

Annual General Meeting of Fresenius SE & Co. KGaA on May 17, 2024

Speech of Michael Sen Chairman of the Management Board

The spoken word has precedence. This English version is a courtesy translation.



Dear Shareholders, Ladies and Gentlemen,

Good morning and welcome to Fresenius. It is great to be back here in person. I am delighted that a face-to-face format is once again possible. For it offers the best opportunity for a dialogue with you all.

Today, I would like to take a look back at the past fiscal year. And to share with you what we have planned for this year and the coming years. 2023 was a year of change and new beginnings here at Fresenius. We introduced our #FutureFresenius program to restructure our company, sharpen our focus, and continue successfully developing our company. We now wish to tap into this positive momentum.

We are celebrating a world premiere with you today, namely the launch of our new brand identity. Fresenius is now fresher and more modern. The company logo has not been changed entirely, but rather revamped. Among others, we have updated the color palette to fit perfectly with the digital world. This brand image stands for a new Fresenius.

Internally, we hope that the uniform brand identity will help us to grow even closer together as Team Fresenius. Because regardless where we work, we are all Fresenius. Externally, we want Fresenius to be recognized as a leading global healthcare company. A brand is always a promise. For us, our promise is "Committed to Life," whereby we consistently strive to improve people's lives.

We spoke to a lot of people while revamping our brand identity. We wanted to know how they perceive Fresenius. "A person is more than their illness." is one comment that has stayed with me. We are there for patients. When it is critical, when it comes to life and death. Which is why we always see the people first.

I have brought something with me today that symbolizes much of what Fresenius stands for. This is one of the blood bags produced by Fresenius Kabi. When it comes to the filtration time and the precision with which the blood components are separated, this is truly cutting-edge technology. Did you know that every fourth blood bag worldwide was actually produced by Fresenius? Last year, we sold 27 million of them. For me, this reflects our desire to always offer the best possible quality. And our goal of fair and equitable access to medical care for all people.

#FutureFresenius is probably the biggest transformation at a healthcare company at the current time. All the more reason for me to thank our employees, who are accompanying us on this journey with such enthusiasm. And who play a key role in driving this transformation. My sincere thanks to you all! I would also like to thank our employee representatives specifically. They have been providing constructive support on our path to #FutureFresenius.

This transformation requires a careful and composed approach – and this is exactly how we are proceeding. We identified four phases for our #FutureFresenius journey. We began by pressing the "Reset" button and tackling the most urgent issues. You are all familiar with the reasons for this. Fresenius was successful for a long time, but its performance, momentum, and above all confidence in the company began to wane. We have successfully halted the downward trend and turned it into a positive one.

We are currently in the "Revitalize" phase of our journey during which we will optimize our portfolio, tap into new growth areas, and generate further new momentum. We have dubbed the subsequent phases "Rejuvenate" and "Reimagine." Our aim for the coming years is to now establish Fresenius as an economically successful, innovative healthcare company focused on modern therapies.

Thanks to all our hard work, things are starting to look up again. Going uphill takes longer; it requires stamina. And a steady pace. I would like to show the development of the Fresenius share price from its high in 2017 through to the present day. There was a downward trend in recent years – up until autumn 2022. That was when we began reviewing all company processes and implementing #FutureFresenius. The first successes can already be seen in the increasingly positive share price development. Confidence is slowly returning. We wish to continue this upward trend through a good and reliable performance.

Following the good fiscal year in 2023, we performed excellently in the first quarter of 2024. Operating business is running smoothly and we have increased our revenue and profit. We are expecting a better operating performance in 2024 as a consequence and have raised our full-year outlook accordingly. We now expect organic revenue growth of 4 to 7 percent for 2024. The currency-adjusted earnings (EBIT) are expected to grow by 6 to 10 percent.

This momentum is the direct result of the changes and improvements we made in 2023. We concentrated on sharpening our focus and simplifying structures, in addition to strengthening our operating performance. On the picture behind me, you can see the symbolic IPO of Fresenius Medical Care AG (FMC) on Wall Street at the end of February. While Fresenius Medical Care has been listed there for some time now, FMC wanted to celebrate its new independence at the New York Stock Exchange.

The deconsolidation carried out last year was a historic step. "Historic" is by no means an exaggeration here. For Fresenius Medical Care's dialysis business was part of Fresenius for many years and helped to shape the company. While the newfound independence enables Fresenius Medical Care greater freedom, it also means greater responsibility. As a major shareholder with a 32 percent stake, we want our holding to gain in value. For you also stand to benefit from this. Two Fresenius companies among the DAX 40 is becoming a real possibility and reflects the tremendous potential.

Our attention is fully focused on Fresenius Kabi and Fresenius Helios and their respective business units. They are growing organically and profitably. And are active in attractive markets. Sharpening our focus also means adjusting our portfolio as necessary – and where it makes sense. The question is always whether we are the best owner. With some business, we have already ascertained that we are indeed no longer the best owner. Hence we have sold the hospital business in Peru, along with the Eugin fertility clinics.

And it is also why we found a good solution for the individual areas of Vamed with new owners just a few days ago. Vamed is a Vienna-based provider of services for hospitals and other healthcare facilities. We were a major shareholder in Vamed with 77 percent, but resolved to exit this business in a planned and orderly manner. The attractive area of High-End Services will be transferred to Fresenius. A connection already exists, as it generates half of its revenue by providing high-end services to Helios hospitals. Vamed no longer appears in the Fresenius corporate structure and becomes discontinued operations.

With regard to the Group figures for 2023, we achieved the forecast that we raised over the course of the year in full. Group revenue totaled €22.3 billion with organic revenue growth of 6 percent. The EBIT increased slightly by 2 percent to €2.3 billion.

The EBIT margin lay at 10.1 percent. We increased our operating cash flow by 5 percent to a strong €2.1 billion. These cash inflows are important to reduce debt and the interest burden.

Now to Fresenius Kabi and Fresenius Helios. We were also able to tick green boxes there, quarter after quarter. Both companies delivered consistently good performances, with results lying within the ambition levels for the EBIT margin bands and revenue growth. With "ambition levels," we mean our expectations for business development. These are above all oriented to the performance of our leading competitors.

Fresenius Kabi is consistently implementing its Vision 2026 strategic plan – to great success. The "3+1" approach has proven its worth. 3+1 are the three growth areas of biopharma, clinical nutrition, and medtech in addition to the robust generics business with intravenous generic drugs and liquids. Kabi achieved an EBIT margin of 14.3 percent; revenue totaled €8 billion. This constituted strong organic growth of 7 percent.

Fresenius Helios achieved an EBIT margin of 10.0 percent. Revenue totaled €12.3 billion, with organic growth of 5 percent. One reason for the consistently positive development is the use of digital technologies, which support our colleagues in their daily clinical work.

At the same time, we have strengthened our financial basis. Our cost and efficiency program plays an important role here. We are actually making better progress than expected. In 2023, we managed to reduce costs by €280 million – that's €80 million more than planned! We increased our savings target for 2025 accordingly; it now totals €400 million. Eliminating costs is not meant to have a one-off effect, though, but rather is intended as a long-term measure that also boosts our competitiveness in the long run.

Debt reduction remains a priority. The high debt burden is a legacy that we inherited and will remain with us for some time to come. We are resolutely striving to reduce debt. By the end of this year, we want to have reduced the net debt/EBITDA ratio to within our self-imposed target corridor of 3.0x to 3.5x. Why are we so set on reducing debt? Well, because the lower our debt, the greater our entrepreneurial freedom. And the greater our strategic options.

Describing a fiscal year does not only involve looking at the figures though. I would also like to share a few highlights from our operating companies with you.

Fresenius Kabi is continuously expanding its range of innovative products:

- We are making good progress in the biopharma segment. Biopharmaceuticals are drugs produced using biotechnology. They constitute a promising business segment within the pharmaceutical industry. We have increased our market share through the launch of important new biosimilars. These are products that imitate biopharmaceuticals – more on this in a moment though.

- In the medtech segment, we are focusing on smart infusion and transfusion pumps. These are safer and easier to use, and represent the future of digital and networked clinical care. We want to be at the forefront here.
- We also supplement our extensive range of products offered by our clinical nutrition division. With the Fresubin plant-based drink, we are now offering a vegan alternative on the market, thus meeting the growing demand for plant-based nutrition.
- The generics we produce save healthcare systems substantial amounts of money. And make medicines available to a growing number of people. Just one quick statistic: Seventy percent of the intravenous drugs we deliver to the USA are on the List of Essential Medicines of the US Food and Drug Administration (FDA). These medicines are necessary to supply the population.

A great deal has been achieved at Kabi. I would like to share further details of one young business segment: biopharma. The positive development in the biopharma segment is not least due to a strategic acquisition: In 2022, we acquired a majority stake in mAbxience, a leading international biopharmaceutical company. The company has research laboratories in addition to ultra-modern production facilities in Spain and Argentina. It offers a development and production platform and has an excellent network through partnerships. This all works in our favor. We utilize the capacities for our own products. At the same time, mAbxience is very well positioned in the development and manufacture of pharmaceuticals for other companies.

We are experiencing very positive development in our biosimilars business. Biosimilars make modern treatment options affordable. They are used to treat diseases such as cancer, rheumatoid arthritis, and multiple sclerosis. With our product Tyenne[®], we have launched the first tocilizumab biosimilar in Europe and the USA. Tocilizumab is used to treat inflammatory and immune diseases, including rheumatoid arthritis. The rapid market entry of Tyenne[®] ensured us a good starting position. The response within the market has been very good. We have a comprehensive "pipeline" of biosimilars and are now laying the foundations for a future growth market.

We have also achieved good results in our Fresenius Helios hospital business. I would like to focus on a number of modern technologies here, for it is these that enhance the medical quality and efficiency of care. One example is the use of surgical robots for minimally invasive procedures. A total of 20 Da Vinci surgical robots are currently used at Helios hospitals. During these procedures, our doctors sit at a console and operate the surgical arms and camera with their hands and feet. Another doctor remains at the patient's side the entire time. These surgical robots are excellent assistants, as their work is precise and they are gentle on skin tissue. Until now, prostate surgery required abdominal incisions of up to several centimeters in length. Far smaller, millimeter-sized incisions are enough with this new technology. This significantly speeds up recovery after surgery.

In Spain, we operate the Quirónsalud chain of hospitals. Quirónsalud is a pioneer in Europe when it comes to the digitalization of hospitals. Surgical robots and artificial intelligence support our specialists here, too. You may be familiar with having to fill out the same form half a dozen times while at hospital. This is both inconvenient and annoying. We have introduced the Casiopea digital platform, which we developed in-house, to streamline exactly these processes. Patients can use it to communicate with the hospital online around the clock. The platform manages the treatment of strokes, hip joint operations, and certain other diseases. Over six million people use Casiopea – that is one in eight inhabitants of Spain.

We will share more details of our hospital business during the Fresenius Helios Capital Markets Day that will take place in London on June 5. I warmly invite you all to attend.

The Chairman of our Supervisory Board, Mr. Kirsch, has already addressed a topic that has preoccupied us over the past year. I am of course referring here to the compensation and reimbursement payments for energy costs. For us, it was a question of whether we should accept payments totaling around €300 million. Especially as these payments were linked to two conditions, namely the waiving of dividends and bonuses to the Management Board for 2023. After careful consideration, we decided to accept the payments. Because we believe that these will strengthen Fresenius in the long term and are therefore in our shareholders' best interest. So the waiving of dividends for 2023 is the result of a legal restriction. Despite this, we shall continue to pursue our progressive dividend policy that will generate attractive, predictable dividends yields.

We have regained our strength at just the right time. For the healthcare industry is currently growing robustly and reliably. Indeed, it is one of the most attractive sectors at the moment. The global healthcare services market is expected to grow by US\$2 trillion between 2023 and 2027 to almost US\$10 trillion. That is the equivalent of 20 federal budgets in Germany.

Three aspects will drive the healthcare industry in the coming years. **Firstly, technology – and with that, above all robotics and artificial intelligence.** As already mentioned, we are integrating these innovative technologies into our daily clinical practices. The healthcare market is attractive for investments in artificial intelligence – or AI for short. Nowhere is more private AI money currently flowing. The pace of growth will remain high in the coming years. AI is driving productivity and quality in the healthcare industry. These technologies will not replace our skilled personnel, though, but rather support them in their work.

The second trend is the increasing use of data. "Digitizing the patient healthcare journey offers a wide range of benefits and solutions to healthcare system challenges by enhancing efficiency, improving patient outcomes and increasing access to healthcare." This was the conclusion that the World Economic Forum reached in a recent study. And concluded that we are still leaving too much potential untapped. To date, 97 percent of global health data goes unused. Too much data is unstructured. And inaccessible. We must work to better process this wealth of data so that we can use "smart" data to the benefit of patients. Data security is the top priority,

there's no doubt about it. But meaningful developments should not be hindered either.

And thirdly, breakthroughs in biomedical research. Just think of the new possibilities that cell and gene therapy offer today. Precisely targeted approaches can be used to combat cancer and autoimmune diseases. And steps are being taken toward more personalized medicine. We are gaining increasingly powerful tools to combat diseases that were considered incurable until just recently. We combine these three drivers – technology, data and biology – and this enables quantum leaps in the quality of diagnoses and therapies. This development is still in its early days. Hence it all the more important to keep up. And we are.

How will the future of medicine look? It will be based on data and on networking. It will be efficient, personalized. Individual. And human. This is where our strength lies. For we are close to the patients. We are "human to human." And this is exactly what sets us apart from purely pharma and medtech companies. And also from tech companies based in Silicon Valley.

Which factors determine the success of companies in the healthcare industry? There are three:

- **A well-conceived strategy that is implemented consistently.**
- **The willingness to work in ecosystems.**
- **Strategic personnel development based on a healthy corporate culture.**

#FutureFresenius is a well-conceived strategy that we are implementing consistently. Fresenius and our business segments are organized on **three platforms. (Bio)Pharma.** These include chemical and biological drugs and clinical nutrition. **MedTech.** So medical technology. This increasingly involves a combination of hardware and software. And **Care Provision.** So medical care, whether inpatient or outpatient, or at home. The interplay between these platforms is what makes for effective therapies. If we add the market potential of our platforms together, it totals up to €1 trillion. That is a huge number. And these markets are constantly growing.

The second criterion is an intact ecosystem. At Fresenius, we work with many partners within an ecosystem. Together, we are shaping the future of the healthcare industry. And expanding this network by:

- exchanging information across our three platforms;
- engaging in global health initiatives and with the scientific community;
- partnering with other companies and institutions.

Most recently, companies such as Abbott, Teva, and Intas have become strategic partners through mAbxience. We also joined the World Economic Forum's Zero Health Gaps Initiative. The around 100 companies and organizations in this network are all committed to health equity. So, to fair access to good, affordable healthcare.

A culture of openness is essential to be able to collaborate as a network. This is what Fresenius stands for. We look for the best talents for this. The third criterion, strategic personnel development, is absolutely crucial in times of skills shortages and demographic change.

Hospitals without carers? Drugs that are not delivered or even developed and produced because of a lack of drivers or researchers? There is a common misconception that algorithms can take care of all tasks. By 2030, there will in fact be a shortage of 10 million healthcare workers worldwide.

Which is why we need to act now. We invest in training and further education. Almost 6,700 young people are currently learning with us. We offer 40 apprenticeships and 30 dual study programs, including in subjects such as Sustainable Science & Technology and Data Science & Artificial Intelligence. We strive to build up our digital expertise in-house in this way.

We recruit skilled workers on the international labor market, who are a good fit for us. We support them with language courses and help them to find suitable accommodation. In doing so, we ensure we restrict our search for staff to countries where there is no shortage of healthcare staff. Last year, I had the opportunity to meet some of our Filipino nursing staff, who work at our hospital in Berlin-Buch. They are fantastic colleagues and have been integrated in within the shortest of times. Committed and knowledgeable, they are today an integral part of our team.

In 2023, we increased our Group-wide workforce by 5,000 people. The biggest increase was in nursing care. We inspire people to pursue this important profession. Fresenius is hiring. Because we still need the best.

Fresenius takes responsibility. For its employees. For its patients. For society. Environmental and social aspects and good corporate governance, known collectively as ESG, influence our activities on all levels. I am proud that we are gradually reducing our CO₂ emissions and thus actively contributing to climate protection. We have installed photovoltaic systems on our hospitals, for example, as well as at production facilities worldwide. We procure 100 percent green electricity for Helios Germany. We are on course to halve our emissions by 2030. We want our company to be climate neutral by 2040.

Fresenius is active in 80 countries. Our team comprises more than 190,000 people. From 150 nationalities. Fresenius Kabi has a network of more than 50 production centers. The supply chains are diversified. This enables us to supply the global population reliably and safely. Fresenius Helios is the leading private hospital operator in Europe, with around 140 hospitals in Germany and Spain. Last year, Helios treated 26 million patients. We touched the lives of almost 450 million people with our products and services. This corresponds to the population of the EU!

Our colleagues do all this on a daily basis, but gladly also take on additional responsibilities. They are on the ground after earthquakes and floods. They operate on war wounded. They help where the need is greatest. Take Professor Johannes Schultz's trip to Cameroon, for example. He is Chief Physician for ENT at our Helios

hospital in Krefeld and recently spent a month in Central Africa operating on children and adults. Some of these were complex surgeries, like removing tumors.

For me, being there for others under the most difficult conditions is what Fresenius is all about. Our colleagues' commitment deserves the utmost respect and recognition.

Dear Shareholders,

Thank you for your trust and for supporting our course. On behalf of the Management Board, I would like to thank all members of the Supervisory Board and the Chairman, Mr. Kirsch, for the consistently trusting cooperation.

My sincere thanks also to the Else Kröner-Fresenius Foundation.

We have successfully completed the first phases of #FutureFresenius and shall now tackle the remaining phases with motivation and optimism.