



LETTER TO OUR SHAREHOLDERS

Michael Sen
Chairman of the Management Board

Dear Shareholders,

Some of you surely remember precisely when you decided to invest in Fresenius shares. However, surely all of you remember why you did so; because you found **the value of our company convincing**; namely the innovative strength, the vision, and the prospects that Fresenius has offered for more than 100 years.

That is also the reason that led me to Fresenius. When I took over as CEO in October 2022, I knew the value of our company and its key position **at the heart of health-care**. But I also knew that the development of this value had been unsatisfactory in recent years. Decreasing margins, high debt, a weak share price, and an extremely complex corporate structure. No one could be satisfied with this. The decline in earnings in Fiscal Year 2022 clearly documents that there is an acute need for action.

» We want to provide the best possible medical benefit and drive our economic success as well. «

This is why we have **hit the “reset” button** and have subjected the company to an intensive review of all its parts. I have personally conducted many discussions within Fresenius and elsewhere because I wanted to gain as comprehensive a picture as possible of where we stand and what needs to be done. Based on this thorough analysis, our team has jointly developed a **clear target** for our company: **#FutureFresenius**.

In February of this year, we then set a decisive course for a successful relaunch. These decisions provide Fresenius with a **direction** and enable the company to create sustainable value – for our patients, customers, employees, and of course for you as owners.



Our company has a key position at the heart of healthcare.

In those areas where we are active, in the field of therapy, we have the biggest and most direct impact on preserving and improving the lives of our patients. We have impressively demonstrated this once again in 2022:

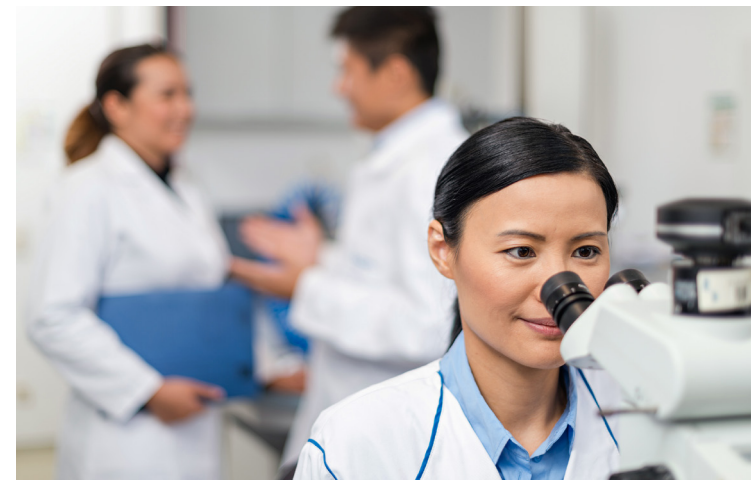
- We have treated more than 24 million patients in our clinics and accompanied more than 84,000 births.
- We have produced over a billion infusion solutions and launched around 90 cost-effective IV generic drugs worldwide.
- We have performed more than 52 million life-preserving dialysis treatments and manufactured over 42,000 dialysis machines.
- And we have rendered technical services to almost 1,000 healthcare facilities.

These are only a few examples of what we have achieved.

In the future, we are going to concentrate strategically on three therapy platforms that cover **key health needs for everyone**: (Bio)Pharma, MedTech and Care Provision. Here we want to provide the best possible medical benefit and drive our economic success as well.

- In (Bio)Pharma we are going to focus on utilizing our capabilities for specialized and scalable pharmaceutical and nutritional products.
- MedTech comprises future-oriented medical technology solutions for intensive care and more.
- Care Provision stands for a flexible and targeted offering of holistic care services in hospitals and for ambulatory and home care.

We are going to offer **world-class therapies** on these three platforms and thus aim to make a significant contribution to improving patient care and treatment outcomes.



In (Bio)Pharma we are going to focus on utilizing our capabilities for specialized and scalable pharmaceutical and nutritional products.

We will continuously measure our success. Hence, we introduced a new, streamlined, and transparent financial framework with a **clear focus on returns**. EBIT margin bands per segment and revenue growth bands for our Operating Companies show where we are headed.

Ambitious financial targets require a **high degree of cost discipline**. We have increased our annual savings target by approximately one billion euros as of 2025, of which a large part is attributable to Fresenius Medical Care. As part of our portfolio analysis moreover, we have identified a handful of businesses for which we are not the best owners in our view and from which we would like to part, both to sharpen our focus and to strengthen our balance sheet.

» When we talk about the future of our company, about #Future Fresenius, three things will guide our thoughts and actions: a simpler corporate structure, improved performance, and a clear focus. «

and Investment Companies in our four business segments. Our Operating Companies are Fresenius Kabi and Fresenius Helios. Both companies are active worldwide to serve patients, cover system-critical areas of healthcare, and have attractive market positions. We want to manage Fresenius Medical Care and Fresenius Vamed as Investment Companies.

In line with our new Fresenius Financial Framework, we have also decided to adopt a new, progressive dividend policy. Our objective is to achieve **attractive and predictable dividend yields**. Our new dividend policy provides for an increase in the dividend in line with constant currency earnings per share growth but at least maintain the level of the previous year. That is why our proposal to the Annual General Meeting calls for the dividend to remain at 92 cents per share, despite the decline in net income in Fiscal Year 2022.

When we talk about the future of our company, about #FutureFresenius, three things will guide our thoughts and actions: a **simpler corporate structure, improved performance, and a clear focus**. This is why we will make a distinction between Operating Companies



In 2022, we have treated more than 24 million patients in our clinics.



We offer challenging, attractive jobs and want to make Fresenius one of the top addresses for young graduates.

Although Fresenius Medical Care, as the world's number one in dialysis, also has a strong business with first-class market access and technologies, yet this business is different from Fresenius as a whole. In the future therefore, Fresenius Medical Care will be given significantly **more leeway** to fully take advantage of its opportunities in the market. For this purpose, we plan to deconsolidate Fresenius Medical Care and convert it into a German stock corporation ("Aktiengesellschaft") by changing its legal form. Subject to the required consent of the Annual General Meeting and the registration as such in the commercial register, this should be accomplished by the end of the year at the latest.

With this step, Fresenius Medical Care will acquire significantly **more flexibility**, but clearly also **more responsibility**. With 32% of the shares, we will continue to be a key shareholder and active investor in Fresenius Medical Care and of course we want to profit from the future increase in value of our stake in this company.

» With great passion and a strong sense of responsibility, our employees work every day to improve the quality of life for millions of people. «

I am aware that this is a **historic step** for Fresenius and for Fresenius Medical Care, but I am convinced that this is the best strategic option to the benefit of the whole Group.

Crucial changes like these do not happen overnight. They need time and require careful thought. This is important to us. However, changes can only come about with clarity and focus. We have now ensured this with our new strategic alignment. A **clear compass** is indispensable. This has never been truer than it is today.

The global environment for our business will continue to be **extremely challenging** in 2023. The consequences of the pandemic, the effects of the terrible war in Ukraine, the challenges of inflation and the lasting geopolitical tensions make economic actions even more complex than they already are. We are going to do our best to deal with all of this. The more prepared we are internally, the better this will work.

On behalf of my colleagues on the Management Board, I would like to take this opportunity to thank our more than 300,000 employees for their hard work and commitment. Challenging times reveal how strong a team really is. And the Fresenius team is indeed strong. With great passion and a true sense of responsibility, our employees work every day to improve the quality of life for millions of people. This is something that we can all be proud of.

What's more, we work in an extremely exciting industry. We offer challenging, attractive jobs. We are going to make Fresenius one of the top addresses for young graduates – for example, with a medical or technical training. Because they can make a difference here. Because what we do has a deep meaning. Because we act responsibly and operate sustainably. Every day, I sense the enthusiasm of our employees, their high level of identification with Fresenius and 'their' respective companies. We need to preserve that, but at the same time, we need to look ahead with curiosity and get down to business. Then we will make Fresenius not only a successful company, but also a modern and attractive one.

Dear Shareholders,

When setting the strategic course of the company **I am also counting on your support**. It is important to create sustainable value once again. We need to regain strength and increase our flexibility for what lies ahead of us. #FutureFresenius stands for a successful future for our company. For us, #FutureFresenius means improving the lives of patients. We will do our best to achieve this.

At our Annual General Meeting on May 17, I look forward to presenting all of this to you in detail once more, to listening to your opinions, and to answering your questions.

Until then, I remain cordially yours,



Michael Sen
Chairman of the Management Board