20 base: €1,095 million, before special items; FY/21: before special items

## FRESENIUS HELIOS

Fresenius Helios is Europe's leading private hospital operator. The company comprises Helios Germany and Helios Spain. Helios Germany operates 89 hospitals, ~130 outpatient centers and 6 prevention centers. Helios Spain operates 47 hospitals, 74 outpatient centers and around 300 occupational risk prevention centers. In addition, the company is active in Latin America with 6 hospitals and as a provider of medical diagnostics.

€ in millions	Q1/2021	Q1/2020	Growth	Growth in constant currency
Sales	2,649	2,466	7%	8%
EBITDA	380	382	-1%	0%
EBIT	268	274	-2%	-1%
Net income <sup>1</sup>	173	176	-2%	-1%
Employees (Mar. 31/Dec. 31)	116,522	116,952	0%	

- Helios Spain delivers significant organic sales and earnings growth given recovery of treatment activity
- Helios Germany continues to be compensated by government for foregone elective treatments
- Growth additionally fueled by contributions from acquisitions in Germany and Latin America

Sales increased by 7% (8% in constant currency) to €2,649 million (Q1/20: €2,466 million). Organic growth was 4%. Acquisitions contributed 4% to sales growth.

Sales of **Helios Germany** increased by 4% (organic growth: 0%) to €1,673 million (Q1/20: €1,603 million). COVID-19 effects were mitigated by government compensation in regions with high COVID-19 incidences. The hospital acquisitions from the Order of Malta contributed 4% to sales growth.

Sales of **Helios Spain** increased by 13% (14% in constant currency) to €976 million (Q1/20: €863 million). Organic growth of 11% was driven by a strong recovery of elective procedures, a consistently high level of outpatient treatments and strong demand for occupational risk prevention (ORP) services. In addition, the hospitals in Latin America showed a strong performance. The hospital acquisitions in Colombia contributed 3% to sales growth.

**EBIT** of Fresenius Helios decreased by 2% (-1% in constant currency) to €268 million (Q1/20: €274 million) with an EBIT margin of 10.1% (Q1/20: 11.1%).

EBIT of **Helios Germany** decreased by 9% to €150 million (Q1/20: €165 million) with an EBIT margin of 9.0% (Q1/20: 10.3%). Government compensation broadly mitigated COVID-19 effects. The decrease was primarily caused by the impact of the carve-out of nursing expenses from the overall DRGs and the positive development of January and February last year.

EBIT of **Helios Spain** increased by 13% (14% in constant currency) to €126 million (Q1/20: €112 million) with an EBIT margin of 12.9% (Q1/20: 13.0%). Healthy organic sales growth led to a meaningfully improved coverage of the fixed cost base. The hospital acquisitions in Colombia made an additional contribution.

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

**Net income**<sup>1</sup> decreased by 2% (-1% in constant currency) to €173 million (Q1/20: €176 million).

**Operating cash flow** increased to €215 million (Q1/20: €145 million) with a margin of 8.1% (Q1/20: 5.9%), mainly due to working capital improvements driven by cash collections.

For FY/21, Fresenius Helios confirms its outlook and expects organic sales<sup>2</sup> growth in a low-to-mid single-digit percentage range and constant currency EBIT<sup>3</sup> growth in a mid-to-high single-digit percentage range. Both sales and EBIT outlook include expected COVID-19 effects.

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>2</sup> FY/20 base: €9,818 million

<sup>3</sup> FY/20 base: €1,025 million; FY/21 before special items



## FRESENIUS VAMED

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

€ in millions	Q1/2021	Q1/2020	Growth	Growth in constant currency
Sales	477	499	-4%	-4%
EBITDA	17	34	-50%	-50%
EBIT	-4	14	-129%	-129%
Net income <sup>1</sup>	-7	7	-200%	-200%
Employees (Mar. 31/Dec. 31)	19,310	19,414	-1%	

- Continued significant negative COVID-19 impact
- Project business marked by COVID-19 related delays, cancellations and global supply chain restraints
- Rehabilitation business remains impacted by fewer elective surgeries
- Technical high-end service business remains robust

**Sales** decreased by 4% (-4% in constant currency) to €477 million (Q1/20: €499 million). Organic growth was -4%.

Sales in the **service business** increased by 2% (2% in constant currency) to €363 million (Q1/20: €357 million). Sales in the **project business** decreased by 20% (-20% in constant currency) to €114 million (Q1/20: €142 million), driven by postponements and cancellations of projects.

**EBIT** decreased by 129% (-129% in constant currency) to -€4 million (Q1/20: €14 million) with an EBIT margin of -0.8% (Q1/20: 2.8%). Large parts of the post-acute care clinic capacities were left partially empty given a generally lower intake of elective surgery patients from acute-care hospitals. Health-authority-induced restrictions or even closures of facilities also had a negative effect. In the project business, project delays and global supply chain restraints triggered incremental expenses.

**Net income<sup>1</sup>** decreased to -€7 million (Q1/20: €7 million).

**Order intake** was €138 million (Q1/20: €124 million). As of March 31, 2021, **order backlog** was at €3,082 million (December 31, 2020: €3,055 million). Order intake continued to be marked by COVID-19 related cancellations and project delays.

<sup>1</sup> Net income attributable to shareholders of VAMED AG

<sup>2</sup> FY/20 base: €2,068 million

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

**Operating cash flow** decreased to -€44 million (Q1/20: -€20 million) with a margin of -9.2% (Q1/20: -4.0%), mainly related to the lower net income contribution.

For FY/21, Fresenius Vamed confirms its outlook and expects organic sales<sup>1</sup> growth in a mid-to-high single-digit percentage range and EBIT<sup>2</sup> to grow to a high double-digit euro million amount. Both sales and EBIT outlook include expected negative COVID-19 effects.

<sup>1</sup> FY/20 base: €2,068 million

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

## EMPLOYEES

As of March 31, 2021, the number of employees was 310,842 (Dec. 31, 2020: 311,269).

### NUMBER OF EMPLOYEES

Number of employees	March 31, 2021	December 31, 2020	Growth
Fresenius Medical Care	132,854	133,129	0%
Fresenius Kabi	40,910	40,519	1%
Fresenius Helios	116,522	116,952	0%
Fresenius Vamed	19,310	19,414	-1%
Corporate/Other	1,246	1,255	-1%
<b>Total</b>	<b>310,842</b>	<b>311,269</b>	<b>0%</b>

## CHANGES TO THE MANAGEMENT BOARD

Michael Sen (52) is the new Chief Executive Officer of Fresenius Kabi AG. The Supervisory Board of Fresenius Management SE has unanimously appointed him to the Management Board of Fresenius effective on April 12, 2021. He succeeds Mats Henriksson (53), who is leaving the company due to different views on Fresenius Kabi's future direction.

## CHANGES TO THE SUPERVISORY BOARD PROPOSAL TO THE AGM

Dr. Gerd Krick (82) will leave the Supervisory Boards of Fresenius Management SE and the listed Fresenius SE & Co. KGaA when his term ends at the close of the Annual General Meeting in May 2021.

Wolfgang Kirsch (65), a member of the Supervisory Board of Fresenius Management SE since January 1, 2020, is to take over from him as Chairman of both Supervisory Boards.

In recognition and deep appreciation of his long decades of accomplishment and invaluable work on behalf of Fresenius, Dr. Krick shall be named Honorary Chairman of both Supervisory Boards.

Klaus-Peter Müller (76) will be stepping down from the Supervisory Board of Fresenius Management SE at the end of his term in May 2021. At the listed Fresenius SE & Co. KGaA, Klaus-Peter Müller will stand for reelection to the Supervisory Board at the Annual General Meeting in May with the aim of chairing the Audit Committee for a further year.

The Supervisory Board of Fresenius Management SE also unanimously resolved to propose Susanne Zeidler (60), Chief Financial Officer of Deutsche Beteiligungs AG (DBAG) since November 2012, and Dr. Frank Appel (59), Chief Executive Officer of Deutsche Post DHL Group since February 2008, for election to the Supervisory Board of Fresenius Management SE.

## RESEARCH AND DEVELOPMENT

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

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

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

### RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	Q1/2021	Q1/2020	Growth
Fresenius Medical Care	49	46	6%
Fresenius Kabi	137	140	-2%
Fresenius Helios	1	–	--
Fresenius Vamed	0	0	--
Corporate/Other	-1	–	--
<b>Total</b>	<b>186</b>	<b>186</b>	<b>0%</b>

## OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2020 applying Section 315e HGB in accordance with IFRS, there has been the following important development in Fresenius' overall opportunities and risk situation until April 30, 2021.

The global COVID-19 pandemic continued to adversely affect our business in the first quarter of 2021. We expect further adverse effects on our business and result of operations for the second quarter of 2021, and also for the second half year of 2021. The further development of the world-wide situation in 2021 remains uncertain and depends on the progress of the vaccination campaigns as well as the spread of further virus variants. This may result in additional adverse effects on our financial results and our ability to achieve our Guidance.

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

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

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

We report on legal proceedings on pages 47 to 48 in the Notes of this report.

## SUBSEQUENT EVENTS

April was characterized worldwide by a regionally varying development of the COVID-19 pandemic with continued high infection numbers as well as an increasing number of virus mutations. Currently, large-scale constraints of public and private life are therefore again enacted in various countries, for example in both Spain and Germany, in order to curtail the spread of COVID-19. The vaccination programs have started worldwide and the development in each country differs. The further development of the global situation and the impact on Fresenius remain uncertain.

Beyond that, there have been no significant changes in the industry environment. Furthermore, there have been no other events with a significant impact on the net assets, financial position and results of operations since the end of the first quarter of 2021.

## RATING

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

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

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

## VIRTUAL ANNUAL GENERAL MEETING

The virtual Annual General Meeting 2021 of Fresenius SE & Co. KGaA will take place on May 21, 2021.

## OUTLOOK 2021

### COVID-19 ASSUMPTIONS FOR GUIDANCE FY/21

Q1/21 was characterized by a regionally varying development of the COVID-19 pandemic. Given continued high infection numbers as well as an increasing number of virus mutations, large-scale constraints of public and private life have been re-enacted in various countries. Vaccination programs are progressing worldwide at, however, varying pace.

COVID-19 will continue to impact Fresenius' operations in 2021. Current burdens and constraints caused by COVID-19 are expected to recede only in H2/21. The expected improvement in the Group's relevant business environment from H2/21 is heavily dependent on continuously increasing levels of vaccination coverage in Fresenius' relevant markets. These assumptions are subject to considerable uncertainty.

A deterioration of the situation requiring further containment measures in one or more of Fresenius' major markets, although becoming somewhat less likely does remain a risk. Any resulting significant and direct impact on the health care sector without any appropriate compensation is not reflected in the Group's FY/21 guidance.

### FRESENIUS GROUP

For FY/21, Fresenius continues to project sales growth<sup>1</sup> in a low-to-mid single-digit percentage range and at least broadly stable net income<sup>2,3</sup> year-over-year, both in constant currency. Implicitly, net income<sup>2</sup> for the Group excluding Fresenius Medical Care is expected to grow in a mid-to-high single-digit percentage range in constant currency.

### SALES AND EARNINGS BY BUSINESS SEGMENT

In 2021, we expect sales and earnings development in our business segments as shown in the table on page 23.

### EFFICIENCY AND COST SAVING MEASURES

To sustainably enhance profitability, Fresenius is preparing group-wide strategic efficiency initiatives. These initiatives are expected to consist of operational excellence and cost-saving measures, targeted strengthening of future growth areas and portfolio optimizations. They are targeted to result in cost savings of at least €100 million p.a. after tax and minority interest in 2023 with some further potential to increase thereafter. Achieving these sustainable efficiencies will require significant up-front expenses. On average for the years 2021 to 2023, those expenses are expected to be in the order of magnitude of €100 million p.a. after tax and minority interest. They will be classified as special items.

### EXPENSES

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

<sup>1</sup> FY/20 base: €36,277 million

<sup>2</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

<sup>3</sup> FY/20 base: €1,796 million, before special items; FY/21: before special items

For a detailed overview of special items please see the reconciliation table on page 24.

## LIQUIDITY AND CAPITAL MANAGEMENT

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

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

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

Fresenius projects net debt/EBITDA<sup>1</sup> to be around the top-end of the self-imposed target corridor of 3.0x to 3.5x by the end of FY/21.

## INVESTMENTS

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

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

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

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

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

## CAPITAL STRUCTURE

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

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

## DIVIDEND

The dividend increases provided by Fresenius in the last 27 years show impressive continuity. Our dividend policy aims to align dividends with earnings per share growth (before special items) and thus broadly maintains a payout ratio of 20% to 25%. Fresenius intends to increase the dividend for 2021.

## GROUP FINANCIAL OUTLOOK 2021

	Fiscal year 2020 <sup>1</sup>	Targets 2021 <sup>2</sup>	Guidance <sup>2</sup>
Sales growth (in constant currency)	€36,277 m	Low-to-mid single-digit percentage growth	confirmed
Net income <sup>3</sup> growth (in constant currency)	€1,796 m	At least broadly stable	confirmed

<sup>1</sup> Before special items, including COVID-19 effects

<sup>2</sup> Before special items, including estimated COVID-19 effects

<sup>3</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA

## OUTLOOK 2021 BY BUSINESS SEGMENT

	Fiscal year 2020 <sup>1</sup>	Targets 2021 <sup>2</sup>	Guidance <sup>2</sup>
<b>Fresenius Medical Care<sup>3</sup></b>			
Sales growth (in constant currency)	€17,859 m	Low-to-mid single-digit percentage growth	confirmed
Net income <sup>4</sup> growth (in constant currency)	€1,359 m	High-teens to mid-twenties percentage decline	confirmed
<b>Fresenius Kabi</b>			
Sales growth (organic)	€6,976 m	Low-to-mid single-digit percentage growth	confirmed
EBIT growth (in constant currency)	€1,095 m	Stable to low single-digit percentage growth	confirmed
<b>Fresenius Helios</b>			
Sales growth (organic)	€9,818 m	Low-to-mid single-digit percentage growth	confirmed
EBIT growth (in constant currency)	€1,025 m	Mid-to-high single-digit percentage growth	confirmed
<b>Fresenius Vamed</b>			
Sales growth (organic)	€2,068 m	Mid-to-high single-digit percentage growth	confirmed
EBIT	€29 m	High double-digit € million amount	confirmed

<sup>1</sup> Before special items, including COVID-19 effects

<sup>2</sup> Before special items, including estimated COVID-19 effects

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

<sup>4</sup> Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

## RECONCILIATION FRESENIUS GROUP Q1

€ in millions	Q1/2021	Q1/2020	Growth rate	Growth rate in constant currency
<b>Sales reported</b>	<b>8,894</b>	<b>9,135</b>	<b>-2%</b>	<b>3%</b>
<b>EBIT reported (after special items)</b>	<b>1,006</b>	<b>1,125</b>	<b>-11%</b>	<b>-6%</b>
<b>Net interest reported (after special items)</b>	<b>-137</b>	<b>-182</b>	<b>25%</b>	<b>21%</b>
Revaluations of biosimilars contingent purchase price liabilities	-	8		
<b>Net interest (before special items)</b>	<b>-137</b>	<b>-174</b>	<b>21%</b>	<b>17%</b>
<b>Income taxes reported (after special items)</b>	<b>-198</b>	<b>-213</b>	<b>7%</b>	<b>2%</b>
Revaluations of biosimilars contingent purchase price liabilities	-	-2		
<b>Income taxes (before special items)</b>	<b>-198</b>	<b>-215</b>	<b>8%</b>	<b>3%</b>
<b>Noncontrolling interest reported (after special items)</b>	<b>-236</b>	<b>-271</b>	<b>13%</b>	<b>6%</b>
<b>Net income reported (after special items)<sup>1</sup></b>	<b>435</b>	<b>459</b>	<b>-5%</b>	<b>-1%</b>
Revaluations of biosimilars contingent purchase price liabilities	-	6		
<b>Net income (before special items)<sup>1</sup></b>	<b>435</b>	<b>465</b>	<b>-6%</b>	<b>-2%</b>

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

## ESTIMATED COVID-19 EFFECTS Q1

€ in millions	Reported Growth rate in constant currency inclusive COVID-19-effects		Estimated COVID-19 impact in constant currency		Estimated growth rate in constant currency excluding COVID-19-effects	
	Q1/2021	Q1/2020	Q1/2021	Q1/2020	Q1/2021	Q1/2020
<b>Sales</b>	<b>3%</b>	<b>7%</b>	<b>-1 to -2%</b>	<b>0 to -1%</b>	<b>4 to 5%</b>	<b>7 to 8%</b>
<b>Net income (before special items)<sup>1</sup></b>	<b>-2%</b>	<b>1%</b>	<b>-2 to -6%</b>	<b>-5 to -9%</b>	<b>0 to 4%</b>	<b>6 to 10%</b>

<sup>1</sup> Net income attributable to shareholders of Fresenius SE & Co. KGaA



## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions	Q1/2021	Q1/2020
Sales	8,984	9,135
Cost of sales	-6,526	-6,472
<b>Gross profit</b>	<b>2,458</b>	<b>2,663</b>
Selling, general and administrative expenses	-1,266	-1,352
Research and development expenses	-186	-186
<b>Operating income (EBIT)</b>	<b>1,006</b>	<b>1,125</b>
Net interest	-137	-182
<b>Income before income taxes</b>	<b>869</b>	<b>943</b>
Income taxes	-198	-213
<b>Net income</b>	<b>671</b>	<b>730</b>
Noncontrolling interests	236	271
<b>Net income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>435</b>	<b>459</b>
<b>Earnings per share in €</b>	<b>0.78</b>	<b>0.82</b>
Fully diluted earnings per share in €	0.78	0.82

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

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

€ in millions	Q1/2021	Q1/2020
<b>Net income</b>	<b>671</b>	<b>730</b>
<b>Other comprehensive income (loss)</b>		
<b>Positions which will be reclassified into net income in subsequent years</b>		
Foreign currency translation	797	50
Cash flow hedges	1	10
FVOCI debt instruments	-10	0
Income taxes on positions which will be reclassified	2	-2
<b>Positions which will not be reclassified into net income in subsequent years</b>		
Actuarial gains on defined benefit pension plans	91	0
Equity method investees – share of OCI	-9	0
FVOCI equity investments	6	0
Income taxes on positions which will not be reclassified	-28	0
<b>Other comprehensive income, net</b>	<b>850</b>	<b>58</b>
<b>Total comprehensive income</b>	<b>1,521</b>	<b>788</b>
<b>Comprehensive income attributable to noncontrolling interests</b>	<b>662</b>	<b>287</b>
<b>Comprehensive income attributable to shareholders of Fresenius SE &amp; Co. KGaA</b>	<b>859</b>	<b>501</b>

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

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

#### (UNAUDITED)

#### ASSETS

€ in millions	March 31, 2021	December 31, 2020
Cash and cash equivalents	1,877	1,837
Trade accounts and other receivables, less allowances for expected credit losses	7,596	6,937
Accounts receivable from and loans to related parties	180	110
Inventories	4,092	3,945
Other current assets	2,948	2,943
<b>I. Total current assets</b>	<b>16,693</b>	<b>15,772</b>
Property, plant and equipment	12,065	11,912
Right-of-use assets	5,849	5,691
Goodwill	27,523	26,599
Other intangible assets	3,752	3,736
Other non-current assets	2,161	2,124
Deferred taxes	923	812
<b>II. Total non-current assets</b>	<b>52,273</b>	<b>50,874</b>
<b>Total assets</b>	<b>68,966</b>	<b>66,646</b>

#### LIABILITIES

€ in millions	March 31, 2021	December 31, 2020
Trade accounts payable	1,635	1,816
Short-term accounts payable to related parties	84	67
Short-term provisions and other short-term liabilities	7,803	7,433
Short-term debt	2,037	245
Short-term debt from related parties	6	5
Current portion of long-term debt	1,981	1,132
Current portion of long-term lease liabilities	796	766
Current portion of bonds	1,296	1,522
Short-term accruals for income taxes	309	230
<b>A. Total short-term liabilities</b>	<b>15,947</b>	<b>13,216</b>
Long-term debt, less current portion	3,195	4,022
Long-term lease liabilities, less current portion	5,580	5,422
Bonds, less current portion	11,141	12,325
Convertible bonds, less current portion	476	474
Long-term provisions and other long-term liabilities	1,789	1,918
Pension liabilities	1,515	1,582
Long-term accruals for income taxes	283	274
Deferred taxes	1,526	1,390
<b>B. Total long-term liabilities</b>	<b>25,505</b>	<b>27,407</b>
<b>I. Total liabilities</b>	<b>41,452</b>	<b>40,623</b>
<b>A. Noncontrolling interests</b>	<b>9,707</b>	<b>9,074</b>
Subscribed capital	557	557
Capital reserve	3,992	3,992
Other reserves	13,969	13,535
Accumulated other comprehensive loss	-711	-1,135
<b>B. Total Fresenius SE &amp; Co. KGaA shareholders' equity</b>	<b>17,807</b>	<b>16,949</b>
<b>II. Total shareholders' equity</b>	<b>27,514</b>	<b>26,023</b>
<b>Total liabilities and shareholders' equity</b>	<b>68,966</b>	<b>66,646</b>

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

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	Q1/2021	Q1/2020
<b>Operating activities</b>		
Net income	671	730
<b>Adjustments to reconcile net income to cash and cash equivalents provided by operating activities</b>		
Depreciation and amortization	622	630
Change in deferred taxes	-24	-44
Gain/loss on sale of fixed assets and of investments and divestitures	-8	18
<b>Changes in assets and liabilities, net of amounts from businesses acquired or disposed of</b>		
Trade accounts and other receivables	-527	-507
Inventories	-49	-145
Other current and non-current assets	-62	-17
Accounts receivable from/payable to related parties	-40	53
Trade accounts payable, provisions and other short-term and long-term liabilities	-6	83
Accruals for income taxes	75	77
<b>Net cash provided by operating activities</b>	<b>652</b>	<b>878</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and capitalized development costs	-417	-576
Proceeds from sales of property, plant and equipment	6	3
Acquisitions and investments and purchases of intangible assets	-135	-293
Proceeds from sale of investments and divestitures	72	6
<b>Net cash used in investing activities</b>	<b>-474</b>	<b>-860</b>

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	Q1/2021	Q1/2020
<b>Financing activities</b>		
Proceeds from short-term debt	1,865	553
Repayments of short-term debt	-64	-387
Proceeds from long-term debt	468	20
Repayments of long-term debt	-645	-302
Repayments of lease liabilities	-224	-218
Proceeds from the issuance of bonds	0	750
Repayments of liabilities from bonds	-1,535	0
Repayments of convertible bonds	0	-400
Payments for the share buy-back program of Fresenius Medical Care	0	-216
Proceeds from the accounts receivable facility of Fresenius Medical Care	12	271
Proceeds from the exercise of stock options	1	1
Dividends paid	-61	-58
Change in noncontrolling interests, net	-1	-
<b>Net cash used in/provided by financing activities</b>	<b>-184</b>	<b>14</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>46</b>	<b>-11</b>
<b>Net increase in cash and cash equivalents</b>	<b>40</b>	<b>21</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>1,837</b>	<b>1,654</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,877</b>	<b>1,675</b>

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

€ in millions	Q1/2021	Q1/2020
Received interest	20	15
Paid interest	-143	-175
Income taxes paid	-83	-93

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

## FRESENIUS SE & CO. KGAA

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
<b>As of December 31, 2019</b>	<b>557,380</b>	<b>557,380</b>	<b>557</b>	<b>3,989</b>	<b>12,422</b>
Proceeds from the exercise of stock options	30	30	–	1	
Compensation expense related to stock options				4	
Dividends paid					0
Sale of noncontrolling interests					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-103
Put option liabilities					-2
Comprehensive income (loss)					
Net income					459
Other comprehensive income (loss)					
Cash flow hedges					
Foreign currency translation					
Comprehensive income (loss)					459
<b>As of March 31, 2020</b>	<b>557,410</b>	<b>557,410</b>	<b>557</b>	<b>3,994</b>	<b>12,776</b>
<b>As of December 31, 2020</b>	<b>557,541</b>	<b>557,541</b>	<b>557</b>	<b>3,992</b>	<b>13,535</b>
Proceeds from the exercise of stock options	1	1	–	–	
Compensation expense related to stock options				–	
Dividends paid					0
Purchase of noncontrolling interests					
Put option liabilities					-1
Comprehensive income (loss)					
Net income					435
Other Comprehensive Income (Loss)					
Cash flow hedges					
Change of FVOCI equity investments					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Fair value changes					
Comprehensive income (loss)					435
<b>As of March 31, 2021</b>	<b>557,542</b>	<b>557,542</b>	<b>557</b>	<b>3,992</b>	<b>13,969</b>

## FRESENIUS SE &amp; CO. KGAA CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Accumulated other comprehensive income (loss)					Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Non- controlling interests € in millions	Total shareholders' equity € in millions
	Foreign currency translation € in millions	Cash flow hedges € in millions	Pensions € in millions	Equity investments € in millions	Fair value changes € in millions			
<b>As of December 31, 2019</b>	294	-65	-429	10	0	16,778	9,802	26,580
Proceeds from the exercise of stock options						1	-	1
Compensation expense related to stock options						4	-	4
Dividends paid						0	-58	-58
Sale of noncontrolling interests						0	-32	-32
Share buy-back program of Fresenius Medical Care AG & Co. KGaA						-103	-219	-322
Put option liabilities						-2	-3	-5
Comprehensive income (loss)								
Net income						459	271	730
Other comprehensive income (loss)								
Cash flow hedges		5				5	3	8
Foreign currency translation	38	-1	-1	1		37	13	50
Comprehensive income (loss)	38	4	-1	1	0	501	287	788
<b>As of March 31, 2020</b>	332	-61	-430	11	0	17,179	9,777	26,956
<b>As of December 31, 2020</b>	-704	-62	-405	9	27	16,949	9,074	26,023
Proceeds from the exercise of stock options						-	-	-
Compensation expense related to stock options						-	-	-
Dividends paid						0	-61	-61
Purchase of noncontrolling interests						0	35	35
Put option liabilities						-1	-3	-4
Comprehensive income (loss)								
Net income						435	236	671
Other Comprehensive Income (Loss)								
Cash flow hedges		1				1	-2	-1
Change of FVOCI equity investments				1		1	3	4
Foreign currency translation	391	-	-2	-		389	410	799
Actuarial gains on defined benefit pension plans			38			38	27	65
Fair value changes					-5	-5	-12	-17
Comprehensive income (loss)	391	1	36	1	-5	859	662	1,521
<b>As of March 31, 2021</b>	-313	-61	-369	10	22	17,807	9,707	27,514

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

## FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING FIRST QUARTER (UNAUDITED)

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate			Fresenius Group		
by business segment, € in millions	2021	2020	Growth	2021	2020 <sup>2</sup>	Growth	2021	2020	Growth	2021	2020	Growth	2021	2020 <sup>3</sup>	Growth	2021	2020	Growth
Sales	4,210	4,488	-6%	1,761	1,789	-2%	2,649	2,466	7%	477	499	-4%	-113	-107	-6%	8,984	9,135	-2%
thereof contribution to consolidated sales	4,199	4,477	-6%	1,745	1,775	-2%	2,643	2,461	7%	397	421	-6%	0	1	-100%	8,984	9,135	-2%
thereof intercompany sales	11	11	0%	16	14	14%	6	5	20%	80	78	3%	-113	-108	-5%	0	0	
contribution to consolidated sales	47%	49%		20%	19%		29%	27%		4%	5%		0%	0%		100%	100%	
EBITDA	862	956	-10%	374	388	-4%	380	382	-1%	17	34	-50%	-5	-5	0%	1,628	1,755	-7%
Depreciation and amortization	388	401	-3%	98	99	-1%	112	108	4%	21	20	5%	3	2	50%	622	630	-1%
EBIT	474	555	-15%	276	289	-4%	268	274	-2%	-4	14	-129%	-8	-7	-14%	1,006	1,125	-11%
Net interest	-76	-104	27%	-17	-23	26%	-44	-45	2%	-3	-5	40%	3	-5	160%	-137	-182	25%
Income taxes	-94	-100	7%	-59	-63	6%	-48	-51	6%	1	-2	150%	2	3	-33%	-198	-213	7%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	249	283	-12%	190	197	-4%	173	176	-2%	-7	7	-200%	-170	-204	17%	435	459	-5%
Operating cash flow	208	584	-64%	278	174	60%	215	145	48%	-44	-20	-120%	-5	-5	0%	652	878	-26%
Cash flow before acquisitions and dividends	29	304	-91%	146	-4	--	138	56	146%	-66	-42	-57%	-6	-9	33%	241	305	-21%
Total assets <sup>1</sup>	33,159	31,689	5%	14,033	13,591	3%	19,548	19,241	2%	2,746	2,716	1%	-520	-591	12%	68,966	66,646	3%
Debt <sup>1</sup>	12,900	12,380	4%	4,132	4,181	-1%	7,481	7,472	0%	724	686	6%	1,271	1,194	6%	26,508	25,913	2%
Other operating liabilities <sup>1</sup>	6,249	6,192	1%	3,256	3,225	1%	2,745	2,585	6%	930	933	0%	238	385	-38%	13,418	13,320	1%
Capital expenditure, gross	184	282	-35%	99	150	-34%	76	90	-16%	22	22	0%	3	3	0%	384	547	-30%
Acquisitions, gross/investments	131	66	98%	1	12	-92%	17	329	-95%	0	4	-100%	0	1	-100%	149	412	-64%
Research and development expenses	49	46	6%	137	140	-2%	1	-	--	0	0		-1	-	--	186	186	0%
Employees (per capita on balance sheet date) <sup>1</sup>	132,854	133,129	0%	40,910	40,519	1%	116,522	116,952	0%	19,310	19,414	-1%	1,246	1,255	-1%	310,842	311,269	0%
Key figures																		
EBITDA margin	20.5%	21.3%		21.2%	21.7%		14.3%	15.5%		3.6%	6.8%					18.1%	19.2%	
EBIT margin	11.3%	12.4%		15.7%	16.2%		10.1%	11.1%		-0.8%	2.8%					11.2%	12.3%	
Depreciation and amortization in % of sales	9.2%	8.9%		5.6%	5.5%		4.2%	4.4%		4.4%	4.0%					6.9%	6.9%	
Operating cash flow in % of sales	4.9%	13.0%		15.8%	9.7%		8.1%	5.9%		-9.2%	-4.0%					7.3%	9.6%	
ROOA <sup>1</sup>	7.6%	8.2%		8.8%	9.2%		5.6%	5.7%		0.5%	1.3%					6.9% <sup>4</sup>	7.3% <sup>4</sup>	

<sup>1</sup> 2020: December 31

<sup>2</sup> Before revaluations of biosimilars contingent purchase price liabilities

<sup>3</sup> After revaluations of biosimilars contingent purchase price liabilities

<sup>4</sup> The underlying pro forma EBIT does not include revaluations of biosimilars contingent purchase price liabilities and impairment of goodwill at FMC Latin America.

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



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## GENERAL NOTES

### 1. PRINCIPLES

#### I. GROUP STRUCTURE

Fresenius is a global health care group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other health care facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., Germany, the operating activities are organized amongst the following legally independent business segments as of March 31, 2021:

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

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

#### II. BASIS OF PRESENTATION

Fresenius SE & Co. KGaA, as a stock exchange listed company with a domicile in a member state of the European Union (EU), fulfills its obligation to prepare and publish the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and applying Section 315e of the German Commercial Code (HGB).

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

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

#### III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Principles of consolidation

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

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

The consolidated financial statements for the first quarter ended March 31, 2021 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide a fair presentation of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first quarter ended March 31, 2021 are not necessarily indicative of the results of operations for the fiscal year 2021.

##### Classifications

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

In the business segment Fresenius Medical Care, in the consolidated statement of income, selling, general and administrative expenses related to the amortization of acquired technology and other costs in the amount of €20 million for the first quarter ended March 31, 2020 have been reclassified to cost of sales.

Furthermore, in the business segment Fresenius Medical Care, in the consolidated statement of income, gain related to divestitures of Care Coordination activities in the amount of €24 million for the first quarter ended March 31, 2020, which was previously presented separately, has been included within selling, general and administrative expenses.

Moreover, in the business segment Fresenius Medical Care, in the first quarter of 2020, as a result of further analysis of the contracts related to a multi-currency notional pooling cash management system, cash and cash equivalents and short-term debt associated with this system which were previously presented on a gross basis are presented on a net basis in the consolidated financial statements. In the consolidated statement of cash flows, proceeds from short-term debt and cash and cash equivalents at the end of the reporting period for the three months ended March 31, 2020 decreased by €352 million.

#### Government grants and impacts of COVID-19 pandemic

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

The developments of the most significant programs in the first quarter of 2021 which have impacted the Fresenius Group's business are in Germany and the United States as follows:

The hospitals of the Fresenius Group in Germany have also in the first quarter of 2021 received reimbursements and grants under the revised COVID-19 Hospital Relief Act ("Gesetz zum Ausgleich COVID-19 bedingter finanzieller Belastungen der Krankenhäuser und weiterer Gesundheitseinrichtungen"). Since January 1, 2021, the compensation received for reserved beds is based on incidence values and is also linked to the sales in 2019.

In the first quarter of 2021, the German hospitals of the Fresenius Group received total reimbursements and grants of €205 million, of which €196 million were recorded in sales and €9 million as grants in other operating income.

The remaining amount of U.S. government relief funding which Fresenius Medical Care North America received in the United States under the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) recorded in deferred income was US\$17 million (€14 million) and US\$22 million (€18 million) at March 31, 2021 and December 31, 2020, respectively. In 2020, the Fresenius Group also recorded a contract liability for advance payments received under the CMS Accelerated and Advance Payment program within short-term provisions and other short-term liabilities and long-term provisions and other long-term liabilities. Contract liabilities related to the CMS Accelerated and Advance Payment program were US\$1,046 million (€892 million) and US\$1,046 million (€852 million) as of March 31, 2021 and December 31, 2020, respectively. Beginning on April 1, 2021, the Centers for Medicare and Medicaid Services (CMS) began recouping these accelerated and advance payments from Fresenius Medical Care.

In addition to the programs above, the Fresenius Group also received grants and other reimbursements in the first quarter of 2021 under various other programs from multiple governments around the world in the amount of €24 million. In Spain, the agreements made in 2020 with public and private payers were further clarified in the first quarter of 2021.

#### Use of estimates

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

#### IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at and for the three months ended March 31, 2021 in conformity with IFRS, as adopted by the EU, that must be applied for the interim periods starting on or after January 1, 2021.

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

#### V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

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

In January 2020, the IASB issued **Amendments to IAS 1, Classification of Liabilities as Current and Non-current**. The amendments clarify under which circumstances debt and other liabilities with an uncertain settlement date should be classified as current or non-current. Among others, the amendments state that liabilities shall be classified depending on rights that exist at the end of the reporting period and define under which conditions liabilities might be settled by cash, other economic resources

or equity. On July 15, 2020, the IASB deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from the amendments. The amendments to IAS 1 are now effective for fiscal years beginning on or after January 1, 2023. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of the amendments to IAS 1 on the consolidated financial statements.

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

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

The EU Commission's endorsement of the amendments to IAS 1 is still outstanding.

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

## 2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €149 million and €412 million in the first quarter of 2021 and 2020, respectively. Of this amount, €135 million was paid in cash and €14 million was assumed obligations in the first quarter of 2021. There were no individually material transactions which have occurred during the first quarter of 2021.

### FRESENIUS MEDICAL CARE

In the first quarter of 2021, Fresenius Medical Care spent €131 million (Q1/2020: €66 million) on acquisitions, mainly on the purchase of dialysis clinics.

### FRESENIUS KABI

In the first quarter of 2021, Fresenius Kabi spent €1 million (Q1/2020: €12 million) on acquisitions, mainly for already planned acquisition related milestone payments relating to the acquisition of the biosimilars business.

### FRESENIUS HELIOS

In the first quarter of 2021, Fresenius Helios spent €17 million (Q1/2020: €329 million) on acquisitions, mainly for subsequent purchase price payments for the Malteser hospital in Duisburg, Germany.

On April 14, 2021, Fresenius Helios has finalized the acquisition of Luarmia S.L. and NMC Eugin US Corporation (together Eugin Group), one of the leading international fertility groups, from NMC Health. The Eugin Group has been consolidated as of April 1, 2021.

## NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

### 3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first quarter of 2021 in the amount of €435 million does not include special items.

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first quarter of 2020 in the amount of €459 million included special items relating to the revaluation of biosimilars contingent purchase price liabilities.

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

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
<b>Earnings Q1/2020, before special items</b>	1,125	-174	465
Revaluations of biosimilars contingent purchase price liabilities	0	-8	-6
<b>Earnings Q1/2020 according to IFRS</b>	<b>1,125</b>	<b>-182</b>	<b>459</b>

### 4. SALES

Sales by activity were as follows:

Q1/2021						
€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	Fresenius Group
Sales from contracts with customers	4,072	1,744	2,640	396	–	8,852
thereof sales of services	3,233	20	2,639	294	–	6,186
thereof sales of products and related services	839	1,721	0	0	0	2,560
thereof sales from long-term production contracts	0	0	0	102	0	102
thereof further sales from contracts with customers	0	3	1	0	0	4
Other sales	127	1	3	1	0	132
<b>Sales</b>	<b>4,199</b>	<b>1,745</b>	<b>2,643</b>	<b>397</b>	<b>–</b>	<b>8,984</b>

Q1/2020						
€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	Fresenius Group
Sales from contracts with customers	4,376	1,774	2,458	421	–	9,029
thereof sales of services	3,516	24	2,458	291	–	6,289
thereof sales of products and related services	860	1,743	0	0	0	2,603
thereof sales from long-term production contracts	0	0	0	130	0	130
thereof further sales from contracts with customers	0	7	0	0	0	7
Other sales	102	1	3	0	0	106
<b>Sales</b>	<b>4,478</b>	<b>1,775</b>	<b>2,461</b>	<b>421</b>	<b>–</b>	<b>9,135</b>

Other sales include sales from insurance and lease contracts.

## 5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €186 million (Q1/2020: €186 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €5 million (Q1/2020: €5 million). The expenses for the further development of the biosimilars business included in the research and development expenses amounted to €34 million in the first quarter of 2021 (Q1/2020: €43 million).

## 6. TAXES

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

## 7. EARNINGS PER SHARE

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

	Q1/2021	Q1/2020
<b>Numerators, € in millions</b>		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	435	459
less effect from dilution due to Fresenius Medical Care shares	–	–
Income available to all ordinary shares	435	459
<b>Denominators in number of shares</b>		
Weighted-average number of ordinary shares outstanding	557,541,159	557,396,954
Potentially dilutive ordinary shares	107,835	450,299
Weighted-average number of ordinary shares outstanding assuming dilution	557,648,994	557,847,253
<b>Basic earnings per share in €</b>	0.78	0.82
<b>Fully diluted earnings per share in €</b>	0.78	0.82

## NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 8. TRADE ACCOUNTS AND OTHER RECEIVABLES

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

€ in millions	March 31, 2021		December 31, 2020	
		thereof credit impaired		thereof credit impaired
Trade accounts and other receivables	8,009	668	7,338	674
less allowances for expected credit losses	413	307	401	314
<b>Trade accounts and other receivables, net</b>	<b>7,596</b>	<b>361</b>	<b>6,937</b>	<b>360</b>

Within trade accounts and other receivables (before allowances) as of March 31, 2021, €7,903 million (December 31, 2020: €7,248 million) relate to revenue from contracts with customers as defined by IFRS 15. This amount includes €412 million (December 31, 2020: €400 million) of allowances for expected credit losses. Further trade accounts and other receivables, net, relate to other sales.

### 9. INVENTORIES

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

€ in millions	Mar. 31, 2021	Dec. 31, 2020
Raw materials and purchased components	968	913
Work in process	403	363
Finished goods	2,859	2,796
less reserves	138	127
<b>Inventories, net</b>	<b>4,092</b>	<b>3,945</b>

### 10. OTHER CURRENT AND NON-CURRENT ASSETS

At equity investments as of March 31, 2021 in the amount of €730 million (December 31, 2020: €764 million) mainly related to the equity method investee of Fresenius Medical Care named Vifor Fresenius Medical Care Renal Pharma Ltd. In the first quarter of 2021, income of €28 million (Q1/2020: €20 million) resulting from this equity investment was included in selling, general and administrative expenses in the consolidated statement of income.

## 11. GOODWILL

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate	Fresenius Group
<b>Carrying amount as of January 1, 2020</b>	<b>14,017</b>	<b>5,431</b>	<b>7,988</b>	<b>295</b>	<b>6</b>	<b>27,737</b>
Additions	254	0	290	4	0	548
Disposals	0	–	0	–	0	–
Impairment loss	-195	0	0	0	0	-195
Foreign currency translation	-1,117	-373	0	-1	0	-1,491
<b>Carrying amount as of December 31, 2020</b>	<b>12,959</b>	<b>5,058</b>	<b>8,278</b>	<b>298</b>	<b>6</b>	<b>26,599</b>
Additions	152	0	73	0	0	225
Foreign currency translation	528	171	0	–	0	699
<b>Carrying amount as of March 31, 2021</b>	<b>13,639</b>	<b>5,229</b>	<b>8,351</b>	<b>298</b>	<b>6</b>	<b>27,523</b>

## 12. DEBT

### SHORT-TERM DEBT

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

€ in millions	Book value	
	March 31, 2021	December 31, 2020
Fresenius SE & Co. KGaA Commercial Paper	300	30
Fresenius Medical Care AG & Co. KGaA Commercial Paper	684	20
Other short-term debt	1,053	195
<b>Short-term debt</b>	<b>2,037</b>	<b>245</b>

### LONG-TERM DEBT

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

€ in millions	Book value	
	March 31, 2021	December 31, 2020
Fresenius Medical Care Credit Agreement	1,172	1,162
Fresenius Credit Agreement	1,399	1,793
Schuldschein Loans	1,768	1,793
Accounts Receivable Facility of Fresenius Medical Care	13	0
Other	824	406
<b>Subtotal</b>	<b>5,176</b>	<b>5,154</b>
less current portion	1,981	1,132
<b>Long-term debt, less current portion</b>	<b>3,195</b>	<b>4,022</b>

The accounts receivable facility of Fresenius Medical Care in the amount of €13 million is shown as current portion of long-term debt in the consolidated statement of financial position as of March 31, 2021.



## Fresenius Medical Care Credit Agreement

The following tables show the available and outstanding amounts under the Fresenius Medical Care Credit Agreement at March 31, 2021 and at December 31, 2020:

March 31, 2021				
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	768	US\$0 million	0
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€0 million	0
Term Loan (in US\$) 2017/2022	US\$1,080 million	921	US\$1,080 million	921
Term Loan (in €) 2017/2022	€252 million	252	€252 million	252
<b>Total</b>		2,541		1,173
less financing cost				1
<b>Total</b>				1,172

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

As of March 31, 2021, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care Credit Agreement.

## Fresenius Credit Agreement

The following tables show the available and outstanding amounts under the Fresenius Credit Agreement at March 31, 2021 and at December 31, 2020:

	March 31, 2021			
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,100 million	1,100	€0 million	0
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	426	US\$0 million	0
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€650 million	650	€650 million	650
<b>Total</b>		2,926		1,400
less financing cost				1
<b>Total</b>				1,399

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

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

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

The euro denominated loan in the amount of €750 million originally due on September 28, 2021, is shown as current portion of long-term debt in the consolidated statement of financial position as of March 31, 2021.

As of March 31, 2021, the Fresenius Group was in compliance with all covenants under the Fresenius Credit Agreement.

## Schuldschein Loans

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

	Notional amount	Maturity	Interest rate fixed / variable	Book value € in millions	
				March 31, 2021	Dec. 31, 2020
Fresenius SE & Co. KGaA 2017/2022	€372 million	Jan. 31, 2022	0.93% / variable	372	372
Fresenius SE & Co. KGaA 2015/2022	€21 million	April 7, 2022	1.61%	21	21
Fresenius SE & Co. KGaA 2019/2023	€378 million	Sept. 25, 2023	0.55% / variable	378	377
Fresenius SE & Co. KGaA 2017/2024	€421 million	Jan. 31, 2024	1.40% / variable	420	420
Fresenius SE & Co. KGaA 2019/2026	€238 million	Sept. 23, 2026	0.85% / variable	238	238
Fresenius SE & Co. KGaA 2017/2027	€207 million	Jan. 29, 2027	1.96% / variable	206	207
Fresenius SE & Co. KGaA 2019/2029	€84 million	Sept. 24, 2029	1.10%	84	84
Fresenius US Finance II, Inc. 2016/2021	US\$33 million	March 10, 2021	2.66%	0	27
Fresenius US Finance II, Inc. 2016/2023	US\$58 million	March 10, 2023	3.12% / variable	49	47
<b>Schuldschein Loans</b>				<b>1,768</b>	<b>1,793</b>

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

As of March 31, 2021, the Fresenius Group was in compliance with all of its covenants under the Schuldschein Loans.

## CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At March 31, 2021, the additional financial cushion resulting from unutilized credit facilities was approximately €4.8 billion. Syndicated credit facilities accounted for €2.9 billion.

### 13. BONDS

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

	Notional amount	Maturity	Interest rate	Book value € in millions	
				March 31, 2021	December 31, 2020
Fresenius Finance Ireland PLC 2017/2022	€700 million	Jan. 31, 2022	0.875%	699	699
Fresenius Finance Ireland PLC 2017/2024	€700 million	Jan. 30, 2024	1.50%	698	698
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%	695	694
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%	495	495
Fresenius SE & Co. KGaA 2014/2021	€450 million	Feb. 1, 2021	3.00%	0	450
Fresenius SE & Co. KGaA 2014/2024	€450 million	Feb. 1, 2024	4.00%	449	450
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%	496	496
Fresenius SE & Co. KGaA 2020/2026	€500 million	Sep. 28, 2026	0.375%	495	495
Fresenius SE & Co. KGaA 2020/2027	€750 million	Oct. 8, 2027	1.625%	741	740
Fresenius SE & Co. KGaA 2020/2028	€750 million	Jan. 15, 2028	0.750%	744	744
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%	495	495
Fresenius SE & Co. KGaA 2020/2033	€500 million	Jan. 28, 2033	1.125%	497	497
Fresenius US Finance II, Inc. 2014/2021	US\$300 million	Feb. 1, 2021	4.25%	0	244
Fresenius US Finance II, Inc. 2015/2023	US\$300 million	Jan. 15, 2023	4.50%	255	243
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	0	299
Fresenius Medical Care AG & Co. KGaA 2019/2023	€650 million	Nov. 29, 2023	0.25%	648	648
Fresenius Medical Care AG & Co. KGaA 2018/2025	€500 million	July 11, 2025	1.50%	497	497
Fresenius Medical Care AG & Co. KGaA 2020/2026	€500 million	May 29, 2026	1.00%	496	496
Fresenius Medical Care AG & Co. KGaA 2019/2026	€600 million	Nov. 30, 2026	0.625%	594	594
Fresenius Medical Care AG & Co. KGaA 2019/2029	€500 million	Nov. 29, 2029	1.25%	497	497
Fresenius Medical Care AG & Co. KGaA 2020/2030	€750 million	May 29, 2030	1.50%	745	745
Fresenius Medical Care US Finance, Inc. 2011/2021	US\$650 million	Feb. 15, 2021	5.75%	0	529
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$700 million	Jan. 31, 2022	5.875%	597	570
Fresenius Medical Care US Finance II, Inc. 2014/2024	US\$400 million	Oct. 15, 2024	4.75%	340	325
Fresenius Medical Care US Finance III, Inc. 2019/2029	US\$500 million	June 15, 2029	3.75%	419	400
Fresenius Medical Care US Finance III, Inc. 2020/2031	US\$1,000 million	Feb. 16, 2031	2.375%	845	807
<b>Bonds</b>				<b>12,437</b>	<b>13,847</b>

On April 1, 2021, Fresenius Finance Ireland PLC placed bonds with an aggregate volume of €1,500 million. The bonds consist of three tranches with maturities of four and a half, seven and a half and ten and a half years.

As of March 31, 2021, the Fresenius Group was in compliance with all of its covenants under the bonds.

## 14. CONVERTIBLE BONDS

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

	Notional amount	Maturity	Coupon	Current conversion price	Book value € in millions	
					March 31, 2021	December 31, 2020
Fresenius SE & Co. KGaA 2017/2024	€500 million	Jan. 31, 2024	0.000%	€105.8791	476	474
<b>Convertible bonds</b>					<b>476</b>	<b>474</b>

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €571 thousand at March 31, 2021. Fresenius SE & Co. KGaA purchased stock options (call options) with a corresponding fair value to hedge future fair value fluctuations of this derivative.

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

## 15. NONCONTROLLING INTERESTS

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

€ in millions	Mar. 31, 2021	Dec. 31, 2020
Noncontrolling interests in Fresenius Medical Care AG & Co. KGaA	8,132	7,600
Noncontrolling interests in VAMED Aktiengesellschaft	90	91
Noncontrolling interests in the business segments		
Fresenius Medical Care	1,202	1,116
Fresenius Kabi	143	129
Fresenius Helios	125	122
Fresenius Vamed	15	16
<b>Total noncontrolling interests</b>	<b>9,707</b>	<b>9,074</b>

Noncontrolling interests changed as follows:

€ in millions	Q1/2021
<b>Noncontrolling interests as of December 31, 2020</b>	<b>9,074</b>
Noncontrolling interests in profit	236
Purchase of noncontrolling interests	35
Stock options	-
Dividend payments	-61
Currency effects and other changes	423
<b>Noncontrolling interests as of March 31, 2021</b>	<b>9,707</b>

## 16. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

### SUBSCRIBED CAPITAL

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

During the first quarter of 2021, 750 stock options were exercised. Consequently, as of March 31, 2021, the subscribed capital of Fresenius SE & Co. KGaA consisted of 557,541,659 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

### CONDITIONAL CAPITAL

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

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003 (expired)	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008 (expired)	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	23,786,091
<b>Total Conditional Capital as of January 1, 2021</b>	<b>80,945,313</b>
Fresenius SE & Co. KGaA Stock Option Plan 2013 – options exercised	-750
<b>Total Conditional Capital as of March 31, 2021</b>	<b>80,944,563</b>

As of March 31, 2021, the Conditional Capital was composed as follows:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003 (expired)	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008 (expired)	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	23,785,341
<b>Total Conditional Capital as of March 31, 2021</b>	<b>80,944,563</b>

### DIVIDENDS

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

The general partner and the Supervisory Board of Fresenius SE & Co. KGaA will propose a dividend of €0.88 per bearer ordinary share to the virtual Annual General Meeting taking place on May 21, 2021, i.e. a total dividend payment of €491 million.

## OTHER NOTES

### 17. LEGAL AND REGULATORY MATTERS

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

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

#### INTERNAL REVIEW/FCPA COMPLIANCE

FMC-AG & Co. KGaA has agreed to respond and defend if the case is not dismissed on FMCH's motion.

#### PRODUCT LIABILITY LITIGATION

Discovery in the litigation is complete.

#### SUBPOENAS „COLORADO AND NEW YORK“

The court unsealed the complaint, allowing the relator to proceed on its own. On January 27, 2021, the Magistrate Judge recommended dismissal of the complaint with prejudice and without leave to amend. The relator is appealing the Magistrate Judge's recommendation.

#### VIFOR PATENT INFRINGEMENT FRESENIUS MEDICAL CARE (DELAWARE)

In relation to the remaining pending cases and the defendant Teva, trial took place for the first complaint (Case No. 1:18-cv-00390-MN) between January 19 and 22, 2021, and trial is scheduled for the second complaint (Case No. 1:20-cv-00697-MN) for June 2022.

#### SUBPOENA NORTHERN DISTRICT OF TEXAS (DALLAS)

On March 25, 2021, FMCH received a grand jury subpoena issued from the United States District Court for the Northern District of Texas (Dallas). The subpoena seeks documents comprising communications between employees of FMCH and DaVita and partially overlaps in content the 2018 Denver subpoena. The Dallas subpoena is part of a separate investigation by the Anti-Trust Division of the Department of Justice into possible employee "no poaching" and similar

agreements to refrain from competition and is related to the indictment in United States v. Surgical Care Affiliates, 3:2021-Cr-0011 (N.D. Tex.). The unnamed co-conspirators described in the Surgical Care Affiliates indictment do not include FMCH, FMC-AG & Co. KGaA, or any of their employees. FMCH is cooperating in the investigation.

#### **SUBPOENA "NEVADA"**

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

#### **PATENT DISPUTE FRESENIUS KABI FRANCE**

In March 2021, Fresenius Kabi and Eli Lilly have entered into a pan-European settlement pursuant to which, among

other provisions, Fresenius Kabi undertakes to make a payment of US\$68.5 million to Lilly less the amount of €28 million already paid during the proceedings in France. In parallel, all court proceedings pending in Europe in relation to the patent in dispute are discontinued by the parties, including the proceedings in France.



## 18. FINANCIAL INSTRUMENTS

## VALUATION OF FINANCIAL INSTRUMENTS

## Carrying amounts of financial instruments

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

€ in millions	March 31, 2021						
	Carrying amount	Amortized cost	Fair value through profit and loss <sup>1</sup>	Fair value through other comprehensive income <sup>2</sup>	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
<b>Financial assets</b>							
Cash and cash equivalents	1,877	1,438	439				
Trade accounts and other receivables, less allowances for expected credit losses	7,596	7,465	15	43			73
Accounts receivable from and loans to related parties	180	180					
Other financial assets <sup>3</sup>	2,055	1,152	316	456	9		122
<b>Financial assets</b>	<b>11,708</b>	<b>10,235</b>	<b>770</b>	<b>499</b>	<b>9</b>	<b>0</b>	<b>195</b>
<b>Financial liabilities</b>							
Trade accounts payable	1,635	1,635					
Short-term accounts payable to related parties	84	84					
Short-term debt	2,037	2,037					
Short-term debt from related parties	6	6					
Long-term debt	5,176	5,176					
Long-term lease liabilities	6,376						6,376
Bonds	12,437	12,437					
Convertible bonds	476	476					
Other financial liabilities <sup>4</sup>	5,106	3,534	603		26	943	
<b>Financial liabilities</b>	<b>33,333</b>	<b>25,385</b>	<b>603</b>	<b>0</b>	<b>26</b>	<b>943</b>	<b>6,376</b>

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

<sup>2</sup> The option to measure equity instruments at fair value through other comprehensive income has been exercised. The option has been used for €169 million other investments (included in other financial assets).

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

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

December 31, 2020							
€ in millions	Carrying amount	Amortized cost	Fair value through profit and loss <sup>1</sup>	Fair value through other comprehensive income <sup>2</sup>	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
<b>Financial assets</b>							
Cash and cash equivalents	1,837	1,271	566				
Trade accounts and other receivables, less allowances for expected credit losses	6,937	6,783	45	34			75
Accounts receivable from and loans to related parties	110	110					
Other financial assets <sup>3</sup>	2,111	1,190	357	447	8		109
<b>Financial assets</b>	<b>10,995</b>	<b>9,354</b>	<b>968</b>	<b>481</b>	<b>8</b>	<b>0</b>	<b>184</b>
<b>Financial liabilities</b>							
Trade accounts payable	1,816	1,816					
Short-term accounts payable to related parties	67	67					
Short-term debt	245	245					
Short-term debt from related parties	5	5					
Long-term debt	5,154	5,154					
Long-term lease liabilities	6,188						6,188
Bonds	13,847	13,847					
Convertible bonds	474	474					
Other financial liabilities <sup>4</sup>	5,079	3,509	654		15	901	
<b>Financial liabilities</b>	<b>32,875</b>	<b>25,117</b>	<b>654</b>	<b>0</b>	<b>15</b>	<b>901</b>	<b>6,188</b>

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

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

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

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

## Fair value of financial instruments

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

€ in millions	March 31, 2021				December 31, 2020			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>								
Cash and cash equivalents <sup>1</sup>	439	439			566	566		
Trade accounts and other receivables, less allowances for expected credit losses <sup>1</sup>	58		58		79		79	
Other financial assets <sup>1</sup>								
Debt instruments	356	351	5		401	396	5	
Equity investments	395	19	175	201	393	12	162	219
Derivatives designated as cash flow hedging instruments	9		9		8		8	
Derivatives not designated as hedging instruments	21		21		10		10	
<b>Financial liabilities</b>								
Long-term debt	5,176		5,212		5,154		5,210	
Bonds	12,437	13,183			13,847	14,847		
Convertible bonds	476	496			474	490		
Other financial liabilities <sup>1</sup>								
Put option liabilities	943			943	901			901
Accrued contingent payments outstanding for acquisitions	578			578	581			581
Derivatives designated as cash flow hedging instruments	26		26		15		15	
Derivatives not designated as hedging instruments	25		25		73		73	

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

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

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

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

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

€ in millions	Equity investments	Accrued contingent payments outstanding for acquisitions	Put option liabilities
<b>As of January 1, 2021</b>	<b>219</b>	<b>581</b>	<b>901</b>
Additions	0	5	30
Disposals	0	-3	-9
Gain/loss recognized in profit or loss	-26	-4	-
Gain/loss recognized in equity	0	0	-18
Currency effects and other changes	8	-1	39
<b>As of March 31, 2021</b>	<b>201</b>	<b>578</b>	<b>943</b>

## 19. INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of March 31, 2021, the equity ratio was 39.9% and the debt ratio (debt/total assets) was 38.4%. As of March 31, 2021, the leverage ratio (before special items) on the basis of net debt/EBITDA was 3.5.

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

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

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

	Mar. 31, 2021	Dec. 31, 2020
<b>Standard &amp; Poor's</b>		
Corporate Credit Rating	<b>BBB</b>	BBB
Outlook	<b>stable</b>	stable
<b>Moody's</b>		
Corporate Credit Rating	<b>Baa3</b>	Baa3
Outlook	<b>stable</b>	stable
<b>Fitch</b>		
Corporate Credit Rating	<b>BBB-</b>	BBB-
Outlook	<b>stable</b>	stable

## 20. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

### GENERAL

The consolidated segment reporting table shown on page 32 of this interim report is an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at March 31, 2021.

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

**NOTES ON THE BUSINESS SEGMENTS**

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

**RECONCILIATION OF KEY FIGURES TO  
CONSOLIDATED EARNINGS**

€ in millions	Q1/2021	Q1/2020
Total EBIT of reporting segments	<b>1,014</b>	1,132
General corporate expenses		
Corporate/Other (EBIT)	<b>-8</b>	-7
<b>Group EBIT</b>	<b>1,006</b>	1,125
Net interest	<b>-137</b>	-182
<b>Income before income taxes</b>	<b>869</b>	943

**RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION**

€ in millions	Mar. 31, 2021	Dec. 31, 2020
Short-term debt	<b>2,037</b>	245
Short-term debt from related parties	<b>6</b>	5
Current portion of long-term debt	<b>1,981</b>	1,132
Current portion of long-term lease liabilities	<b>796</b>	766
Current portion of bonds	<b>1,296</b>	1,522
Long-term debt, less current portion	<b>3,195</b>	4,022
Long-term lease liabilities, less current portion	<b>5,580</b>	5,422
Bonds, less current portion	<b>11,141</b>	12,325
Convertible bonds, less current portion	<b>476</b>	474
<b>Debt</b>	<b>26,508</b>	25,913
less cash and cash equivalents	<b>1,877</b>	1,837
<b>Net debt</b>	<b>24,631</b>	24,076

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

As of March 31, 2021, Fresenius SE & Co. KGaA had two share-based compensation plans in place: the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks and the Long Term Incentive Plan 2018 (LTIP 2018) which is solely based on performance shares. Currently, solely LTIP 2018 can be used to grant performance shares.

**Transactions during the first quarter of 2021**

During the first quarter of 2021, Fresenius SE & Co. KGaA received cash of €24 thousand from the exercise of 750 stock options.

Of the 6,079,524 outstanding stock options issued under the 2013 LTIP 5,596,179 were exercisable at March 31, 2021. The members of the Fresenius Management SE Management Board held 693,281 stock options. 39,653 phantom stocks issued under the 2013 LTIP were outstanding at March 31, 2021. The members of the Fresenius Management SE Management Board held 5,059 phantom stocks. At March 31, 2021, the Management Board members of Fresenius Management SE held 388,434 performance shares and employees of Fresenius SE & Co. KGaA held 1,689,540 performance shares under the LTIP 2018.

On March 31, 2021, total unrecognized compensation cost related to non-vested options granted under the 2013 LTIP was €0.6 million. This cost is expected to be recognized over a weighted-average period of 0.3 years.

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

On March 1, 2021 the members of the Management Board of Fresenius Medical Care Management AG were granted 192,201 performance shares with a total fair value of €10 million under the Fresenius Medical Care Management Board Long Term Incentive Plan 2020. This amount will be amortized over the three-year vesting period. The weighted-average fair value per performance share at the grant date was €54.36.

During the first quarter of 2021, 7,910 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €0.4 million upon exercise of these stock options.

## 22. SUBSEQUENT EVENTS

April was characterized worldwide by a regionally varying development of the COVID-19 pandemic with continued high infection numbers as well as an increasing number of virus mutations. Currently, large-scale constraints of public and private life are therefore again enacted in various countries, for example in both Spain and Germany, in order to curtail the spread of COVID-19. The vaccination programs have started worldwide and the development in each country differs. The further development of the global situation and the impact on Fresenius remain uncertain.

Beyond that, there have been no significant changes in the Fresenius Group's operating environment following the end of the first quarter of 2021. With the exception of the issuance of bonds as described in note 13, Bonds, no other events of material importance on the assets and liabilities, financial position, and results of operations of the Group have occurred following the end of the first quarter of 2021.

## 23. CORPORATE GOVERNANCE

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

## FINANCIAL CALENDAR

Virtual Annual General Meeting 2021	May 21, 2021
Report on 1st half 2021	
Conference call, Live webcast	July 30, 2021
Report on 1st – 3rd quarter 2021	
Conference call, Live webcast	November 2, 2021
Subject to change	

## FRESENIUS SHARE/ADR

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

## CONTACT

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Commercial Register: Bad Homburg v. d. H.; HRB 11852  
Chairman of the Supervisory Board: Dr. Gerd Krick

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

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

**Forward-looking statements:**

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

