



**INTERIM  
REPORT  
2022**

**INTERIM REPORT  
ON IFRS**

**FRESENIUS MEDICAL CARE AG & CO. KGAA,  
HOF AN DER SAALE, GERMANY**



<b>Content</b>	<b>Page</b>
<b>Interim management report</b> .....	<b><a href="#">1</a></b>
Economic Report .....	<a href="#">4</a>
Report on post-balance sheet date events .....	<a href="#">35</a>
Outlook .....	<a href="#">36</a>
Risks and opportunities report .....	<a href="#">37</a>
Corporate Governance .....	<a href="#">37</a>
 <b>Interim financial statements</b> .....	 <b><a href="#">38</a></b>
Consolidated statements of income .....	<a href="#">38</a>
Consolidated statements of comprehensive income .....	<a href="#">39</a>
Consolidated balance sheets .....	<a href="#">40</a>
Consolidated statements of cash flows .....	<a href="#">41</a>
Consolidated statements of shareholders' equity .....	<a href="#">42</a>
Notes to the interim consolidated financial statements .....	<a href="#">43</a>
Note 1. The Company and basis of presentation .....	<a href="#">43</a>
Note 2. Business Combinations .....	<a href="#">45</a>
Note 3. Notes to the consolidated statements of income .....	<a href="#">47</a>
Note 4. Related party transactions .....	<a href="#">48</a>
Note 5. Inventories .....	<a href="#">50</a>
Note 6. Short-term debt .....	<a href="#">51</a>
Note 7. Long-term debt .....	<a href="#">51</a>
Note 8. Employee benefit plans .....	<a href="#">52</a>
Note 9. Capital management .....	<a href="#">53</a>
Note 10. Share-based plans .....	<a href="#">53</a>
Note 11. Commitments and contingencies .....	<a href="#">54</a>
Note 12. Financial instruments .....	<a href="#">59</a>
Note 13. Segment and corporate information .....	<a href="#">62</a>
Note 14. Events occurring after the balance sheet date .....	<a href="#">64</a>
 <b>Review report</b> .....	 <b><a href="#">65</a></b>

## Interim management report

In this report, “FMC AG & Co. KGaA,” or the “Company,” “we,” “us” or “our” refers to Fresenius Medical Care AG & Co. KGaA or Fresenius Medical Care AG & Co. KGaA and its subsidiaries on a consolidated basis, as the context requires. You should read the following discussion and analysis of the results of operations of the Company and its subsidiaries in conjunction with our unaudited interim consolidated financial statements and related notes contained elsewhere in this report and our disclosures and discussions in our consolidated financial statements as of and for the year ended December 31, 2021 prepared in accordance with sections 315 of the German Commercial Code (“HGB”) as well as the German Accounting Standard Number 20, contained in the Company’s Annual Report 2021. The information within this interim management report is unaudited.

The term “North America Segment” refers to our North America operating segment, the term “EMEA Segment” refers to the Europe, Middle East and Africa operating segment, the term “Asia-Pacific Segment” refers to our Asia-Pacific operating segment, and the term “Latin America Segment” refers to our Latin America operating segment. The term “Corporate” includes certain headquarters’ overhead charges, including accounting and finance, centrally managed production, production asset management, quality and supply chain management, procurement related to production as well as research and development and our Global Medical Office function, which seek to optimize medical treatments and clinical processes within the Company. The term “Constant Currency” or at “Constant Exchange Rates” means that we have translated local currency revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items for the current reporting period into euro using the prior year exchange rates to provide a comparable analysis without effect from exchange rate fluctuations on translation, as described below under Section II .“Discussion of measures – Non-IFRS measures” in the chapter “Economic report”.

## Forward-looking statements

This report contains forward-looking statements. When used in this report, the words “outlook,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and similar expressions are generally intended to identify forward looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated, and future events and actual results, financial and otherwise, could differ materially from those set forth in or contemplated by the forward-looking statements contained elsewhere in this report. We have based these forward-looking statements on current estimates and assumptions made to the best of our knowledge. By their nature, such forward-looking statements involve risks, uncertainties, assumptions and other factors which could cause actual results, including our financial condition and profitability, to differ materially, positively or negatively, relative to the results expressly or implicitly described in or suggested by these statements. Moreover, forward-looking estimates or predictions derived from third parties’ studies or information may prove to be inaccurate. Consequently, we cannot give any assurance regarding the future accuracy of the opinions set forth in this report or the actual occurrence of the projected developments described herein. In addition, even if our future results meet the expectations expressed here, those results may not be indicative of our performance in future periods.

These risks, uncertainties, assumptions, and other factors, including associated costs, could cause actual results to differ from our projected results and include, among others, the following:

- changes in governmental and commercial insurer reimbursement for our complete products and services portfolio, including the United States (“U.S.”) Medicare reimbursement system for dialysis and other health care services, including potentially significant changes to the Patient Protection and Affordable Care Act of 2010 (Pub.L. 111-148), as amended by the Health Care and Education Reconciliation Act (Pub.L. 111-152) (collectively, “ACA”) that could result from future efforts to revise or repeal the ACA, and changes by regulators to certain reimbursement models, such as the End-Stage Renal Disease (“ESRD”) Treatment Choices model and the Comprehensive Kidney Care Contracting model, which could significantly impact performance under these models in unanticipated ways;
- our ability to accurately interpret and comply with complex current and future government regulations applicable to our business including sanctions and export control laws and regulations, laws and regulations in relation to environmental, social and governance topics, the impact of health care, tax and trade law reforms, in particular the Organisation for Economic Co-operation and Development initiatives for the reallocation of taxation rights to market countries (Pillar one) and introduction of a global minimum tax (Pillar two) as well as potential U.S. tax reform, antitrust and competition laws in the countries and localities in which we operate, rules regarding the use of government relief funding received in connection with the on-going worldwide severe acute respiratory syndrome coronavirus 2 and the related Coronavirus disease (“COVID-19”) pandemic, other government regulation including, in the U.S., the Anti-Kickback Statute, the False Claims Act, the Stark Law, the Civil Monetary Penalty Law, the Health Insurance Portability and Accountability Act, the Health Information Technology for Economic and Clinical Health Act, the Foreign Corrupt Practices Act (“FCPA”) including our non-prosecution agreement with the U.S. Department of Justice (“DOJ”) and the cease and desist order of the U.S. Securities and Exchange Commission (“SEC”), as well as the Food, Drug and Cosmetic Act and, outside the U.S., inter alia, the European Union (“EU”) Medical Device Regulation, the EU

## FRESENIUS MEDICAL CARE AG & Co. KGaA

General Data Protection Regulation, the two invoice policy, “Buy China” policy, volume-based procurement policies and the Tendering and Bidding Law in China and other related local legislation as well as other comparable regulatory regimes in many of the countries where we supply health care services and/or products;

- the influence of commercial insurers and integrated care organizations, including efforts by these organizations to manage costs by limiting health care benefits, narrowing their networks, reducing provider reimbursement and/or restricting options for patient funding of health insurance premiums, including potential efforts by commercial insurers to make dialysis reimbursement payments at a lower “out-of-network” rate as a result of the U.S. Supreme Court’s ruling in *Marietta Memorial Hospital Employee Health Benefit Plan v. DaVita Inc.*, No. 20-1641 (Oct. Term 2021), decided June 21, 2022;
- the impact of the COVID-19 pandemic, including, without limitation, a significant increase in mortality of patients with chronic kidney diseases as well as an increase in persons experiencing renal failure, both of which may be attributable to COVID-19, as well as the impacts of the virus on our patients, caregivers, employees, suppliers, supply chain, business and operations, the uncertainties arising from the development of variants of COVID-19, consequences of an economic downturn resulting from the impacts of COVID-19 and evolving guidelines and requirements regarding vaccine mandates for our employees and the use of government provided COVID-19 related relief and any additional economic relief legislation that may be passed in the countries in which we operate;
- our ability to attract and retain skilled employees and personnel shortages which have increased in light of the COVID-19 pandemic and vaccine mandates for certain workers, and risks that personnel shortages and competition for labor, as well as legislative, union, or other labor-related activities or changes have and will continue to result in significant increases in our operating costs, decreases in productivity and partial suspension in operations and impact our ability to address additional treatments and growth recovery;
- the increase in raw material, energy, labor and other costs, including an impact from these cost increases on our cost savings initiatives and increases due to geopolitical conflicts in certain regions (for example, impacts related to the war in Ukraine (“Ukraine War”)) as well as the impact that inflation may have on a potential impairment of our goodwill, investments or other assets as noted above;
- the outcome of government and internal investigations as well as litigation;
- product liability risks and the risk of regulator recalls of our products;
- our ability to continue to grow our health care services and products businesses, including through acquisitions, and to implement our strategy targeting the entire renal care continuum, complementary assets and critical care solutions;
- the impact of currency and interest rate fluctuations, including the heightened risk of fluctuations as a result of geopolitical conflicts in certain regions (for example, impacts related to the Ukraine War), the impact of the current macroeconomic inflationary environment on interest rates and a related effect on our borrowing costs;
- potential impairment of our goodwill, investments or other assets due to decreases in the recoverable amount of those assets relative to their book value, particularly as a result of sovereign rating agency downgrades coupled with an economic downturn in various regions or as a result of geopolitical conflicts in certain regions (for example, the Ukraine War);
- our ability to protect our information technology systems and protected health information against cyber security attacks or prevent other data privacy or security breaches of our data or the data of our third parties as well as our ability to effectively capture efficiency goals and align with contractual and other requirements related to data offshoring activities;
- changes in our costs of purchasing and utilization patterns for pharmaceuticals and our other health care products and supplies, the inability to procure raw materials or disruptions in our supply chain;
- introduction of generic or new pharmaceuticals and medical devices that compete with our products or services or the development of pharmaceuticals that reduce the progression of chronic kidney disease;
- launch of new technology, advances in medical therapies, or new market entrants that compete with our businesses;
- potential increases in tariffs and trade barriers that could result from withdrawal by single or multiple countries from multilateral trade agreements or the imposition of sanctions, retaliatory tariffs and other countermeasures in the wake of trade disputes and geopolitical conflicts in certain regions (for example, the Ukraine War);
- collectability of our receivables, which depends primarily on the efficacy of our billing practices, the financial stability and liquidity of our governmental and commercial payors and payor strategies to delay or thwart the collection process;
- our ability to secure contracts and achieve cost savings and desired clinical outcomes in various health care risk management programs in which we participate or intend to participate;

- the greater size, market power, experience and product offerings of certain competitors in certain geographic regions and business lines;
- the use of accounting estimates, judgments and accounting pronouncement interpretations in our consolidated financial statements; and
- our ability to implement the transformation of our company structure and to achieve projected cost savings within the proposed timeframe as part of the previously announced FME25 Program, as defined in section I. "Macroeconomic and sector-specific environment - Company Structure," below.

Important factors that could contribute to such differences are noted in "Supplemental information regarding our risk factors" and the chapter "Economic report", section I. "Macroeconomic and sector-specific environment" below, in note 3 d) and note 11 in this report and in note 22 of the notes to the consolidated financial statements as well as chapter "Risks and opportunities report", section "Risks" in the group management report of the Annual Report 2021. Further information regarding our efforts to address various environmental, social and governance issues can be found within our Non-financial Group Report available at [www.freseniusmedicalcare.com/en/investors/investors-overview/](http://www.freseniusmedicalcare.com/en/investors/investors-overview/). In referencing our Non-financial Group Report and furnishing this website address in this report, however, we do not intend to incorporate any content from our Non-financial Group Report or information on our website into this report, and any information in our Non-financial Group Report or on our website should not be considered to be part of this report, except as expressly set forth herein.

Our business is also subject to other risks and uncertainties that we describe from time to time in our public filings. Developments in any of these areas could cause our results to differ materially from the results that we or others have projected or may project.

The actual accounting policies, the judgments made in the selection and application of these policies, as well as the sensitivities of reported results to changes in accounting policies, assumptions and estimates, are additional factors to be considered along with our interim financial statements and the discussion under "IV. Results of operations, financial position and net assets" below. For a discussion of our critical accounting policies, see note 2 of the notes to the consolidated financial statements included in our Annual Report 2021.

Rounding adjustments applied to individual numbers and percentages shown in this and other reports may result in these figures differing immaterially from their absolute values. Some figures (including percentages) in this report have been rounded in accordance with commercial rounding conventions. In some instances, such rounded figures and percentages may not add up to 100% or to the totals or subtotals contained in this report. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures contained in this report due to rounding in accordance with commercial rounding conventions. A dash ("–") indicates that no data were reported for a specific line item in the relevant financial year or period, while a zero ("0") is used when the pertinent figure, after rounding, amounts to zero.

#### **Supplemental information regarding our risk factors**

The current global economic climate, specifically as it relates to the Ukraine War, has enhanced the risks described in the chapter "Risks and Opportunities Report" in the group management report of the Annual Report 2021 and the supplemental information below should be read in conjunction with those risks.

As a provider of life-sustaining healthcare services for dialysis patients, we are continuing to provide dialysis services and to supply our clinics with dialysis products in both Russia and Ukraine to the best of our ability in spite of the current war in the region and notwithstanding extensive economic sanctions imposed on Russia by numerous governments in response to the war. In addition to risks related to the further development of our activities in the two countries, considerable uncertainties arise within this highly dynamic situation, in particular from a possible deterioration of the global macroeconomic outlook. While the direct and indirect impacts related to the Ukraine War are difficult to predict at the present time, the current, significant macroeconomic inflationary environment, including materially increasing energy prices, has resulted in and could continue to lead to, among other consequences, material increases in costs for energy, supplies and transportation. A continued disruption or discontinuation of energy supplies from Russia may increase these impacts and could have additional material adverse effects on our business such as a potential closure of certain of our production sites or significantly increased costs incurred due to a switch to alternative energy sources. Furthermore, we could be impacted by pressure on or material increases in interest rates, particularly if accompanied by more difficult access to capital in the financial markets and currency devaluations as a result of the geopolitical situation. Additionally, the Ukraine War has increased the risk of cyber security attacks against our systems and data. Overall, the aforementioned factors could have a material negative impact on our net assets, financial position and results of operations. While we still consider the risk "Procurement" to be a medium level risk in the short-term, we believe that the Ukraine War has increased both the likelihood and potential impact of the risks and exposures described in the 2021 Annual Report.

At the time of this report and unchanged from our assessment in the 2021 Annual Report, we have not identified any risks that could jeopardize our continued existence.

## Economic Report

### I. Macroeconomic and sector-specific environment

#### Overview

We are the world's leading provider of products and services for individuals with renal diseases, based on publicly reported revenue and number of patients treated. We provide dialysis care and related services to persons who suffer from End-Stage Kidney Disease ("ESKD") as well as other health care services. We also develop, manufacture and distribute a wide variety of health care products. Our health care products include hemodialysis machines, peritoneal dialysis cyclers, dialyzers, peritoneal dialysis solutions, hemodialysis concentrates, solutions and granulates, bloodlines, renal pharmaceuticals, systems for water treatment, and acute cardiopulmonary and apheresis products. We supply dialysis clinics we own, operate or manage with a broad range of products and also sell dialysis products to other dialysis service providers. We sell our health care products to customers in around 150 countries and we also use them in our own health care service operations. Our dialysis business is therefore vertically integrated. Our other health care services include value and risk-based care programs, pharmacy services, vascular, cardiovascular and endovascular specialty services as well as ambulatory surgery center services, physician nephrology and cardiology services and ambulant treatment services. We estimate that the size of the global dialysis market was approximately €79 billion in 2021. Dialysis patient growth results from factors such as the aging population and increased life expectancies; shortage of donor organs for kidney transplants; increasing incidence of kidney disease and better treatment of and survival of patients with diabetes, hypertension and other illnesses, which frequently lead to the onset of chronic kidney disease; improvements in treatment quality, new pharmaceuticals and product technologies, which prolong patient life; and improving standards of living in developing countries, which make life-saving dialysis treatment available. We are also engaged in different areas of health care product therapy research.

As a global company delivering health care services and products, we face the challenge of addressing the needs of a wide variety of stakeholders, such as patients, customers, payors, regulators and legislators in many different economic environments and health care systems. In general, government-funded programs (in some countries in coordination with private insurers) pay for certain health care items and services provided to their citizens. Not all health care systems provide payment for dialysis treatment. Therefore, the reimbursement systems and ancillary services utilization environment in various countries significantly influence our business.

On August 24, 2022, we completed a three-way business combination including Fresenius Health Partners, Inc. ("FHP"), the value-based care division of Fresenius Medical Care North America. The transaction, first announced in March 2022, received regulatory clearance and satisfied other customary closing conditions in the U.S. The new company, which will operate under the InterWell Health brand ("InterWell Health"), creates an innovative, stand-alone entity combining FHP's expertise in kidney care value-based contracting and performance, InterWell Health LLC's clinical care models and network of around 1,700 nephrologists and Cricket Health, Inc.'s tech-enabled care model that utilizes its proprietary informatics, StageSmart™ and patient engagement platforms and will target the management of care for more than 270,000 people with kidney disease with more than \$11 billion (€11 billion as of the transaction date) in costs under management by 2025. For further information, see "II. Discussion of measures — Net leverage ratio (Non-IFRS Measure)" below and note 2 included in this report.



### Significant U.S. reimbursement developments

The majority of health care services we provide are paid for by governmental institutions. For the nine months ended September 30, 2022, approximately 30% of our consolidated revenue was attributable to U.S. federally-funded health care benefit programs, such as Medicare and Medicaid reimbursement, under which reimbursement rates are set by the Centers for Medicare and Medicaid (“CMS”). Legislative changes could affect Medicare reimbursement rates for a significant portion of the services we provide. The stability of reimbursement in the U.S. has been affected by (i) the ESRD prospective payment system (“ESRD PPS”), (ii) the U.S. federal government across the board spending cuts in payments to Medicare providers commonly referred to as “U.S. Sequestration” (temporarily suspended from May 1, 2020 through March 31, 2022, after which time a 1% reduction became effective from April 1 to June 30, 2022 and the full 2% sequester resumed on July 1, 2022) and (iii) the reduction to the ESRD PPS rate to account for the decline in utilization of certain drugs and biologicals associated with dialysis pursuant to the American Taxpayer Relief Act of 2012 as subsequently modified under the Protecting Access to Medicare Act of 2014 (“PAMA”). Please see detailed discussions on these and further legislative developments below:

- Under the Medicare Improvements for Patients and Providers Act of 2008 (“MIPPA”), for patients with Medicare coverage, all ESRD payments for dialysis treatments are made under the ESRD PPS, a single bundled payment rate which provides a fixed payment rate, to encompass substantially all goods and services provided during the dialysis treatment. MIPPA further created the ESRD Quality Incentive Program (“QIP”) which provides that dialysis facilities in the United States that fail to achieve annual quality standards established by CMS could have base payments reduced in a subsequent year by up to 2%.
- Additionally, as a result of the Budget Control Act of 2011 (“BCA”) and subsequent activity in Congress, U.S. Sequestration (\$1.2 trillion in across-the-board spending cuts in discretionary programs) took effect on March 1, 2013 and is expected to continue through 2030. In particular, a 2% reduction to Medicare payments took effect on April 1, 2013 and continues in force. The 2% sequestration was temporarily suspended several times subsequent to May 1, 2020. In March 2021, President Biden signed the American Rescue Plan Act of 2021 (the “American Rescue Plan Act”) which the Congressional Budget Office has estimated will result in budget deficits that will require a 4% reduction in Medicare program payments for 2022 under the Statutory Pay-As-You-Go Act of 2010 (“Statutory PAYGO”) unless Congress and the President take action to waive the Statutory PAYGO reductions. In December 2021, Congress passed, and President Biden signed into law, the Protecting Medicare and American Farmers from Sequester Cuts Act impacting payments for all Medicare Fee-for-Service claims and extending the sequestration suspension through March 31, 2022 with a 1% reduction effective thereafter from April 1 to June 30, 2022 and a return to the full 2% sequester on July 1, 2022, as noted above. Spending cuts pursuant to U.S. Sequestration have adversely affected our operating results in the past and, with the suspension having been lifted, will continue to do so.
- On October 31, 2022, CMS issued a final rule for the ESRD PPS rate for calendar year (“CY”) 2023. The final base rate per treatment for CY 2023 is \$265.57, which represents a 3.0% increase from the CY 2022 base rate of \$257.90. The final increase of 3.0% is based on a market basket increase of 3.1% partially offset by a 0.1% multifactor productivity adjustment that is mandated by the ACA. Beginning 2023, CMS is raising the wage index floor from 0.5 to 0.6 as well as establishing a permanent policy to apply a 5% cap on decreases in the ESRD PPS wage indexing. CMS is also updating the outlier methodology to account for historical trends in spending as well as to better account for the introduction of new and innovative products under the transitional add-on payment adjustment for new and innovative equipment and supplies (“TPNIES”) and ESRD PPS transitional drug add-on payment adjustment (“TDAPA”) policies. CMS estimates that, on average, large dialysis organizations will receive a 3.0% increase in payments in CY 2023 compared to CY 2022 under this final rule. The Acute Kidney Injury payment rate for CY 2023 is to equal the CY 2023 ESRD PPS base rate. CMS estimates total TPNIES payment amounts to facilities in CY 2023 would be approximately \$2.5 M for a competitor’s hemodialysis system. For CY 2023, the final pre-adjusted per-treatment amount will be reduced by an average per-treatment offset amount of \$9.79.
- Under the ESRD QIP, CMS assesses the total performance of each facility on a set of measures specified per payment year (“PY”) and applies up to a 2 percent payment reduction to facilities that do not meet a minimum total performance score (“TPS”). In the CY 2023 final rule, CMS adopted a special scoring and payment policy for PY 2023 of the ESRD QIP to address the issues in the scoring system caused by the impact of the COVID-19 Public Health Emergency on QIP data, including the use of pre-pandemic data from CY 2019 as the baseline period for the PY 2023 ESRD QIP and for subsequent years and confirmed a pause on certain measures for scoring and payment adjustment purposes. Additionally, CMS will begin to express clinical measure results as rates beginning with PY 2024 ESRD QIP.
- On November 1, 2022, CMS announced the CY 2023 final rule for hospital outpatient and ambulatory surgery center (“ASC”) payment systems. The final rule to update the ASC payment system for CY 2023 generally increases the reimbursement rates for the range of procedures provided in an ASC. The final average increase is 3.8% compared to the prior year. For CY 2023, CMS finalized a new ASC payment policy resulting in higher payments when a code combination is more complex and represents a higher cost version of the performed procedures. On November 1, 2022, CMS also issued the final Physician Fee Schedule for CY 2023. The CY 2023 Physician Fee Schedule conversion factor is \$33.06, a decrease of \$1.55 from the CY 2022 physician fee schedule conversion factor of \$34.61.

- On May 9th, 2022, CMS issued a final rule for Medicare Advantage, also known as Medicare Part C, plans offered by private health insurers approved by CMS to provide their members with Medicare Part A, Part B and usually Part D benefits ("Medicare Advantage" plans) in which the rules for calculating the accrual of maximum out-of-pocket costs ("MOOP") were changed. Specifically, CMS specified that, beginning on June 28th, 2022, the MOOP limit in Medicare Advantage plans (after which the plan pays 100 percent of Medicare Advantage costs for Part A and Part B services) must be calculated based on the accrual of all cost-sharing in the plan benefit, regardless of whether that cost-sharing is paid by the beneficiary, Medicaid, other secondary insurance, or remains unpaid (including cost-sharing that remains unpaid because of State limits on the amounts paid for Medicare cost-sharing and dually eligible individuals' exemption from Medicare cost-sharing). CMS believes the change will result in more equitable payment for Medicare Advantage providers, including dialysis providers, serving dually eligible beneficiaries.

Presently, there is considerable uncertainty regarding possible future changes in health care regulation, including the regulation of reimbursement for dialysis services. As a consequence of the pressure to decrease health care costs, government reimbursement rate increases in the U.S. have historically been limited and are expected to continue in this fashion. However, any significant decreases in Medicare or commercial reimbursement rates, including under Medicare Advantage plans, or patient access to commercial insurance plans, including Medicare Advantage, could have material adverse effects on our health care services business and, because the demand for dialysis products is affected by Medicare reimbursement, on our products business. To the extent that increases in operating costs that are affected by inflation, such as labor and supply costs, are not fully reflected in a compensating increase in reimbursement rates, our business and results of operations would be adversely affected. Additionally, in *Marietta Memorial Hospital Employee Health Benefit Plan v. DaVita Inc.*, the Supreme Court ruled against DaVita, Inc. in favor of a self-funded employer-sponsored health plan that provided only out-of-network dialysis reimbursements to individuals with ESKD. While the Medicare Secondary Payer statute has long been interpreted as requiring private plans to provide for a 30-month coordination period for individuals diagnosed with ESKD (with Medicare serving as the secondary payer), the decision creates the potential that other plans may follow suit in limiting the dialysis benefits offered. While we do not expect this to significantly impact plans for 2023, absent legislative action, the ruling could have implications in 2024 and beyond. In July and August 2022, the Restore Protections for Dialysis Patients Act (H.R. 8594/S.4750) was introduced in both the House and Senate. If passed, it would restore the Medicare Secondary Payer Act's original intent requiring the 30-month coordination period be available to individuals diagnosed with ESKD. For additional information regarding these regulatory matters, see chapter "Risks and opportunities report" section "Health care reforms" in the group management report which is included in the Annual Report 2021.

For additional information, see section "Risks" in our "Risks and opportunities report" in the group management report of the Annual Report 2021.

#### **Premium assistance programs**

The operation of charitable assistance programs such as that offered by the American Kidney Fund is receiving increased attention by CMS and state insurance regulators and legislators. The result may be a regulatory framework that differs from the current framework or that varies from state to state. Even in the absence of actions by CMS or state regulators and legislatures to restrict the access that patients currently have to premium assistance programs, insurers are likely to continue efforts to thwart charitable premium assistance by premium assistance programs to our patients. If successful in a material area or scope of our U.S. operations, these efforts would have a material adverse impact on our business and operating results.

#### **Participation in new Medicare payment arrangements**

Under CMS's Comprehensive ESRD Care Model (the "Model"), dialysis providers and physicians formed entities known as ESRD Seamless Care Organizations ("ESCOs") as part of a payment and care delivery pilot program that ended March 31, 2021 which sought to deliver better health outcomes for Medicare ESKD patients while lowering CMS's costs. Following our initial participation in six ESCOs, we ultimately expanded our participation in the Model to 23 ESCOs formed at our dialysis facilities. ESCOs that achieved the program's minimum quality thresholds and generated reductions in CMS's cost of care above certain thresholds for the ESKD patients covered by the ESCO received a share of the cost savings, adjusted based on the ESCO's performance on certain quality metrics. ESCOs may also owe payments to CMS if actual costs of care rise above set thresholds. As of March 2021, approximately 34,800 patients were aligned to ESCOs in which we participated.

In November 2017, we announced the results from the first performance year from our ESCOs. The results, which cover the period from October 2015 through December 2016, show improved health outcomes for patients receiving coordinated care through the ESCOs. This success was validated by an independent report, which showed a nearly 9% decrease in hospitalization rates for these patients during the same time. In the second performance year (CY 2017) the Company's ESCOs together generated more than \$66.7 M (€59.0 M) in gross savings, an average 3.4% reduction in expenditures per patient. For the third performance year (CY 2018), CMS published the final settlement reports on August 14, 2020. In total the Company's ESCOs produced more than \$66.1 M (€56.0 M) in gross savings, an average 1.9% reduction in expenditures per patient. For the fourth performance year (CY 2019), CMS published the final settlement reports on October 31, 2020. In total, the Company's ESCOs produced more than \$10.8 M (€9.6 M) in gross losses, an average 0.3% increase in expenditures per patient. For the fifth performance year (CY 2020), CMS gave each ESCO the options to (a) extend participation in the program through March 31, 2021, and/or to (b)



accept the following financial changes: (i) reduce 2020 downside risk by reducing shared losses by proportion of months during the COVID-19 Public Health Emergency as promulgated under the Public Health Services Act, (ii) cap gross savings upside potential at 5% gross savings, (iii) remove COVID-19 inpatient episodes, and (iv) remove the 2020 financial guarantee requirement. All of our affiliated ESCOs signed amendments to extend participation in the program through March 31, 2021 and 22 of our ESCOs accepted the financial changes related to COVID-19. The Model ended on March 31, 2021. We anticipate that CMS will publish final settlement reports for the last performance year during the fourth quarter of 2022.

We have also entered into value and risk-based care programs with private payors to provide care to commercial and Medicare Advantage ESKD and CKD patients. Under these payment arrangements, our financial performance is based on our ability to manage a defined scope of medical costs within certain parameters for clinical outcomes.

#### **Executive order-based models**

On July 10, 2019, an Executive Order on advancing kidney health was signed in the United States. Among other things, the order instructed the Secretary of the U.S. Department of Health and Human Services (“HHS”) to develop new Medicare payment models to encourage identification and earlier treatment of kidney disease as well as increased home dialysis and transplants. One of those models, for which the rule was finalized on September 29, 2020 and later amended through finalized changes on October 29, 2021, the ESRD Treatment Choices (“ETC”) model, is a mandatory model that creates financial incentives for home treatment and kidney transplants with a start date in January 2021 and ending in June 2027. This model applies both upside and downside payment adjustments to claims submitted by physicians and dialysis facilities for certain Medicare home dialysis patients over the span of six and one-half years. Participants in this model are based on a random selection of 30% of the Hospital Referral Regions. As of September 30, 2022, 986 of our U.S. dialysis facilities, representing approximately 35% of our U.S. dialysis facilities, are within the random selection of Hospital Referral Regions and therefore are in areas selected for participation in the model. An initial upside-only payment, Home Dialysis Payment Adjustment (“HDPA”), will be applied for the first three years of the model, beginning in January 2021, in decreasing payment adjustments ranging from 3% in the first HDPA payment year, to 2% in the second HDPA payment year, and to 1% in the final HDPA payment year. This model also includes a Performance Payment Adjustment (“PPA”) beginning in July 2022. PPA payments will be a combined calculation of home dialysis (home, self-dialysis and nocturnal in-center) and transplant (living donor transplants and transplant waitlist) rates based upon a participant’s historic performance and/or increasingly weighted benchmark data from comparison geographic areas. CMS utilizes a two-tiered approach in PPA scoring to stratify participants with a high volume of beneficiaries who are dual-eligible for Medicare and Medicaid or Low Income Subsidy recipients. Possible PPA payment adjustments increase over time and will range from (5%) to 4% in the first PPA payment year (beginning July 2022) for both physicians and facilities and increase to (9%) and 8% for physicians and (10%) and 8% for facilities in the final PPA payment year (ending in June 2027).

On October 31, 2022, CMS finalized refinements to the ETC model, including a change to the improvement in scoring methodology and a change to the requirements related to flexibilities regarding furnishing and billing kidney disease patient education services under the ETC model. CMS also discussed its intent to publish participant-level performance data. These changes did not result in additional estimated savings to the Medicare program.

Pursuant to the Executive Order, the Secretary of HHS also announced voluntary payment models, Kidney Care First (“KCF”) and Comprehensive Kidney Care Contracting (“CKCC”) model (graduated, professional and global), which aim to build on the existing Comprehensive ESRD Care model. The voluntary models create financial incentives for health care providers to manage care for Medicare beneficiaries with chronic kidney disease stages 4 and 5 and with ESKD, to delay the start of dialysis, and to incentivize kidney transplants. The voluntary models allow health care providers to take on various amounts of financial risk by forming an entity known as a Kidney Care Entity (“KCE”). Two options, the CKCC global and professional models, allow renal health care providers to assume upside and downside financial risk. A third option, the CKCC graduated model, is limited to assumption of upside risk, but is unavailable to KCEs that include large dialysis organizations. Under the global model, the KCE is responsible for 100 percent of the total cost of care for all Medicare Part A and B services for aligned beneficiaries, and under the professional model, the KCE is responsible for 50 percent of such costs. Applications for the voluntary models were submitted in January 2020. We submitted 25 CKCC applications to participate in the professional model and were also included in four other CKCC applications submitted by nephrologists. All 29 of these KCE applications were accepted in June 2020. Of the 29 accepted applications, 28 KCEs have elected to participate in the implementation period, which started on October 15, 2020, and provided a start-up period during which the KCE is not at financial risk. The KCEs started assuming financial risk at the start of the first performance year on January 1, 2022. Of the 28 KCEs participating in the implementation period, we moved forward with 20 of the KCEs during the first performance year. Once implemented, the CKCC model is expected to run through 2026.

For the second performance year in the CKCC model, we submitted 4 additional CKCC applications (3 under the professional option and 1 under the global option) and were also included in one other CKCC application submitted by nephrologists under the global option. All 5 applications were accepted, though we notified CMS that we will not move forward with one of those applications. CMS will require these newly accepted KCEs to decide in the fourth quarter of 2022 whether they will move forward during the second performance year to start assuming financial risk as of January 1, 2023.

We are presently unable to predict the effects on our business of the ETC payment model and the voluntary payment models.

## Company structure

Our operating and reportable segments are the North America Segment, the EMEA Segment, the Asia-Pacific Segment and the Latin America Segment. The operating segments are determined based upon how we manage our businesses with geographical responsibilities. All segments are primarily engaged in providing health care services and the distribution of products and equipment for the treatment of ESKD and other extracorporeal therapies. Management evaluates each segment using measures that reflect all of the segment's controllable revenues and expenses. With respect to the performance of business operations, management believes that the most appropriate measures are revenue and operating income. We do not include income taxes as we believe taxes are outside the segments' control. Financing is a corporate function which our segments do not control. Therefore, we do not include interest expense relating to financing as a segment measurement. Similarly, we do not allocate certain costs which relate primarily to certain headquarters' overhead charges, including accounting and finance as well as certain legal and IT costs, because we believe that these costs are also not within the control of the individual segments. Production of products, production asset management, quality and supply chain management as well as procurement related to production are centrally managed. Products transferred to the segments are transferred at cost; therefore, no internal profit is generated. The associated internal revenue for the product transfers and their elimination are recorded as corporate activities. Capital expenditures for production are based on the expected demand of the segments and consolidated profitability considerations. Our global research and development team as well as our Global Medical Office, which seek to optimize medical treatments and clinical processes within the Company, are also centrally managed. These corporate activities do not fulfill the definition of a segment according to IFRS 8, Operating Segments. In addition, certain revenues, investments and intangible assets, as well as any related expenses, are not allocated to a segment but accounted for as Corporate. Accordingly, all of these items are excluded from our analysis of segment results and are discussed below in the discussion of our consolidated results of operations. See note 13 included in this report for a further discussion on our operating segments.

As announced on November 2, 2021, we entered the next phase of our program focusing on the transformation of our global operating model to strengthen profitability and enable execution on our mid-term strategy ("FME25 Program"): the transformation of our operating model to provide the base for future sustainable growth in the medium-term. In the new operating model, the Company intends to reorganize its business into two global operating segments.

We are consolidating our health care products business, including research and development, manufacturing, supply chain and commercial operations, as well as supporting functions, such as regulatory and quality management, under a global umbrella. The products business will be organized along the three treatment modalities that we serve: In-center, Home and Critical Care. Our global health care services business will be combined into one segment.

Our Global Medical Office will continue to leverage the vertically integrated approach to optimize clinical outcomes for our patients. General and administrative functions will also be globalized using a three pillars model of business partnering, centers of excellence and global shared services.

We expect to complete the implementation of the new model around 2023.

## II. Discussion of measures

### Non-IFRS measures

Certain of the following key performance indicators and other financial information as well as discussions and analyses set out in this report include measures that are not defined by IFRS ("Non-IFRS Measure"). We believe this information, along with comparable IFRS financial measurements, is useful to our investors as it provides a basis for assessing our performance, payment obligations related to performance-based compensation, our compliance with covenants and enhanced transparency as well as comparability of our results. Non-IFRS financial measures should not be viewed or interpreted as a substitute for financial information presented in accordance with IFRS.

### Constant Exchange Rates or Constant Currency (Non-IFRS Measure)

Our presentation of some key performance indicators and other financial measures used in this report such as changes in revenue, operating income and net income attributable to shareholders of FMC AG & Co. KGaA (or "net income") includes the impact of translating local currencies to our reporting currency for financial reporting purposes. We calculate these Non-IFRS financial measures at constant exchange rates in our publications to show changes in our revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items without giving effect to period-to-period currency fluctuations. Under IFRS, amounts received in local (non-euro) currency are translated into euro at the average exchange rate for the period presented. Once we translate the local currency for the constant currency, we then calculate the change, as a percentage, of the current period calculated using the prior period exchange rates versus the prior period. This resulting percentage is a Non-IFRS Measure referring to a change as a percentage at constant currency. These currency-adjusted financial measures are identifiable by the designated terms "Constant Exchange Rates" or "Constant Currency."

We believe that the measures at Constant Currency are useful to investors, lenders and other creditors because such information enables them to gauge the impact of currency fluctuations on our revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items from period to period. In addition, under our long-term incentive plans, we measure the attainment of certain predetermined financial targets for revenue growth and net income growth in Constant Currency. However, we limit our use of Constant Currency period-over-period

## FRESENIUS MEDICAL CARE AG & Co. KGaA

changes to a measure for the impact of currency fluctuations on the translation of local currency into euro. We do not evaluate our results and performance without considering both:

- (1) period-over-period changes in revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items prepared in accordance with IFRS, and
- (2) Constant Currency changes in revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items.

We caution the readers of this report not to consider these measures in isolation, but to review them in conjunction with changes in revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items prepared in accordance with IFRS. We present the growth rate derived from non-IFRS measures next to the growth rate derived from IFRS measures such as revenue, operating income, net income attributable to shareholders of FMC AG & Co. KGaA and other items. As the reconciliation is inherent in the disclosure included within "IV. Results of operations, financial position and net assets," below, we believe that a separate reconciliation would not provide any additional benefit.

**Return on invested capital (“ROIC”) (Non-IFRS Measure)**

ROIC is the ratio of operating income, for the last twelve months, after tax (“net operating profit after tax” or “NOPAT”) to the average invested capital of the last five quarter closing dates, including adjustments for acquisitions and divestitures made during the last twelve months with a purchase price above a €50 M threshold, consistent with the respective adjustments made in the determination of adjusted EBITDA below (see “Net leverage ratio (Non-IFRS Measure)”). ROIC expresses how efficiently we allocate the capital under our control or how well we employ our capital with regard to investment projects. The following tables show the reconciliation of average invested capital to total assets, which we believe to be the most directly comparable IFRS financial measure, and how ROIC is calculated:

**Reconciliation of average invested capital and ROIC (Non-IFRS Measure, unadjusted)**

*in € M, except where otherwise specified*

<b>2022</b>	<b>September 30, 2022</b>	<b>June 30, 2022</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Total assets	38,406	36,070	34,724	34,367	33,831
Plus: Cumulative goodwill amortization and impairment loss	699	665	641	612	604
Minus: Cash and cash equivalents	(1,114)	(1,025)	(1,173)	(1,482)	(1,562)
Minus: Loans to related parties	(3)	(1)	(4)	(15)	(4)
Minus: Deferred tax assets	(328)	(310)	(299)	(315)	(374)
Minus: Accounts payable to unrelated parties	(828)	(837)	(790)	(736)	(706)
Minus: Accounts payable to related parties	(81)	(102)	(70)	(121)	(94)
Minus: Provisions and other current liabilities <sup>(1)</sup>	(3,488)	(3,222)	(3,188)	(3,319)	(3,516)
Minus: Income tax liabilities	(242)	(207)	(194)	(174)	(224)
<b>Invested capital</b>	<b>33,021</b>	<b>31,031</b>	<b>29,647</b>	<b>28,817</b>	<b>27,955</b>
<b>Average invested capital as of September 30, 2022</b>	<b>30,094</b>				
Operating income	1,609				
Income tax expense <sup>(2)</sup>	(496)				
<b>NOPAT</b>	<b>1,113</b>				

**Adjustments to average invested capital and ROIC**

*in € M, except where otherwise specified*

<b>2022</b>	<b>September 30, 2022</b>	<b>June 30, 2022<sup>(3)</sup></b>	<b>March 31, 2022<sup>(3)</sup></b>	<b>December 31, 2021<sup>(3)</sup></b>	<b>September 30, 2021<sup>(3)</sup></b>
Total assets	—	599	561	549	652
Minus: Cash and cash equivalents	—	(55)	(52)	(51)	(50)
Minus: Accounts payable to unrelated parties	—	(9)	(8)	(8)	(8)
Minus: Provisions and other current liabilities <sup>(1)</sup>	—	(4)	(4)	(3)	(3)
<b>Invested capital</b>	<b>—</b>	<b>531</b>	<b>497</b>	<b>487</b>	<b>591</b>
<b>Adjustment to average invested capital as of September 30, 2022</b>	<b>421</b>				
Adjustment to operating income <sup>(3)</sup>	(31)				
Adjustment to income tax expense <sup>(3)</sup>	10				
<b>Adjustment to NOPAT</b>	<b>(21)</b>				

**FRESENIUS MEDICAL CARE AG & Co. KGaA**

**Reconciliation of average invested capital and ROIC (Non-IFRS Measure)**

*in € M, except where otherwise specified*

<b>2022</b>	<b>September 30, 2022</b>	<b>June 30, 2022<sup>(3)</sup></b>	<b>March 31, 2022<sup>(3)</sup></b>	<b>December 31, 2021<sup>(3)</sup></b>	<b>September 30, 2021<sup>(3)</sup></b>
Total assets	38,406	36,669	35,285	34,916	34,483
Plus: Cumulative goodwill amortization and impairment loss	699	665	641	612	604
Minus: Cash and cash equivalents	(1,114)	(1,080)	(1,225)	(1,533)	(1,612)
Minus: Loans to related parties	(3)	(1)	(4)	(15)	(4)
Minus: Deferred tax assets	(328)	(310)	(299)	(315)	(374)
Minus: Accounts payable to unrelated parties	(828)	(846)	(798)	(744)	(714)
Minus: Accounts payable to related parties	(81)	(102)	(70)	(121)	(94)
Minus: Provisions and other current liabilities <sup>(1)</sup>	(3,488)	(3,226)	(3,192)	(3,322)	(3,519)
Minus: Income tax liabilities	(242)	(207)	(194)	(174)	(224)
<b>Invested capital</b>	<b>33,021</b>	<b>31,562</b>	<b>30,144</b>	<b>29,304</b>	<b>28,546</b>
<b>Average invested capital as of September 30, 2022</b>	<b>30,514</b>				
Operating income <sup>(3)</sup>	1,578				
Income tax expense <sup>(2), (3)</sup>	(486)				
<b>NOPAT</b>	<b>1,092</b>				
<b>ROIC</b>	<b>3.6%</b>				



FRESENIUS MEDICAL CARE AG & Co. KGaA

**Reconciliation of average invested capital and ROIC (Non-IFRS Measure, unadjusted)**

*in € M, except where otherwise specified*

<b>2021</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Total assets	34,367	33,831	32,987	33,159	31,689
Plus: Cumulative goodwill amortization and impairment loss	612	604	602	598	583
Minus: Cash and cash equivalents	(1,482)	(1,562)	(1,408)	(1,073)	(1,082)
Minus: Loans to related parties	(15)	(4)	(6)	(1)	(1)
Minus: Deferred tax assets	(315)	(374)	(359)	(333)	(351)
Minus: Accounts payable to unrelated parties	(736)	(706)	(685)	(635)	(732)
Minus: Accounts payable to related parties	(121)	(94)	(102)	(105)	(95)
Minus: Provisions and other current liabilities <sup>(1)</sup>	(3,319)	(3,516)	(3,528)	(3,436)	(3,180)
Minus: Income tax liabilities	(174)	(224)	(218)	(232)	(197)
<b>Invested capital</b>	<b>28,817</b>	<b>27,955</b>	<b>27,283</b>	<b>27,942</b>	<b>26,634</b>
<b>Average invested capital as of December 31, 2021</b>	<b>27,725</b>				
Operating income	1,852				
Income tax expense <sup>(2)</sup>	(490)				
<b>NOPAT</b>	<b>1,362</b>				

**Adjustments to average invested capital and ROIC**

*in € M, except where otherwise specified*

<b>2021</b>	<b>December 31, 2021</b>	<b>September 30, 2021<sup>(3)</sup></b>	<b>June 30, 2021<sup>(3)</sup></b>	<b>March 31, 2021<sup>(3)</sup></b>	<b>December 31, 2020<sup>(3)</sup></b>
Total assets	—	115	186	189	291
Minus: Cash and cash equivalents	—	—	—	—	(3)
Minus: Provisions and other current liabilities <sup>(1)</sup>	—	—	—	—	(6)
<b>Invested capital</b>	<b>—</b>	<b>115</b>	<b>186</b>	<b>189</b>	<b>282</b>
<b>Adjustment to average invested capital as of December 31, 2021</b>	<b>154</b>				
Adjustment to operating income <sup>(3)</sup>	12				
Adjustment to income tax expense <sup>(3)</sup>	(3)				
<b>Adjustment to NOPAT</b>	<b>9</b>				

**FRESENIUS MEDICAL CARE AG & Co. KGaA**

**Reconciliation of average invested capital and ROIC (Non-IFRS Measure)**

*in € M, except where otherwise specified*

<b>2021</b>	<b>December 31, 2021</b>	<b>September 30, 2021<sup>(3)</sup></b>	<b>June 30, 2021<sup>(3)</sup></b>	<b>March 31, 2021<sup>(3)</sup></b>	<b>December 31, 2020<sup>(3)</sup></b>
Total assets	34,367	33,946	33,173	33,348	31,980
Plus: Cumulative goodwill amortization and impairment loss	612	604	602	598	583
Minus: Cash and cash equivalents	(1,482)	(1,562)	(1,408)	(1,073)	(1,085)
Minus: Loans to related parties	(15)	(4)	(6)	(1)	(1)
Minus: Deferred tax assets	(315)	(374)	(359)	(333)	(351)
Minus: Accounts payable to unrelated parties	(736)	(706)	(685)	(635)	(732)
Minus: Accounts payable to related parties	(121)	(94)	(102)	(105)	(95)
Minus: Provisions and other current liabilities <sup>(1)</sup>	(3,319)	(3,516)	(3,528)	(3,436)	(3,186)
Minus: Income tax liabilities	(174)	(224)	(218)	(232)	(197)
<b>Invested capital</b>	<b>28,817</b>	<b>28,070</b>	<b>27,469</b>	<b>28,131</b>	<b>26,916</b>
<b>Average invested capital as of December 31, 2021</b>	<b>27,879</b>				
Operating income <sup>(3)</sup>	1,864				
Income tax expense <sup>(2), (3)</sup>	(493)				
<b>NOPAT</b>	<b>1,371</b>				
<b>ROIC</b>	<b>4.9%</b>				

(1) Including non-current provisions, non-current labor expenses and variable payments outstanding for acquisitions and excluding pension liabilities and noncontrolling interests subject to put provisions.

(2) Adjusted for noncontrolling partnership interests.

(3) Including adjustments for acquisitions and divestitures made during the last twelve months with a purchase price above a €50 M threshold.

### Net cash provided by (used in) operating activities in % of revenue

Our consolidated statement of cash flows indicates how we generated and used cash and cash equivalents. In conjunction with our other primary interim financial statements, it provides information that helps us evaluate changes to our net assets and our financial structure (including liquidity and solvency). Net cash provided by (used in) operating activities is applied to assess whether a business can internally generate the cash required to make the necessary replacement and expansion of investments. This indicator is impacted by the profitability of our business and the development of working capital, mainly receivables. Net cash provided by (used in) operating activities in percent of revenue shows the percentage of our revenue that is available in terms of financial resources. This measure is an indicator of our operating financial strength.

### Free cash flow in % of revenue (Non-IFRS Measure)

Free cash flow (which we define as net cash provided by (used in) operating activities after capital expenditures, before acquisitions and investments) refers to the cash flow we have at our disposal, including cash flows that may be restricted for other uses. This indicator shows the percentage of revenue available for acquisitions and investments, dividends to shareholders, reducing debt financing or for repurchasing shares.

For a reconciliation of cash flow performance indicators for the nine months ended September 30, 2022 and 2021 which reconciles free cash flow and free cash flow in percent of revenue to Net cash provided by (used in) operating activities and Net cash provided by (used in) operating activities in percent of revenue, see "IV. Results of operations, financial position and net assets - Financial position - Sources of Liquidity."

### Net leverage ratio (Non-IFRS Measure)

The net leverage ratio is a performance indicator used for capital management. To determine the net leverage ratio, debt and lease liabilities less cash and cash equivalents (net debt) is compared to adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted for:

- the effects of acquisitions and divestitures made during the last twelve months with a purchase price above a €50 M threshold as defined in our €2 billion sustainability-linked syndicated revolving credit facility ("Syndicated Credit Facility") (see note 7 included in this report),
- non-cash charges,
- impairment loss, and
- special items, including:
  - i. costs related to our FME25 Program,
  - ii. the impact from applying hyperinflationary accounting under IAS 29, Financial Reporting in Hyperinflationary Economies ("IAS 29"), in Turkiye ("Hyperinflation in Turkiye"),
  - iii. the impact from the remeasurement of our investment in Humacyte, Inc. ("Humacyte Investment Remeasurement"),
  - iv. the net gain related to the InterWell Health business combination, including the remeasurement gain of our investment, prior to the transaction, in InterWell Health LLC, the impairment of certain long-lived assets belonging to Acumen Physician Solutions, LLC which was transferred to InterWell Health as part of the transaction and certain transaction-related costs ("Net Gain Related to InterWell Health") (for further information regarding the InterWell Health business combination, see "I. Macroeconomic and sector-specific environment," above, and note 2 included in this report), and
  - v. bad debt expense in Russia and Ukraine and accruals for certain risks associated with allowances on inventories related to the Ukraine War ("Impacts Related to the War in Ukraine"). Although to date the Ukraine War has had minimal impact on our impairment testing of goodwill in the EMEA Segment, as we continue to treat patients and provide health care products to our clinics in those countries, receive reimbursements and generate cash flows, it has had an impact on the valuation of certain assets and receivables as a result of the ongoing hostilities.

The ratio is an indicator of the length of time the Company needs to service the net debt out of its own resources. We believe that the net leverage ratio provides alternative information that management believes to be useful in assessing our ability to meet our payment obligations in addition to considering the absolute amount of our debt. We have a strong market position in a growing, global and mainly non-cyclical market. Furthermore, most of our customers have a high credit rating as the dialysis industry is characterized by stable and sustained cash flows. We believe this enables us to work with a reasonable proportion of debt.

For our self-set target range for the net leverage ratio and the calculation of the net leverage ratio as of September 30, 2022 and December 31, 2021, see "IV. Results of operations, financial position and net assets - Financial position - Sources of Liquidity."

### III. Highlights

The following highlights had a significant impact on our business performance for the nine months ended September 30, 2022:

#### ***Impact of the COVID-19 pandemic***

The COVID-19 pandemic resulted in an increased mortality of our patients in 2020. The excess mortality continued in 2021 and also in the nine months ended September 30, 2022, but was in line with the Company's expectations for the full year. Fresenius Medical Care carefully observes and assesses the development of infection rates in fall.

To be able to continue care for our patients and to maintain an adequate workforce, we implemented a number of measures, both operational and financial, to protect our patients and employees through expanded personal protective equipment protocols and expenses related to surge capacity for patients suspected or confirmed to have COVID-19.

In addition to introducing comprehensive measures to reduce infection risks and maintain safe operations in our dialysis centers, vaccinations are crucial for containing the COVID-19 pandemic. In several countries we have made our dialysis clinics available for the direct vaccination of patients and, where requested, the general public.

Also in 2021 and in the nine months ended September 30, 2022, governments in various regions in which we operate have provided economic assistance programs to address the consequences of the pandemic on companies and support healthcare providers and patients.

We experienced a loss of revenue due to the pandemic in certain parts of our business. Overall, COVID-19 resulted in a negative impact to net income attributable to shareholders of FMC AG & Co. KGaA for the nine months ended September 30, 2022, primarily driven by impacts from excess mortality rates among patients due to COVID-19 in certain of our operating segments.

For more information see note 3 d) included in this report.

#### ***Impacts Related to the War in Ukraine***

The Ukraine War is affecting Fresenius Medical Cares' dialysis operations and patient care in the country itself, but also caused higher bad debt expenses for Russia and Ukraine. The direct adverse effect of the Ukraine War resulted in a negative impact to net income attributable to shareholders of FMC AG & Co. KGaA in the amount of €21 M for the nine months ended September 30, 2022, and is treated as a Special Item. We will continue to monitor closely the potential effects of the war as well as the general impact challenging macroeconomic inflationary environment.

#### ***Hyperinflation in Turkiye***

Starting April 1, 2022, we apply IAS 29, Financial Reporting in Hyperinflationary Economies, in our Turkish subsidiaries due to inflation in this country. The Hyperinflation in Turkiye resulted in a negative impact to net income attributable to shareholders of FMC AG & Co. KGaA in the amount of around €6 M for the nine months ended September 30, 2022, and is treated as a Special Item.

#### ***Improvements in North American Health Care Services delayed***

We continue to face an unprecedented labor market situation in the U.S., resulting in staff shortages, high turnover rates and meaningfully higher costs. This has continued to impact growth in U.S. Dialysis Services as well as in downstream assets and consequently affected operational leverage in both. Earnings effects were partially mitigated by income attributable to a consent agreement on certain pharmaceuticals in the third quarter.

The impacts of our focused efforts to improve North American Health Care Services operations are delayed against the Company's previous assumptions. We now expect the related effects to materialize in 2023.

The challenging macroeconomic inflationary environment persists, resulting in higher logistics costs as well as raw material and energy prices. Due to this situation not easing, it is assumed to further significantly impact the earnings development, in particular in Health Care Products, for the remainder of the year. For further information see chapter "Outlook".

#### ***Financing***

On February 14, 2022, we issued €25 M and €200 M tranches of Schuldschein loans with maturities of 5 and 7 years, respectively, at variable interest rates. The proceeds were used for general corporate purposes including refinancing of existing liabilities.

On June 8, 2022, we amended and extended the Syndicated Credit Facility to extend the term by one year and replace LIBOR with the Term Secured Overnight Financing Rate.

On September 20, 2022, we issued bonds with an aggregate principal amount of €750 M under the European Medium-Term Notes Program with a maturity of 5 years and a coupon rate of 3.875%. The proceeds will be used for general corporate purposes, including the refinancing of outstanding indebtedness.

***FME25 Program***

As announced on November 2, 2021, we entered the next phase of our FME25 Program: the transformation of our operating model to provide the base for future sustainable growth in the medium-term. In the new operating model, the Company intends to reorganize its business into two global operating segments.

Overall, the costs related to the FME25 Program resulted in a negative impact to net income attributable to shareholders of FMC AG & Co. KGaA in the amount of €78 M for the nine months ended September 30, 2022, and are treated as a Special Item.

***Humacyte Investment Remeasurement***

The Humacyte Investment Remeasurement resulted in a negative impact to net income attributable to shareholders of FMC AG & Co. KGaA in the amount of €58 M for the nine months ended September 30, 2022, and is treated as a Special Item.

***InterWell Health business combination***

On August 24, 2022, we announced that we closed InterWell Health business combination. The Net Gain Related to InterWell Health resulted in a positive impact to net income attributable to shareholders of FMC AG & Co. KGaA in the amount of €38 M for the nine months ended September 30, 2022, and is treated as a Special Item. For further information, see note 2 included in this report.

***Changes in Management Board***

As previously announced, Dr. Carla Kriwet succeeded Rice Powell as Chief Executive Officer and chairman of the Management Board, effective October 1, 2022. Mr. Powell stepped down from his position on September 30, 2022, after 10 years of heading the Company, and will continue as a member of the Management Board until December 31, 2022. Dr. Kriwet is also a member of the management board of Fresenius Management SE. Additionally, Helen Giza, Chief Financial Officer and member of the Management Board, has entered a new five-year contract and, in addition to her current positions as Chief Financial Officer and Chief Transformation Officer of Management AG, has assumed the position of Deputy Chief Executive Officer of Management AG.

Additionally, as previously announced, Michael Sen became the Chief Executive Officer of Fresenius SE and chairman of the supervisory board of the General Partner as of October 1, 2022, succeeding Stephan Strum and Sara Hennicken became the Chief Financial Officer of Fresenius SE and a member of the supervisory board of the General Partner as of September 1, 2022, succeeding Ms. Rachel Empey in both positions.

We have extended the service agreement of Franklin W. Maddux, MD, as Global Chief Medical Officer until December 31, 2027 (previously set to expire at the end of 2022). In connection with that extension, the supervisory board extended Mr. Maddux's term limit as a Management Board member for the same period. The latter extension required an exception to our self-set age limit for Management Board members, which the supervisory board granted in recognition of Mr. Maddux's extensive knowledge and the importance of the Global Medical Office in our new business model.



#### IV. Results of operations, financial position and net assets

The following sections summarize our results of operations, financial position and net assets as well as key performance indicators by reporting segment, as well as Corporate, for the periods indicated. We prepared the information consistent with the manner in which management internally disaggregates financial information to assist in making operating decisions and evaluating management performance.

##### Results of operations

###### Segment data (including Corporate)

in € M

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
<b>Total revenue</b>				
North America Segment	3,556	3,080	10,021	8,931
EMEA Segment	720	671	2,121	2,033
Asia-Pacific Segment	565	501	1,588	1,458
Latin America Segment	243	178	633	508
Corporate	12	11	38	42
<b>Total</b>	<b>5,096</b>	<b>4,441</b>	<b>14,401</b>	<b>12,972</b>
<b>Operating income</b>				
North America Segment	469	446	1,113	1,242
EMEA Segment	48	79	169	232
Asia-Pacific Segment	85	86	255	256
Latin America Segment	11	4	16	14
Corporate	(141)	(110)	(393)	(341)
<b>Total</b>	<b>472</b>	<b>505</b>	<b>1,160</b>	<b>1,403</b>
Interest income	16	16	43	45
Interest expense	(92)	(84)	(260)	(259)
Income tax expense	(112)	(105)	(242)	(274)
<b>Net income</b>	<b>284</b>	<b>332</b>	<b>701</b>	<b>915</b>
<b>Net income attributable to noncontrolling interests</b>	<b>(54)</b>	<b>(59)</b>	<b>(166)</b>	<b>(174)</b>
<b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b>	<b>230</b>	<b>273</b>	<b>535</b>	<b>741</b>

Revenue and operating income generated in countries outside the eurozone are subject to currency fluctuations. The table below summarizes the development of the euro against the U.S. dollar, as well as the revenue and the operating income generated in U.S. dollars, as a percentage of the consolidated results, for the three- and nine-month periods ended September 30, 2022 and 2021:

###### Currency development and portion of total revenue and operating income

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Currency development of euro against the U.S. dollar	positive impact	relatively unaffected	positive impact	negative impact
Percentage of revenue generated in U.S. dollars	70%	69%	70%	69%
Percentage of operating income generated in U.S. dollars	99%	88%	96%	89%

**Three months ended September 30, 2022 compared to three months ended September 30, 2021**

**Interim consolidated financials**

**Performance indicators for the interim consolidated financial statements**

	For the three months ended September 30,		Change in %		
			As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	5,096	4,441	15%	12%	3%
Health care services	4,082	3,530	16%	14%	2%
Health care products	1,014	911	11%	7%	4%
Number of dialysis treatments	13,220,000	13,297,287	(1%)		
Same Market Treatment Growth <sup>(2)</sup>	(1.3%)	(2.4%)			
Gross profit in € M	1,359	1,267	7%	11%	(4%)
Gross profit as a % of revenue	26.7%	28.5%			
Selling, general and administrative costs in € M	990	731	35%	(13%)	22%
Selling, general and administrative costs as a % of revenue	19.4%	16.5%			
Operating income in € M	472	505	(7%)	10%	(17%)
Operating income margin	9.3%	11.4%			
Net income attributable to shareholders of FMC AG & Co. KGaA in € M	230	273	(16%)	8%	(24%)
Basic earnings per share in €	0.78	0.93	(16%)	8%	(24%)

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

(2) Same market treatment growth represents growth in treatments, adjusted for certain reconciling items including (but not limited to) treatments from acquisitions, closed or sold clinics and differences in dialysis days ("Same Market Treatment Growth").

Health care services revenue increased by 16% as compared to the three months ended September 30, 2021 (+2% at Constant Exchange Rates) driven by a positive impact from foreign currency translation (+14%) and organic growth (+2%), despite impacts from excess mortality rates among patients due to COVID-19 in certain of our operating segments which are further described in the discussions of our segments below.

Dialysis treatments decreased by 1% as a result of negative Same Market Treatment Growth (-1%) and the effect of closed or sold clinics (-1%), partially offset by contributions from acquisitions (+1%). Excess mortality rates among our patients due to COVID-19 contributed significantly to the decreases in treatments and Same Market Treatment Growth.

At September 30, 2022, we owned or operated 4,153 dialysis clinics compared to 4,151 dialysis clinics at September 30, 2021. During the three months ended September 30, 2022, we acquired 2 dialysis clinic, opened 11 dialysis clinics and combined or closed 23 clinics. The number of patients treated in dialysis clinics that we own or operate remained relatively stable at 344,593 as of September 30, 2022 (September 30, 2021: 344,872). Excess mortality rates among patients due to COVID-19 also significantly impacted the number of patients we treated.

Health care product revenue increased by 11% (+4% at Constant Exchange Rates), driven by a positive impact from foreign currency translation as well as higher sales of in-center disposables and renal pharmaceuticals, partially offset by lower sales of machines for chronic treatment (including the effect of a temporary pause in shipping of new dialysis machines in the U.S.) (see note 11 included in this report).

Gross profit increased by 7% (-4% at Constant Exchange Rates), primarily driven by a favorable impact from foreign currency translation effects (mainly in the North America Segment), government relief funding available for health care providers affected by the COVID-19 pandemic, which offset certain eligible costs, (North America Segment), favorable foreign currency transaction effects (Asia Pacific Segment, EMEA Segment and Latin America Segment), partially offset by higher personnel expense (primarily in the North America Segment) and inflationary and supply chain cost increases (across all regions).

Selling, general and administrative ("SG&A") expense increased by 35% (+22% at Constant Exchange Rates), primarily driven by a negative impact from foreign currency translation (North America Segment, Asia-Pacific Segment, Corporate and Latin America Segment), costs related to the InterWell Health business combination in the North America Segment ("InterWell Health Costs") (see note 2 included in this report), costs associated with the FME 25 Program (Corporate, EMEA Segment and North America Segment) and an unfavorable impact from the remeasurement of investments (primarily driven by the Humacyte Investment Remeasurement in the North America Segment), partially offset by increased income attributable to a consent agreement on certain pharmaceuticals in the North America Segment.

Research and development expenses increased by 17% to €61 M from €52 M. The increase was largely driven by a negative impact from foreign currency translation and research and development activities at NxStage Medical, Inc., our subsidiary, and in the field of regenerative medicine.

Income from equity method investees decreased by 17% to €17 M from €21 M. The decrease was primarily driven by lower earnings from Vifor Fresenius Medical Care Renal Pharma Ltd. ("VFMCRP") and a negative impact from foreign currency translation.

We recorded a remeasurement gain of our prior at-equity investment in InterWell Health LLC in the amount of €147 M (September 30, 2021: €0). For further information regarding the InterWell Health business combination, see "I. Macroeconomic and sector-specific environment – Overview" and "II. Discussion of measures – Net leverage ratio (Non-IFRS Measure)," above, as well as note 2 included in this report.

Operating income decreased by 7% (-17% at Constant Exchange Rates), largely driven by the combined effects of the items discussed within gross profit, SG&A expense and the InterWell Health remeasurement gain as well as a positive impact from foreign currency translation. We have seen unprecedented challenges in the labor market in the U.S., resulting in staff shortages, high turnover rates and meaningfully higher costs, including higher costs due to an increased reliance on contracted labor. These challenges continue to impact growth, specifically in U.S. health care services where labor constraints have affected our ability to increase treatment volumes. These impacts, combined with the current uncertainty in the macroeconomic environment, driving inflationary cost increases and supply chain constraints, have had an adverse effect on our results of operations during 2022 and we expect them to continue for the remainder of the year.

Net interest expense increased by 12% to €76 M from €68 M, primarily due a negative impact from foreign currency translation, unfavorable effects from foreign currency swaps and lower interest income related to royalty receivables, partially offset by refinancing activities (including the issuance of bonds in prior periods at lower interest rates).

Income tax expense increased by 7% to €112 M from €105 M. The effective tax rate increased to 28.4% from 24.1% for the same period of 2021 largely driven by an increase in the proportionate share of non-deductible expenses as compared to taxable income and higher tax provisions related to tax law changes. Non-tax deductible expenses also increased due to the InterWell Health business combination and hyperinflation in Argentina and Turkiye. The increase in the effective tax rate was partially offset by a larger portion of tax-free income attributable to noncontrolling interests compared to income before income taxes.

Net income attributable to noncontrolling interests decreased by 9% to €54 M from €59 M due to lower earnings in entities in which we have less than 100% ownership, partially offset by a negative impact from foreign currency translation.

Net income attributable to shareholders of FMC AG & Co. KGaA decreased by 16% (-24% at Constant Exchange Rates) as a result of the combined effects of the items discussed above, partially offset by a positive impact from foreign currency translation.

Basic earnings per share decreased by 16% (-24% at Constant Exchange Rates), primarily due to the decrease in net income attributable to shareholders of FMC AG & Co. KGaA described above. The average weighted number of shares outstanding for the period increased to 293.4 M on September 30, 2022 as compared to the prior year period (September 30, 2021: 293.0 M) primarily due to the exercise of stock options.

We employed 122,758 people (full-time equivalents) as of September 30, 2022 (September 30, 2021: 123,528). This 1% decrease was largely due to a prior year increase in production staff due to COVID-19 and a reduction in clinical staff as a result of a decrease in patients in certain regions.

### Consolidated operating performance excluding Special Items

Management believes that there are Special Items which should be excluded from certain metrics to enhance transparency and comparability when giving guidance.

Special Items are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance. In the presentation of the expected development of our business in our outlook, Special Items are therefore excluded. Presenting our results excluding Special Items ensures comparability of the figures presented with the Company's financial targets which have been defined excluding Special Items.

We believe the following results (excluding Special Items) should be analyzed only in connection with the results presented above. For the three months ended September 30, 2022 and 2021, we identified the costs related to the FME25 program and for the three months ended September 30, 2022, we identified the Hyperinflation in Turkiye, the Humacyte Investment Remeasurement and the Net Gain Related to InterWell Health in the North America Segment as well as the Impacts Related to the War in Ukraine as Special Items which, when excluded from the results disclosed above, may provide a reader with further useful information in assessing our performance against the financial targets. The Special Item FME25 program mainly affects Corporate, the North America Segment and the EMEA Segment.

For comparability with our financial targets as presented in the outlook the following table reconciles the performance indicators for the interim consolidated financial statements in accordance with IFRS, as they are to be applied in the EU, to the performance indicators excluding Special Items. These results excluding Special Items should only be viewed as a supplement to our results disclosed in accordance with IFRS.

#### Consolidated operating performance excluding Special Items

in € M

	For the three months ended September 30,						Change in % excl. Special Items		
	Results 2022	FME25 Program	Net Gain Related to InterWell Health	Humacyte Investment Remeasurement	Ukraine War	Hyper- inflation in Turkiye	Results 2022 excl. Special Items	Current rate	Constant Currency <sup>(1)</sup>
Revenue	5,096	—	—	—	—	—	5,096	15%	3%
Operating income	472	53	(56)	1	0	0	470	(8%)	(18%)
Net income <sup>(2)</sup>	230	38	(38)	1	0	0	231	(17%)	(25%)

#### Consolidated operating performance excluding Special Items

in € M

	For the three months ended September 30,		
	Results 2021	FME25 Program	Results 2021 excl. Special Items
Revenue	4,441	—	4,441
Operating income	505	8	513
Net income <sup>(2)</sup>	273	7	280

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures - Non-IFRS measures" above.

(2) Net income attributable to shareholders of FMC AG & Co. KGaA.

The following discussions pertain to our operating and reportable segments and the measures we use to manage these segments.

### North America Segment

#### Performance indicators for the North America Segment

	For the three months ended September 30,		Change in %		
			As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	3,556	3,080	15%	16%	(1%)
Health care services	3,269	2,810	16%	16%	0%
Health care products	287	270	6%	15%	(9%)
Number of dialysis treatments	8,048,664	8,152,833	(1%)		
Same Market Treatment Growth	(2.5%)	(2.2%)			
Operating income in € M	469	446	5%	13%	(8%)
Operating income margin	13.2%	14.5%			

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

#### Revenue

Health care services revenue increased by 16% (remained relatively stable at Constant Exchange Rates), driven by a positive impact from foreign currency translation (+16%) and contributions from acquisitions (+1%), partially offset by a decrease in organic growth (-1%) resulting from the effects of excess mortality rates among patients due to COVID-19.

Dialysis treatments decreased by 1% largely due to negative Same Market Treatment Growth (-3%), partially offset by contributions from acquisitions (+1%) and an increase in dialysis days (+1%). As of September 30, 2022, 208,275 patients, a decrease of 1% (September 30, 2021: 209,651), were treated in the 2,699 dialysis clinics (September 30, 2021: 2,683) that we own or operate in the North America Segment. Excess mortality rates among patients due to COVID-19 contributed significantly to the decreases in treatments, patients and Same Market Treatment Growth.

Health care product revenue increased by 6% (-9% at Constant Exchange Rates), driven by a positive impact from foreign currency translation, partially offset by lower sales of machines for chronic treatment (including the effect of a temporary pause in shipping of new dialysis machines in the U.S.) (see note 11 included in this report), products for acute care treatments and in-center disposables.

#### Operating income

Operating income increased by 5% (-8% at Constant Exchange Rates), primarily related to government relief funding available for health care providers affected by the COVID-19 pandemic, which offset certain eligible costs, a positive impact from foreign currency translation, the Net Gain Related to InterWell Health and increased income attributable to a consent agreement on certain pharmaceuticals, partially offset by higher personnel expense, an unfavorable impact from excess mortality rates among our patients due to COVID-19 as well as inflationary and supply chain cost increases. We have seen unprecedented challenges in the labor market in the U.S., resulting in staff shortages, high turnover rates and meaningfully higher costs, including higher costs due to an increased reliance on contracted labor. These challenges continue to impact growth and have affected our ability to increase treatment volumes. These impacts have had an adverse effect on our results of operations during 2022 and we expect them to continue for the remainder of the year.



**EMEA Segment**

**Performance indicators for the EMEA Segment**

	For the three months ended September 30,		Change in %		
			As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	720	671	7%	(1%)	8%
Health care services	377	346	9%	1%	8%
Health care products	343	325	6%	(2%)	8%
Number of dialysis treatments	2,509,378	2,480,332	1%		
Same Market Treatment Growth	0.5%	(4.0%)			
Operating income in € M	48	79	(40%)	1%	(41%)
Operating income margin	6.6%	11.7%			

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

*Revenue*

Health care service revenue increased by 9% (+8% at Constant Exchange Rates), driven by an increase in organic growth, including the effects of Hyperinflation in Turkiye, (+8%) and a positive impact from foreign currency translation (+1%).

Dialysis treatments increased by 1% due to Same Market Treatment Growth (+1%). As of September 30, 2022, 66,293 patients, an increase of 1% (September 30, 2021: 65,336), were treated at the 814 dialysis clinics (September 30, 2021: 816) that we own or operate in the EMEA Segment.

Health care product revenue increased by 6% (+8% at Constant Exchange Rates), primarily due to higher sales of in-center disposables and renal pharmaceuticals (including the effects of Hyperinflation in Turkiye), partially offset by a negative impact from foreign currency translation and lower sales of acute cardiopulmonary products.

*Operating income*

Operating income decreased by 40% (-41% at Constant Exchange Rates), mainly due to inflationary cost increases (including Hyperinflation in Turkiye), costs associated with the FME 25 Program and lower income from certain equity method investees.

**Asia-Pacific Segment**

**Performance indicators for the Asia-Pacific Segment**

	For the three months ended September 30,		Change in %		
			As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	565	501	13%	6%	7%
Health care services	256	239	7%	2%	5%
Health care products	309	262	18%	9%	9%
Number of dialysis treatments	1,225,891	1,201,888	2%		
Same Market Treatment Growth	2.5%	3.4%			
Operating income in € M	85	86	(1%)	1%	(2%)
Operating income margin	15.1%	17.2%			

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

*Revenue*

Health care services revenue increased by 7% (+5% at Constant Exchange Rates), driven by an increase in organic growth (+5%), a positive impact from foreign currency translation (+2%) and contributions from acquisitions (+1%), partially offset by the effect of closed or sold clinics (-1%).

Dialysis treatments increased by 2% mainly due to Same Market Treatment Growth (+2%) and contributions from acquisitions (+1%), partially offset by the effect of closed or sold clinics (-1%). As of September 30, 2022, 33,800 patients, an increase of 1% (September 30, 2021: 33,434) were treated at the 397 dialysis clinics (September 30, 2021: 406) that we own or operate in the Asia-Pacific Segment.

Health care product revenue increased by 18% (+9% at Constant Exchange Rates), mainly due to a positive impact from foreign currency translation as well as higher sales of products for in-center disposables, acute care treatments and machines for chronic treatment.

*Operating income*

Operating income decreased by 1% (-2% at Constant Exchange Rates), primarily due to inflationary cost increases and higher bad debt expense, partially offset by favorable foreign currency transaction effects and business growth in certain business lines.

**Latin America Segment**

**Performance indicators for the Latin America Segment**

	For the three months ended September 30,		Change in %		
			As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	243	178	36%	0%	36%
Health care services	173	126	37%	(5%)	42%
Health care products	70	52	35%	12%	23%
Number of dialysis treatments	1,436,067	1,462,234	(2%)		
Same Market Treatment Growth	(0.7%)	(5.2%)			
Operating income in € M	11	4	150%	20%	130%
Operating income margin	4.5%	2.4%			

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

*Revenue*

Health care service revenue increased by 37% (+42% at Constant Exchange Rates), driven by an increase in organic growth, (+43%), partially offset by a negative impact from foreign currency translation (-5%) and the effect of closed or sold clinics (-1%).

Dialysis treatments decreased by 2% mainly due to the effect of closed or sold clinics (-1%) and negative Same Market Treatment Growth (-1%). As of September 30, 2022, 36,225 patients (September 30, 2021: 36,451), were treated at the 243 dialysis clinics (September 30, 2021: 246) that we own or operate in the Latin America Segment. Excess mortality rates among patients due to COVID-19 contributed to the decreases in treatments and Same Market Treatment Growth.

Health care product revenue increased by 35% (+23% at Constant Exchange Rates), primarily due to higher sales of machines for chronic treatment, a positive impact from foreign currency translation and higher sales of in-center disposables.

*Operating income*

Operating income increased by 150% (130% at Constant Exchange Rates), primarily due to income from investments in debt securities, favorable foreign currency transaction effects, lower bad debt expense and a positive impact from foreign currency translation, partially offset by inflationary cost increases.

**Nine months ended September 30, 2022 compared to nine months ended September 30, 2021**

**Interim consolidated financials**

**Performance indicators for the interim consolidated financial statements**

	For the nine months ended		Change in %		
	September 30,		As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	14,401	12,972	11%	9%	2%
Health care services	11,471	10,255	12%	10%	2%
Health care products	2,930	2,717	8%	5%	3%
Number of dialysis treatments	39,152,144	39,510,028	(1%)		
Same Market Treatment Growth	(1.4%)	(1.9%)			
Gross profit in € M	3,963	3,758	5%	8%	(3%)
Gross profit as a % of revenue	27.5%	29.0%			
Selling general and administrative costs in € M	2,830	2,273	25%	(10%)	15%
Selling, general and administrative costs as a % of revenue	19.7%	17.5%			
Operating income in € M	1,160	1,403	(17%)	7%	(24%)
Operating income margin	8.1%	10.8%			
Net income attributable to shareholders of FMC AG & Co. KGaA in € M	535	741	(28%)	6%	(34%)
Basic earnings per share in €	1.82	2.53	(28%)	6%	(34%)

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

Health care services revenue increased by 12% as compared to the nine months ended September 30, 2021 (+2% at Constant Exchange Rates) driven by a positive impact from foreign currency translation (+10%), an increase in organic growth (+1%), despite impacts from excess mortality rates among patients due to COVID-19 certain of our operating segments which are further described in the discussions of our segments below, and contributions from acquisitions (+1%).

Dialysis treatments decreased by 1% as a result of negative Same Market Treatment Growth (-1%) and the effect of closed or sold clinics (-1%), partially offset by contributions from acquisitions (+1%). Excess mortality rates among our patients due to COVID-19 contributed significantly to the decreases in treatments and Same Market Treatment Growth.

Health care product revenue increased by 8% (+3% at Constant Exchange Rates), driven by a positive impact from foreign currency translation as well as higher sales of in-center disposables and renal pharmaceuticals, partially offset by lower sales of machines for chronic treatment (including the effect of a temporary pause in shipping of new dialysis machines in the U.S.) (see note 11 included in this report) and acute cardiopulmonary products.

Gross profit increased by 5% (-3% at Constant Exchange Rates), primarily driven by a favorable impact from foreign currency translation effects (North America Segment, Asia-Pacific Segment and Latin America Segment), government relief funding available for health care providers affected by the COVID-19 pandemic, which offset certain eligible costs, (North America Segment), higher average reimbursement rates (North America Segment, EMEA Segment and Latin America Segment), a favorable impact from foreign currency transaction effects (mainly in the Asia-Pacific Segment and the EMEA Segment), increased treatment volumes (including growth from acquisitions) as normalized for COVID-19 (North America Segment, Asia-Pacific Segment and EMEA Segment) and a positive impact from a partial reversal of an accrual related to a revenue recognition adjustment for accounts receivable in legal dispute (North America Segment), partially offset by higher personnel expense and inflationary and supply chain cost increases across all regions as well as an unfavorable impact from excess mortality rates among our patients due to COVID-19 (mainly in the North America Segment).

SG&A expense increased by 25% (+15% at Constant Exchange Rates), primarily driven by a negative impact from foreign currency translation (North America Segment, Asia-Pacific Segment and Corporate), an unfavorable impact from the remeasurement of investments (primarily driven by the Humacyte Investment Remeasurement in the North America Segment), InterWell Health Costs in the North America Segment (see note 2 included in this report), costs associated with the FME25 Program (mainly in Corporate, the EMEA Segment and the North America Segment), higher personnel expense (North America Segment and Latin America Segment) and higher information technology costs (Corporate and the North America Segment), partially offset by increased income attributable to a consent agreement on certain pharmaceuticals in the North America Segment.

Research and development expenses increased by 9% to €167 M from €153 M. The increase was largely driven by a negative impact from foreign currency translation and research and development activities at NxStage Medical, Inc., our subsidiary, and in the field of regenerative medicine.

Income from equity method investees decreased by 34% to €47 M from €71 M. The decrease was primarily driven by lower earnings from VFMCPRP.

We recorded a remeasurement gain of our prior at-equity investment in InterWell Health LLC in the amount of €147 M (September 30, 2021: €0). For further information regarding the InterWell Health business combination, see “I. Macroeconomic and sector-specific environment – Overview” and “II. Discussion of measures – Net leverage ratio (Non-IFRS Measure),” above, as well as note 2 included in this report.

Operating income decreased by 17% (-24% at Constant Exchange Rates), largely driven the combined effects of the items discussed within gross profit, SG&A expense and the InterWell Health remeasurement gain as well as a positive impact from foreign currency translation. We have seen unprecedented challenges in the labor market in the U.S., resulting in staff shortages, high turnover rates and meaningfully higher costs, including higher costs due to an increased reliance on contracted labor. These challenges continue to impact growth, specifically in U.S. health care services where labor constraints have affected our ability to increase treatment volumes. These impacts, combined with the current uncertainty in the macroeconomic environment, driving inflationary cost increases and supply chain constraints, have had an adverse effect on our results of operations during 2022 and we expect them to continue for the remainder of the year.

Net interest expense increased by 2% to €217 M from €214 M, primarily due to a negative impact from foreign currency translation and unfavorable effects from foreign currency swaps, partially offset by refinancing activities (including the issuance of bonds in prior periods at lower interest rates and the repayment of term loans).

Income tax expense decreased by 12% to €242 M from €274 M. The effective tax rate increased to 25.7% from 23.0% for the same period of 2021 largely driven by an increase in the proportionate share of non-deductible expenses as compared to taxable income and higher tax provisions related to tax law changes. Non-tax deductible expenses also increased due to the InterWell Health business combination and hyperinflation in Argentina and Turkiye. The increase in the effective tax rate was partially offset by a larger portion of tax-free income attributable to noncontrolling interests compared to income before income taxes.

Net income attributable to noncontrolling interests decreased by 5% to €166 M from €174 M due to lower earnings in entities in which we have less than 100% ownership, partially offset by a negative impact from foreign currency translation.

Net income attributable to shareholders of FMC AG & Co. KGaA decreased by 28% (-34% at Constant Exchange Rates) as a result of the combined effects of the items discussed above, partially offset by a positive impact from foreign currency translation.

Basic earnings per share decreased by 28% (-34% at Constant Exchange Rates), primarily due to the decrease in net income attributable to shareholders of FMC AG & Co. KGaA described above, partially offset by a positive impact from foreign currency translation. The average weighted number of shares outstanding for the period increased to 293.2 M on September 30, 2022 (September 30, 2021: 292.9 M), primarily due to the exercise of stock options.

### **Consolidated operating performance excluding Special Items**

Management believes that there are Special Items which should be excluded from certain metrics to enhance transparency and comparability when giving guidance.

Special Items are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance. In the presentation of the expected development of our business in our outlook, Special Items are therefore excluded. Presenting our results excluding Special Items ensures comparability of the figures presented with the Company’s financial targets which have been defined excluding Special Items.

We believe the following results (excluding Special Items) should be analyzed only in connection with the results presented above. For the nine months ended September 30, 2022 and 2021, we identified the costs related to the FME25 program and for the nine months ended September 30, 2022, we identified the Hyperinflation in Turkiye, the Humacyte Investment Remeasurement and the Net Gain Related to InterWell Health in the North America Segment as well as the Impacts Related to the War in Ukraine as Special Items which, when excluded from the results disclosed above, may provide a reader with further useful information in assessing our performance against the financial targets. The Special Item FME25 program mainly affects Corporate, the North America Segment and the EMEA Segment.

For comparability with our financial targets as presented in the outlook the following table reconciles the performance indicators for the interim consolidated financial statements in accordance with IFRS, as they are to be applied in the EU, to the performance indicators excluding Special Items. These results excluding Special Items should only be viewed as a supplement to our results disclosed in accordance with IFRS.



## FRESENIUS MEDICAL CARE AG & Co. KGaA

### Consolidated operating performance excluding Special Items

in € M

	For the nine months ended September 30,						Change in % excl. Special Items		
	Results 2022	FME25 Program	Net Gain Related to InterWell Health	Humacyte Investment Remeasurement	Ukraine War	Hyper- inflation in Turkiye	Results 2022 excl. Special Items	Current rate	Constant Currency <sup>(1)</sup>
Revenue	14,401	—	—	—	—	—	14,401	11%	2%
Operating income	1,160	109	(56)	79	24	6	1,322	(7%)	(14%)
Net income <sup>(2)</sup>	535	78	(38)	58	21	6	660	(13%)	(18%)

### Consolidated operating performance excluding Special Items

in € M

	For the nine months ended September 30,		
	Results 2021	FME25 Program	Results 2021 excl. Special Items
Revenue	12,972	—	12,972
Operating income	1,403	20	1,423
Net income <sup>(2)</sup>	741	15	756

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures - Non-IFRS measures" above.

(2) Net income attributable to shareholders of FMC AG & Co. KGaA.

The following discussions pertain to our operating and reportable segments and the measures we use to manage these segments.

### North America Segment

#### Performance indicators for the North America Segment

	For the nine months ended		Change in %		
	September 30,		As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	10,021	8,931	12%	12%	0%
Health care services	9,184	8,148	13%	13%	0%
Health care products	837	783	7%	12%	(5%)
Number of dialysis treatments	23,816,538	24,158,943	(1%)		
Same Market Treatment Growth	(2.3%)	(2.5%)			
Operating income in € M	1,113	1,242	(10%)	10%	(20%)
Operating income margin	11.1%	13.9%			

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

#### Revenue

Health care services revenue increased by 13% (remained relatively stable at Constant Exchange Rates), driven by a positive impact from foreign currency translation (+13%) and contributions from acquisitions (+1%), partially offset by a decrease in organic growth (-1%) resulting from the effects of excess mortality rates among patients due to COVID-19.

Dialysis treatments decreased by 1% largely due to negative Same Market Treatment Growth (-2%), partially offset by contributions from acquisitions (+1%). Excess mortality rates among patients due to COVID-19 contributed significantly to the decreases in treatments and Same Market Treatment Growth.

Health care product revenue increased by 7% (-5% at Constant Exchange Rates), driven by a positive impact from foreign currency translation, partially offset by lower sales of machines for chronic treatment (including the effect of a temporary pause in shipping of new dialysis machines in the U.S.) (see note 11 included in this report), products for acute care treatments and in-center disposables.

#### Operating income

Operating income decreased by 10% (-20% at Constant Exchange Rates), primarily related to higher personnel expense, the Humacyte Investment Remeasurement, an unfavorable impact from excess mortality rates among our patients due to COVID-19 and inflationary and supply chain cost increases partially offset by government relief funding available for health care providers affected by the COVID-19 pandemic, which offset certain eligible costs, a positive impact from foreign currency translation and the Net Gain Related to InterWell Health. We have seen unprecedented challenges in the labor market in the U.S., resulting in staff shortages, high turnover rates and meaningfully higher costs, including higher costs due to an increased reliance on contracted labor. These challenges continue to impact growth and have affected our ability to increase treatment volumes. These impacts have had an adverse effect on our results of operations during 2022 and we expect them to continue for the remainder of the year.

EMEA Segment

Performance indicators for the EMEA Segment

	For the nine months ended September 30,		Change in %		
			As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	2,121	2,033	4%	(2%)	6%
Health care services	1,083	1,020	6%	(1%)	7%
Health care products	1,038	1,013	2%	(3%)	5%
Number of dialysis treatments	7,428,380	7,384,018	1%		
Same Market Treatment Growth	(0.1%)	(3.5%)			
Operating income in € M	169	232	(27%)	(1%)	(26%)
Operating income margin	8.0%	11.4%			

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

*Revenue*

Health care service revenue increased by 6% (+7% at Constant Exchange Rates), driven by an increase in organic growth, including the effects of Hyperinflation in Turkiye, (+6%) and contributions from acquisitions (+1%), partially offset by a negative impact resulting from foreign currency translation (-1%).

Dialysis treatments increased by 1% mainly due to contributions from acquisitions in the region (+1%).

Health care product revenue increased by 2% (+5% at Constant Exchange Rates), primarily due to higher sales of in-center disposables and renal pharmaceuticals (including the effects of Hyperinflation in Turkiye), partially offset by a negative impact from foreign currency translation as well as lower sales of acute cardiopulmonary products and machines for chronic treatment (including the effects of Hyperinflation in Turkiye).

*Operating income*

Operating income decreased by 27% (-26% at Constant Exchange Rates), mainly due to inflationary cost increases (including Hyperinflation in Turkiye), Impacts Related to the War in Ukraine, costs associated with the FME 25 Program and lower income from certain equity method investees, partially offset by favorable foreign currency transaction effects.

**Asia-Pacific Segment**

**Performance indicators for the Asia-Pacific Segment**

	For the nine months ended September 30,		Change in %		
			As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	1,588	1,458	9%	5%	4%
Health care services	730	694	5%	2%	3%
Health care products	858	764	12%	7%	5%
Number of dialysis treatments	3,613,229	3,559,846	1%		
Same Market Treatment Growth	2.2%	5.5%			
Operating income in € M	255	256	0%	1%	(1%)
Operating income margin	16.1%	17.5%			

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

*Revenue*

Health care services revenue increased by 5% (+3% at Constant Exchange Rates), driven by an increase in organic growth (+3%), a positive impact from foreign currency translation (+2%) and contributions from acquisitions (+1%), partially offset by the effect of closed or sold clinics (-1%).

Dialysis treatments increased by 1% mainly due to Same Market Treatment Growth (+2%), partially offset by the effect of closed or sold clinics (-1%).

Health care product revenue increased by 12% (+5% at Constant Exchange Rates), mainly due to a positive impact from foreign currency translation as well as higher sales of products for in-center disposables, acute care treatments, and acute cardiopulmonary products.

*Operating income*

Operating income remained relatively stable (-1% at Constant Exchange Rates), as inflationary cost increases were mostly offset by favorable foreign currency transaction effects.

Latin America Segment

Performance indicators for the Latin America Segment

	For the nine months ended September 30,		Change in %		
			As reported	Currency translation effects	Constant Currency <sup>(1)</sup>
	2022	2021			
Revenue in € M	633	508	25%	2%	23%
Health care services	452	364	24%	(2%)	26%
Health care products	181	144	26%	10%	16%
Number of dialysis treatments	4,293,997	4,407,221	(3%)		
Same Market Treatment Growth	(1.4%)	(1.0%)			
Operating income in € M	16	14	17%	23%	(6%)
Operating income margin	2.5%	2.7%			

(1) For further information on Constant Exchange Rates, see "II. Discussion of measures – Non-IFRS measures" above.

*Revenue*

Health care service revenue increased by 24% (+26% at Constant Exchange Rates), driven by an increase in organic growth (+27%), partially offset by a negative impact from foreign currency translation (-2%) and the effect of closed or sold clinics (-1%).

Dialysis treatments decreased by 3% mainly due to the effect of closed or sold clinics (-2%) and negative Same Market Treatment Growth (-1%). Excess mortality rates among patients due to COVID-19 contributed to the decreases in treatments and Same Market Treatment Growth.

Health care product revenue increased by 26% (+16% at Constant Exchange Rates), primarily due to a positive impact from foreign currency translation as well as higher sales of machines for chronic treatment and in-center disposables.

*Operating income*

Operating income increased by 17% (-6% at Constant Exchange Rates), primarily due to favorable foreign currency transaction effects, lower bad debt expense and a positive impact from foreign currency translation, partially offset by inflationary cost increases.

## Financial position

### Sources of liquidity

Our primary sources of liquidity are typically cash provided by operating activities, cash provided by short-term debt, proceeds from the issuance of long-term debt and divestitures. We require this capital primarily to finance working capital needs, fund acquisitions, operate clinics, develop free-standing renal dialysis clinics and other health care facilities, purchase equipment for existing or new renal dialysis clinics and production sites, repay debt and pay dividends (see “Net cash provided by (used in) investing activities” and “Net cash provided by (used in) financing activities” below) and to satisfy put option obligations to holders of minority interests in our majority-owned subsidiaries.

As of September 30, 2022, our available borrowing capacity under unutilized credit facilities amounted to approximately €3.0 billion, including €2.0 billion under the Syndicated Credit Facility, which we maintain as a backup for general corporate purposes. On June 8, 2022, we amended and extended the Syndicated Credit Facility to extend the term by one year and replace U.S. dollar-LIBOR as the reference rate with the Term Secured Overnight Financing Rate.

In our long-term capital management, we focus primarily on the net leverage ratio, a Non-IFRS measure, see “II. Discussion of measures – Non-IFRS measures – Net leverage ratio (Non-IFRS Measure),” above. Our self-set target for the net leverage ratio is 3.0 - 3.5x, which management considers appropriate for the Company. The following table shows the reconciliation of net debt and adjusted EBITDA and the calculation of the net leverage ratio as of September 30, 2022 and December 31, 2021. As of September 30, 2022, we exceeded our self-set target for the net leverage ratio, but expect to be within the target range at the end of 2022.

#### Reconciliation of adjusted EBITDA and net leverage ratio to the most directly comparable IFRS financial measure

in € M, except for net leverage ratio

	September 30, 2022	December 31, 2021
Debt and lease liabilities <sup>(1)</sup>	13,786	13,320
Minus: Cash and cash equivalents	(1,114)	(1,482)
<b>Net debt</b>	<b>12,672</b>	<b>11,838</b>
Net income <sup>(2)</sup>	1,004	1,219
Income tax expense <sup>(2)</sup>	321	353
Interest income <sup>(2)</sup>	(71)	(73)
Interest expense <sup>(2)</sup>	355	353
Depreciation and amortization <sup>(2)</sup>	1,693	1,586
Adjustments <sup>(2), (3)</sup>	214	125
<b>Adjusted EBITDA</b>	<b>3,516</b>	<b>3,563</b>
<b>Net leverage ratio</b>	<b>3.6</b>	<b>3.3</b>

(1) Debt includes the following balance sheet line items: short-term debt, current portion of long-term debt and long-term debt, less current portion.

(2) Last twelve months.

(3) Acquisitions and divestitures made for the last twelve months with a purchase price above a €50 M threshold as defined in the Syndicated Credit Facility (2022: -€27 M; 2021: €13 M), non-cash charges, primarily related to pension expense (2022: €52 M; 2021: €49 M), impairment loss (2022: €88 M; 2021: €38 M) and special items, including costs related to the FME25 Program (2022: €106 M; 2021: €25 M), Net Gain Related to InterWell Health (2022: -€113 M), Humacyte Investment Remeasurement (2022: €79 M), Hyperinflation in Turkiye (2022: €6 M) and the Impacts Related to the War in Ukraine (2022: €23 M).

At September 30, 2022, we had cash and cash equivalents of €1,114 M (December 31, 2021: €1,482 M).

Free cash flow (Net cash provided by (used in) operating activities, after capital expenditures, before acquisitions and investments) is a Non-IFRS Measure and is reconciled to net cash provided by (used in) operating activities, the most directly comparable IFRS measure, see “II. Discussion of measures – Non-IFRS measures – Net cash provided by (used in) operating activities in % of revenue” and “– Free cash flow in % of revenue (Non-IFRS Measure)” above.

The following table shows the cash flow performance indicators for the nine months ended September 30, 2022 and 2021 and reconciles free cash flow and free cash flow in percent of revenue to Net cash provided by (used in) operating activities and Net cash provided by (used in) operating activities in percent of revenue, respectively:

**Cash flow measures**

*in € M, except where otherwise specified*

	<b>For the nine months ended September 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenue</b>	14,401	12,972
<b>Net cash provided by (used in) operating activities</b>	1,568	1,820
Capital expenditures	(495)	(588)
Proceeds from sale of property, plant and equipment	9	27
<b>Capital expenditures, net</b>	(486)	(561)
<b>Free cash flow</b>	1,082	1,259
<b>Net cash provided by (used in) operating activities in % of revenue</b>	10.9%	14.0%
<b>Free cash flow in % of revenue</b>	7.5%	9.7%

**Net cash provided by (used in) operating activities**

In the first nine months of 2022, net cash provided by operating activities was €1,568 M, compared to €1,820 M in the first nine months of 2021. Net cash provided by operating activities in percent of revenue decreased to 11% for the first nine months of 2022 as compared to 14% for the comparable period of 2021. Net cash provided by (used in) operating activities is impacted by the profitability of our business, the development of our working capital, principally inventories, receivables and cash outflows that occur due to a number of specific items as discussed below. The decrease in net cash provided by operating activities was mainly driven by a decrease in net income and a reduction in cash flow due to an increase in working capital, partially offset by COVID-19-related government relief funding in the United States.

The profitability of our business depends significantly on reimbursement rates for our services. Approximately 80% of our revenue is generated by providing health care services, a major portion of which is reimbursed by either public health care organizations or private insurers. For the nine months ended September 30, 2022, approximately 30% of our consolidated revenue was attributable to reimbursements from U.S. federal health care benefit programs, such as Medicare and Medicaid. Legislative changes could affect Medicare reimbursement rates for a significant portion of the services we provide as well as the scope of Medicare coverage. A decrease in reimbursement rates or the scope of coverage could have a material adverse effect on our business, financial position and results of operations and thus on our capacity to generate cash flow. See “I. Macroeconomic and sector-specific environment,” above. During 2022, our profitability has also been adversely affected by the global economic impact of the ongoing Ukraine War and increased headwinds from U.S. labor market and global inflation (see note 1 included in this report).

We intend to continue to address our current cash and financing requirements using net cash provided by operating activities, issuances under our commercial paper program (see note 6 included in this report) as well as from the use of our accounts receivable securitization program (“Accounts Receivable Facility”) and bilateral credit lines. The Syndicated Credit Facility is also available for backup financing needs. In addition, to finance acquisitions or meet other needs, we expect to utilize long-term financing arrangements, such as the issuance of bonds (see “Net cash provided by (used in) financing activities,” below).

Net cash provided by (used in) operating activities depends on the collection of accounts receivable. Commercial customers and government institutions generally have different payment cycles. Lengthening their payment cycles could have a material adverse effect on our capacity to generate cash flow. In addition, we could face difficulties enforcing and collecting accounts receivable under the legal systems of, and due to the economic conditions in, some countries. Accounts receivable balances, net of expected credit losses, represented Days Sales Outstanding (“DSO”) of 69 days at September 30, 2022 (December 31, 2021: 62 days).

DSO by segment is calculated by dividing the respective segment’s accounts and other receivables from unrelated parties less contract liabilities, converted to euro using the average exchange rate for the period presented, less any sales or value-added tax included in the receivables, by the average daily sales for the last twelve months of that segment, converted to euro using the average exchange rate for the period. Receivables and revenues are adjusted for amounts related to acquisitions and divestitures made within the reporting period with a purchase price above a €50 M threshold, consistent with the respective adjustments in the determination of adjusted EBITDA (see “II. Discussion of measures — Non-IFRS measures — Net leverage ratio (Non-IFRS Measure)” above).

## FRESENIUS MEDICAL CARE AG & Co. KGaA

The development of DSO by reporting segment is shown in the table below:

<b>Development of days sales outstanding</b>			
<i>in days</i>	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>Increase/decrease primarily driven by:</b>
North America Segment	55	44	CMS's recoupment of advanced payments received in 2020 under the Medicare Accelerated and Advance Payment Program
EMEA Segment	89	88	Periodic delays in payment of public health care organizations in certain countries
Asia-Pacific Segment	102	103	Improvement of payment collections in the region
Latin America Segment	116	130	Improvement of payment collections in the region
<b>FMC AG &amp; Co. KGaA average days sales outstanding</b>	<b>69</b>	<b>62</b>	

Due to the fact that a large portion of our reimbursement is provided by public health care organizations and private insurers, we expect that most of our accounts receivable will be collectible.

For information regarding litigation exposure as well as ongoing and future tax audits, see note 11 included in this report.

### Net cash provided by (used in) investing activities

Net cash used in investing activities in the first nine months of 2022 was €510 M as compared to net cash used in investing activities of €773 M in the comparable period of 2021. The following table shows a breakdown of our investing activities for the first nine months of 2022 and 2021:

### Cash flows relating to investing activities

	<b>Capital expenditures, net, including capitalized development costs</b>		<b>Acquisitions, investments, purchases of intangible assets and investments in debt securities <sup>(1)</sup></b>		<b>Proceeds from divestitures and the sale of debt securities</b>	
	<b>For the nine months ended September 30,</b>					
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
North America Segment	255	296	60	278	69	121
EMEA Segment	64	64	11	22	—	—
Asia-Pacific Segment	27	28	11	1	26	—
Latin America Segment	18	27	15	7	2	—
Corporate	122	146	35	25	11	—
<b>Total</b>	<b>486</b>	<b>561</b>	<b>132</b>	<b>333</b>	<b>108</b>	<b>121</b>

(1) Acquisitions in the North America Segment are net of cash acquired in the InterWell Health business combination. See note 2 included in this report.

The majority of our capital expenditures in the first nine months of 2022 was used for maintaining existing clinics and centers, capitalization of machines provided to our customers, capitalization of certain development costs, equipping new clinics and centers and IT implementation costs. Capital expenditures accounted for approximately 3% of total revenue in the first nine months of 2022 as compared to approximately 4% of total revenue during the same period in 2021.

Investments in the first nine months of 2022 were primarily comprised of purchases of debt securities and equity investments. Divestitures in the first nine months of 2022 were mainly related to the divestment of debt securities and equity investments. Acquisitions in the first nine months of 2022 related primarily to the purchase of dialysis clinics. Additionally, purchases of intangible assets for the first nine months of 2022 related primarily to emission rights certificates.

Investments in the first nine months of 2021 were primarily comprised of purchases of equity investments and debt securities. Divestitures in the first nine months of 2021 were mainly related to the divestment of debt securities. Acquisitions in the first nine months of 2021 related primarily to the purchase of dialysis clinics.

In 2022, we anticipate capital expenditures of €0.8 to €1.0 BN and expect to make acquisitions and investments, excluding investments in debt securities, of approximately €0.1 to €0.3 BN.



### **Net cash provided by (used in) financing activities**

In the first nine months of 2022, net cash used in financing activities was €1,497 M as compared to net cash used in financing activities of €667 M in the first nine months of 2021.

In the first nine months of 2022, cash was mainly used in the repayment of short-term debt (including borrowings under our commercial paper program and short-term debt from related parties), the repayment of long-term debt (including the repayment at maturity of bonds in an aggregate principal amount of \$700 M (€533 M as of the date of issuance) on January 31, 2022), the repayment of lease liabilities (including lease liabilities from related parties), the payment of dividends and distributions to noncontrolling interests, partially offset by proceeds from long-term debt (including proceeds from the issuance of bonds in an aggregate principal amount of €750 M on September 20, 2022, and the issuance of Schuldschein loans of €225 M in February 2022) and proceeds from short-term debt (including borrowings under our commercial paper program and short-term debt from related parties). For further information, see note 7 included in this report.

In the first nine months of 2021, cash was mainly used in the repayment of long-term debt (including the repayment at maturity of bonds in an aggregate principal amount of \$650 M (€473 M as of the date of issuance) and €300 M as well as the early repayment of the USD term loan 2017 / 2022 in the amount of \$1,050 M (€860 M as of the date of repayment) and EUR term loan 2017 / 2022 in the amount of €245 M, both under our prior Amended 2012 Credit Agreement), the repayment of lease liabilities (including lease liabilities from related parties), repayments of short-term debt from unrelated parties, payment of dividends and distributions to noncontrolling interests, partially offset by proceeds from short-term debt (including borrowings under our commercial paper program) and proceeds from long-term debt (including proceeds from the issuance of bonds in an aggregate principal amount of \$1,500 M (€1,227 M)).

On May 17, 2022, we paid a dividend with respect to 2021 of €1.35 per share (for 2020 paid in 2021 €1.34 per share). The total dividend payment was €396 M as compared to €392 M in the prior year.

### **Net Assets**

Total assets as of September 30, 2022 increased by 12% to €38.4 billion as compared to €34.4 billion at December 31, 2021. In addition to a 12% positive impact resulting from foreign currency translation, total assets remained stable at €34.3 billion as compared to €34.4 billion at December 31, 2021 as decreases in cash and cash equivalents, right-of-use assets and property, plant and equipment, were mostly offset by an increase in goodwill, primarily from the InterWell Health business combination, and inventories.

Current assets as a percent of total assets decreased to 22% at September 30, 2022 as compared to 23% at December 31, 2021, primarily driven by a decrease in cash and cash equivalents and an increase in non-current assets mainly due to increased goodwill (including goodwill recognized as part of the InterWell Health business combination), partially offset by an increase in trade accounts receivable and inventories. The equity ratio, the ratio of our equity divided by total liabilities and shareholders' equity, increased to 44% at September 30, 2022 as compared to 41% at December 31, 2021, primarily driven by an increase in equity from currency translation as well as a decrease in short-term debt and pension liabilities, partially offset by an increase in provisions and other liabilities, including an increase in put option liabilities due to the InterWell Health business combination, and long term debt (including the current portion). ROIC decreased to 3.6% at September 30, 2022 as compared to 4.9% at December 31, 2021. For further information on ROIC, see "II. Discussion of measures – Non-IFRS measures – Return on invested capital (ROIC) (Non-IFRS Measure)" above.

### **Management's general assessment**

While the FME25 new operating model and savings provide an important foundation, there is also a clear urgency to turnaround our operational performance with bold interventions. We are defining a broader turnaround plan, which will also include a culture of performance and accountability.

We continue to operate in a challenging and highly volatile macroeconomic and operational environment. As expected, inflationary developments persisted and weighed on our earnings. Open positions in our dialysis clinics were reduced but remained at an elevated level, impacting both costs and growth in Health Care Services. While it is disappointing that the execution against our North America recovery plan is delayed, we are confident that the intensified efforts will improve the performance.

### **Report on post balance sheet date events**

Refer to note 14 included in this report on post balance sheet date events.

## Outlook

The Management Board oversees our Company by setting strategic and operational targets as well as measuring various financial key performance indicators used for internal management determined in euro based on IFRS (see chapter “Overview of the Group”, section “performance management system” in the group management report of the Annual Report 2021). The following outlook for 2022 is calculated and presented at Constant Exchange Rates.

Outlook 2022 was initially based on the outlined assumptions in chapter “Outlook” in the group management report of the Annual Report 2021. Based on the development of the results in the second quarter 2022 we did not confirm the outlook 2022 and cut our outlook for 2022 in the second quarter 2022. For further information on the update of the outlook 2022, in particular with regard to the assumptions, see chapter “Outlook” in the interim management report as part of the interim consolidated financial statements as of June 30, 2022.

In addition to the adjustments to the outlook in the second quarter 2022 and based on the delayed impacts of improvements in North American Health Care Services operations, the continuously challenging and uncertain macroeconomic environment, and the results for the third quarter 2022, which had a more pronounced support by one-time effects, we, as a matter of caution, extend our 2022 guidance range for net income decline from around a high-teens to a high-teens to mid-twenties percentage range. For operating income, we now expect a decline of a mid-teens to high-teens percentage range compared to the previously guided decline of around a mid-teens percentage range. We confirm our target for revenue to grow at a low single digit percentage rate in full year 2022.

These targets are based on the operating income relevant assumptions outlined in chapter “Outlook” in the interim management report as part of the interim consolidated financial statements as of June 30, 2022, which remain valid, and on the following assumptions, which have been adjusted since the third quarter of 2022:

- Macroeconomic inflation and supply chain costs of around €230 M (previously: €220 M) as well as
- Business growth of €20 M (previously: €70 M).

Thus, the outlook 2022 is based on the outlined assumptions in chapter “Outlook” included in this report and in chapter “Outlook” in the interim management report as part of the interim consolidated financial statements as of June 30, 2022, and excludes Special Items. Special Items include further costs related to the FME25 Program, Hyperinflation in Turkiye, the Humacyte Investment Remeasurement, the Net Gain Related to InterWell Health and the Impacts Related to the War in Ukraine 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. The growth rates are based on the results in 2021 excluding the costs related to the FME25 Program.

### Outlook key performance indicators 2022

	<b>Outlook 2022</b> <b>(at Constant Currency except for ROIC)</b>
Revenue <sup>(1)</sup>	growth: low-single-digit percentage rate
Revenue growth at Constant Currency <sup>(1)</sup>	growth: low-single-digit percentage rate
Operating income <sup>(1)</sup>	decline: mid-teens to high-teens percentage rate (previously: decline: around mid-teens percentage rate)
Net income <sup>(1), (2)</sup>	decline: high-teens to mid-twenties percentage rate (previously: decline: around high-teens percentage rate)
Net income growth at Constant Currency <sup>(1), (2)</sup>	decline: high-teens to mid-twenties percentage rate (previously: decline: around high-teens percentage rate)
ROIC <sup>(1)</sup>	around 4.0% (previously: ≥ 4.0%)

(1) Outlook 2022 is based on the outlined assumptions in chapter “Outlook” included in this report and in chapter “Outlook” in the interim management report as part of the interim consolidated financial statements as of June 30, 2022 and excludes Special Items. Special Items include further costs related to the FME25 Program, the Hyperinflation in Turkiye, the Humacyte Investment Remeasurement, the Net Gain Related to InterWell Health and the Impacts Related to the War in Ukraine 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. The growth rates are based on the results 2021 excluding the costs related to the FME25 Program. For further information on Constant Currency, see section II “Discussion of measures – Non-IFRS measures” in the chapter “Economic report”.

(2) Net income attributable to shareholders of FMC AG & Co. KGaA.

## Risks and opportunities report

### Risks report

For information regarding our risks please refer to notes 11 and 12 and the chapter “Interim management Report”, specifically the “Forward-looking statements” and the “Macroeconomic and sector-specific environment” in this report. For additional information please see chapter “Risks and Opportunities Report” on pages 62-76 in the group management report of the Annual Report 2021. For information regarding the impact of the Ukraine War on our risk assessment please refer to section “Supplemental information regarding our risk factors”.

### Opportunities report

In comparison to the information contained within the Annual Report 2021, there have been no material changes in the first nine months of 2022. Please refer to chapter “Risks and Opportunities Report” on pages 76-80 in the group management report of the Annual Report 2021.

### Corporate governance

The Management Board of the General Partner, represented by Fresenius Medical Care Management AG, and the Supervisory Board of Fresenius Medical Care AG & Co. KGaA issued a compliance declaration pursuant to Section 161 of the German Stock Corporation Act (AktG). The Company has frequently made this declaration available to the public by publishing it on its website: <https://www.freseniusmedicalcare.com/en//investors/corporate-governance/declaration-of-compliance/>.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**

**Interim Financial Statements  
Consolidated statements of income  
(unaudited)**

**Consolidated statements of income**

*in € thousands ("THOUS"), except per share data*

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2022	2021	2022	2021
<b>Revenue:</b>					
Health care services	3a	4,082,400	3,529,609	11,471,127	10,255,289
Health care products	3a	1,013,766	911,757	2,930,088	2,716,372
		<b>5,096,166</b>	<b>4,441,366</b>	<b>14,401,215</b>	<b>12,971,661</b>
<b>Costs of revenue:</b>					
Health care services		3,152,753	2,697,639	8,806,204	7,844,690
Health care products		584,826	476,510	1,632,279	1,369,104
		<b>3,737,579</b>	<b>3,174,149</b>	<b>10,438,483</b>	<b>9,213,794</b>
<b>Gross profit</b>		<b>1,358,587</b>	<b>1,267,217</b>	<b>3,962,732</b>	<b>3,757,867</b>
<b>Operating (income) expenses:</b>					
Selling, general and administrative		989,607	731,230	2,830,337	2,272,922
Research and development	3b	61,484	52,362	166,575	153,024
Income from equity method investees	13	(17,448)	(21,036)	(47,302)	(71,214)
Remeasurement Gain From InterWell Health	2	(146,699)	—	(146,699)	—
<b>Operating income</b>		<b>471,643</b>	<b>504,661</b>	<b>1,159,821</b>	<b>1,403,135</b>
<b>Other (income) expense:</b>					
Interest income		(16,050)	(15,590)	(42,909)	(44,811)
Interest expense		92,535	84,026	260,070	258,528
<b>Income before income taxes</b>		<b>395,158</b>	<b>436,225</b>	<b>942,660</b>	<b>1,189,418</b>
Income tax expense		112,226	104,990	241,917	274,131
<b>Net income</b>		<b>282,932</b>	<b>331,235</b>	<b>700,743</b>	<b>915,287</b>
<b>Net income attributable to noncontrolling interests</b>		<b>52,832</b>	<b>58,191</b>	<b>166,142</b>	<b>174,720</b>
<b>Net income attributable to shareholders of FMC AG &amp; Co. KGaA</b>		<b>230,100</b>	<b>273,044</b>	<b>534,601</b>	<b>740,567</b>
<b>Basic earnings per share</b>	3c	<b>0.78</b>	<b>0.93</b>	<b>1.82</b>	<b>2.53</b>
<b>Diluted earnings per share</b>	3c	<b>0.78</b>	<b>0.93</b>	<b>1.82</b>	<b>2.53</b>

See accompanying notes to the unaudited interim consolidated financial statements.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**

**Consolidated statements of comprehensive income (unaudited)**

**Consolidated statements of comprehensive income**

*in € THOUS*

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
<b>Net income</b>	<b>282,932</b>	<b>331,235</b>	<b>700,743</b>	<b>915,287</b>
<b>Other comprehensive income (loss):</b>				
<b>Components that will not be reclassified to profit or loss:</b>				
Equity method investees - share of OCI	34,785	3,870	22,849	(45,384)
FVOCI equity investments	11	18,391	8,687	43,684
Actuarial gain (loss) on defined benefit pension plans	50,958	952	291,257	50,726
Income tax (expense) benefit related to components of other comprehensive income not reclassified	(15,271)	(5,247)	(87,590)	(27,207)
	<u>70,483</u>	<u>17,966</u>	<u>235,203</u>	<u>21,819</u>
<b>Components that may be reclassified subsequently to profit or loss:</b>				
Gain (loss) related to foreign currency translation	913,140	332,987	2,237,453	737,174
FVOCI debt securities	(13,318)	(1,542)	(46,698)	(8,610)
Gain (loss) related to cash flow hedges	1,320	801	884	(378)
Cost of hedging	(1,354)	128	94	(7)
Income tax (expense) benefit related to components of other comprehensive income that may be reclassified	2,459	14	8,149	1,546
	<u>902,247</u>	<u>332,388</u>	<u>2,199,882</u>	<u>729,725</u>
<b>Other comprehensive income (loss), net of tax</b>	<b>972,730</b>	<b>350,354</b>	<b>2,435,085</b>	<b>751,544</b>
<b>Total comprehensive income</b>	<b>1,255,662</b>	<b>681,589</b>	<b>3,135,828</b>	<b>1,666,831</b>
<b>Comprehensive income attributable to noncontrolling interests</b>	<b>141,151</b>	<b>86,609</b>	<b>362,366</b>	<b>237,620</b>
<b>Comprehensive income (loss) attributable to shareholders of FMC AG &amp; Co. KGaA</b>	<b>1,114,511</b>	<b>594,980</b>	<b>2,773,462</b>	<b>1,429,211</b>

See accompanying notes to the unaudited interim consolidated financial statements.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**

**Consolidated balance sheets (unaudited)**

**Consolidated balance sheets**

*in € THOUS, except share data*

	Note	September 30, 2022	December 31, 2021
<b>Assets</b>			
Cash and cash equivalents		1,113,552	1,481,655
Trade accounts and other receivables from unrelated parties		3,815,374	3,409,061
Accounts receivable from related parties	4	156,789	162,361
Inventories	5	2,409,683	2,038,014
Other current assets		1,017,270	876,151
<b>Total current assets</b>		<b>8,512,668</b>	<b>7,967,242</b>
Property, plant and equipment		4,524,470	4,235,027
Right-of-use assets		4,570,866	4,316,440
Intangible assets	2	1,603,802	1,459,393
Goodwill		17,187,107	14,361,577
Deferred taxes		328,137	315,360
Investment in equity method investees	13	767,699	786,905
Other non-current assets		911,686	924,614
<b>Total non-current assets</b>		<b>29,893,767</b>	<b>26,399,316</b>
<b>Total assets</b>		<b>38,406,435</b>	<b>34,366,558</b>
<b>Liabilities</b>			
Accounts payable to unrelated parties		828,090	736,069
Accounts payable to related parties	4	80,829	121,457
Current provisions and other current liabilities		3,878,425	3,676,875
Short-term debt from unrelated parties	6	543,523	1,178,353
Short-term debt from related parties	6	39,000	77,500
Current portion of long-term debt	7	58,485	667,966
Current portion of lease liabilities from unrelated parties		709,726	639,947
Current portion of lease liabilities from related parties	4	22,115	21,631
Income tax liabilities		197,193	137,836
<b>Total current liabilities</b>		<b>6,357,386</b>	<b>7,257,634</b>
Long-term debt, less current portion	7	8,068,492	6,646,949
Lease liabilities from unrelated parties, less current portion		4,261,494	3,990,153
Lease liabilities from related parties, less current portion	4	82,707	97,650
Non-current provisions and other non-current liabilities		1,319,778	707,563
Pension liabilities	8	541,127	782,622
Income tax liabilities		45,270	36,498
Deferred taxes		994,803	868,452
<b>Total non-current liabilities</b>		<b>15,313,671</b>	<b>13,129,887</b>
<b>Total liabilities</b>		<b>21,671,057</b>	<b>20,387,521</b>
<b>Shareholders' equity:</b>			
Ordinary shares, no par value, €1.00 nominal value, 362,370,124 shares authorized, 293,413,449 issued and outstanding as of September 30, 2022 (December 31, 2021: 293,004,339)		293,413	293,004
Additional paid-in capital		3,360,748	2,891,276
Retained earnings		10,478,492	10,826,140
Accumulated other comprehensive income (loss)		918,768	(1,311,637)
<b>Total FMC AG &amp; Co. KGaA shareholders' equity</b>		<b>15,051,421</b>	<b>12,698,783</b>
Noncontrolling interests		1,683,957	1,280,254
<b>Total equity</b>		<b>16,735,378</b>	<b>13,979,037</b>
<b>Total liabilities and equity</b>		<b>38,406,435</b>	<b>34,366,558</b>

See accompanying notes to the unaudited interim consolidated financial statements.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Consolidated statements of cash flows (unaudited)**

**Consolidated statements of cash flows**

*in € THOUS*

	Note	For the nine months ended	
		September 30, 2022	2021
<b>Operating activities</b>			
Net income		700,743	915,287
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation, amortization and impairment loss	13	1,343,690	1,186,568
Change in deferred taxes, net		(60,080)	(12,828)
(Gain) loss from the sale of fixed assets, right-of-use assets, investments and divestitures		(66,511)	(25,845)
Income from equity method investees	13	(47,302)	(71,214)
Interest expense, net		217,161	213,717
<b>Changes in assets and liabilities, net of amounts from businesses acquired:</b>			
Trade accounts and other receivables from unrelated parties		(68,581)	(60,469)
Inventories		(169,075)	(153,642)
Other current and non-current assets		(20,061)	131,972
Accounts receivable from related parties		25,659	(29,410)
Accounts payable to related parties		(52,270)	(5,740)
Accounts payable to unrelated parties, provisions and other current and non-current liabilities		(191,476)	(132,830)
Income tax liabilities		291,631	285,759
Received dividends from investments in equity method investees		94,545	57,680
Paid interest		(238,716)	(255,162)
Received interest		42,121	44,718
Paid income taxes		(233,758)	(268,110)
<b>Net cash provided by (used in) operating activities</b>		<b>1,567,720</b>	<b>1,820,451</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment and capitalized development costs		(494,604)	(588,198)
Acquisitions, net of cash acquired, investments and purchases of intangible assets		(39,901)	(270,580)
Investments in debt securities		(92,131)	(62,640)
Proceeds from sale of property, plant and equipment		8,805	26,964
Proceeds from divestitures		56,459	2,565
Proceeds from sale of debt securities		51,592	118,451
<b>Net cash provided by (used in) investing activities</b>		<b>(509,780)</b>	<b>(773,438)</b>
<b>Financing activities</b>			
Proceeds from short-term debt from unrelated parties		576,745	1,722,084
Repayments of short-term debt from unrelated parties		(1,223,028)	(462,529)
Proceeds from short-term debt from related parties		84,000	49,446
Repayments of short-term debt from related parties		(122,500)	(26,766)
Proceeds from long-term debt		1,026,685	1,231,756
Repayments of long-term debt		(761,495)	(2,067,228)
Repayments of lease liabilities from unrelated parties		(556,965)	(502,679)
Repayments of lease liabilities from related parties		(16,533)	(15,487)
Increase (decrease) of accounts receivable facility		23,500	—
Proceeds from exercise of stock options		20,151	6,005
Dividends paid		(395,556)	(392,455)
Distributions to noncontrolling interests		(218,068)	(250,185)
Contributions from noncontrolling interests		65,620	41,189
<b>Net cash provided by (used in) financing activities</b>		<b>(1,497,444)</b>	<b>(666,849)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>71,401</b>	<b>100,131</b>
<b>Cash and cash equivalents:</b>			
Net increase (decrease) in cash and cash equivalents		(368,103)	480,295
Cash and cash equivalents at beginning of period		1,481,655	1,081,539
<b>Cash and cash equivalents at end of period</b>		<b>1,113,552</b>	<b>1,561,834</b>

See accompanying notes to the unaudited interim consolidated financial statements.

FRESENIUS MEDICAL CARE AG & Co. KGaA

Consolidated statements of shareholders' equity  
For the nine months ended September 30, 2022 and 2021 (unaudited)

Consolidated statements of shareholders' equity

in € THOUS, except share data

Note	Ordinary shares			Accumulated other comprehensive income (loss)					Total FMC AG & Co. KGaA shareholders' equity	Non-controlling interests	Total equity
	Number of shares	No par value	Additional paid in capital	Retained earnings	Foreign currency translation	Cash flow hedges	Pensions	Fair value changes			
<b>Balance at December 31, 2020</b>	<b>292,876,570</b>	<b>292,877</b>	<b>2,872,630</b>	<b>10,254,913</b>	<b>(1,936,713)</b>	<b>(7,706)</b>	<b>(346,282)</b>	<b>85,361</b>	<b>11,215,080</b>	<b>1,116,230</b>	<b>12,331,310</b>
Proceeds from exercise of options and related tax effects	117,639	117	5,308	—	—	—	—	—	5,425	—	5,425
Dividends paid	—	—	—	(392,455)	—	—	—	—	(392,455)	—	(392,455)
Purchase/ sale of noncontrolling interests	—	—	7,024	—	—	—	—	—	7,024	55,854	62,878
Contributions from/ to noncontrolling interests	—	—	—	—	—	—	—	—	—	(193,466)	(193,466)
Put option liabilities	12	—	—	(34,605)	—	—	—	—	(34,605)	—	(34,605)
Transfer of cumulative gains/losses of equity investments	—	—	—	(721)	—	—	—	721	—	—	—
Net income	—	—	—	740,567	—	—	—	—	740,567	174,720	915,287
Other comprehensive income (loss) related to:											
Foreign currency translation	—	—	—	—	681,051	(459)	(8,466)	2,148	674,274	62,900	737,174
Cash flow hedges, net of related tax effects	—	—	—	—	—	(234)	—	—	(234)	—	(234)
Pensions, net of related tax effects	—	—	—	—	—	—	36,236	—	36,236	—	36,236
Fair value changes	—	—	—	—	—	—	—	(21,632)	(21,632)	—	(21,632)
Comprehensive income	—	—	—	—	—	—	—	—	1,429,211	237,620	1,666,831
<b>Balance at September 30, 2021</b>	<b>292,994,209</b>	<b>292,994</b>	<b>2,884,962</b>	<b>10,567,699</b>	<b>(1,255,662)</b>	<b>(8,399)</b>	<b>(318,512)</b>	<b>66,598</b>	<b>12,229,680</b>	<b>1,216,238</b>	<b>13,445,918</b>
<b>Balance at December 31, 2021</b>	<b>293,004,339</b>	<b>293,004</b>	<b>2,891,276</b>	<b>10,826,140</b>	<b>(982,506)</b>	<b>(9,115)</b>	<b>(369,998)</b>	<b>49,982</b>	<b>12,698,783</b>	<b>1,280,254</b>	<b>13,979,037</b>
Proceeds from exercise of options and related tax effects	409,110	409	19,994	—	—	—	—	—	20,403	—	20,403
Dividends paid	—	—	—	(395,556)	—	—	—	—	(395,556)	—	(395,556)
Transactions with noncontrolling interests without loss of control	2	—	449,478	—	—	—	—	—	449,478	41,707	491,185
Noncontrolling interests due to changes in consolidation group	2	—	—	—	—	—	—	—	—	192,196	192,196
Contributions from/ to noncontrolling interests	—	—	—	—	—	—	—	—	—	(192,566)	(192,566)
Put option liabilities	12	—	—	(495,149)	—	—	—	—	(495,149)	—	(495,149)
Transfer of cumulative gains/losses of equity investments	—	—	—	8,456	—	—	—	(8,456)	—	—	—
Net income	—	—	—	534,601	—	—	—	—	534,601	166,142	700,743
Other comprehensive income (loss) related to:											
Foreign currency translation	—	—	—	—	2,064,227	(1,193)	(24,856)	3,051	2,041,229	196,224	2,237,453
Cash flow hedges, net of related tax effects	—	—	—	—	—	799	—	—	799	—	799
Pensions, net of related tax effects	—	—	—	—	—	—	203,898	—	203,898	—	203,898
Fair value changes	—	—	—	—	—	—	—	(7,065)	(7,065)	—	(7,065)
Comprehensive income	—	—	—	—	—	—	—	—	2,773,462	362,366	3,135,828
<b>Balance at September 30, 2022</b>	<b>293,413,449</b>	<b>293,413</b>	<b>3,360,748</b>	<b>10,478,492</b>	<b>1,081,721</b>	<b>(9,509)</b>	<b>(190,956)</b>	<b>37,512</b>	<b>15,051,421</b>	<b>1,683,957</b>	<b>16,735,378</b>

See accompanying notes to the unaudited interim consolidated financial statements.



**Notes to the interim consolidated financial statements  
(unaudited)  
(in THOUS, except share and per share data)**

**1. The Company and basis of presentation**

**The Company**

Fresenius Medical Care AG & Co. KGaA ("FMC AG & Co. KGaA" or the "Company"), a German partnership limited by shares (Kommanditgesellschaft auf Aktien) registered in the commercial registry of Hof an der Saale under HRB 4019, with its business address at Else-Kröner-Str. 1, 61352 Bad Homburg v. d. Höhe, Germany, is the world's leading provider of products and services for individuals with renal diseases, based on publicly reported revenue and number of patients treated. The Company provides dialysis care and related services to persons who suffer from End-Stage Kidney Disease ("ESKD"), as well as other health care services. The Company also develops, manufactures and distributes a wide variety of health care products. The Company's health care products include hemodialysis machines, peritoneal dialysis cyclers, dialyzers, peritoneal dialysis solutions, hemodialysis concentrates, solutions and granulates, bloodlines, renal pharmaceuticals, systems for water treatment, and acute cardiopulmonary and apheresis products. The Company supplies dialysis clinics it owns, operates or manages with a broad range of products and also sells dialysis products to other dialysis service providers. The Company's other health care services include value and risk-based care programs, pharmacy services, vascular, cardiovascular and endovascular specialty services as well as ambulatory surgery center services, physician nephrology and cardiology services and ambulant treatment services.

In these unaudited notes, "FMC AG & Co. KGaA," the "Company" or the "Group" refers to Fresenius Medical Care AG & Co. KGaA or Fresenius Medical Care AG & Co. KGaA and its subsidiaries on a consolidated basis, as the context requires. "Fresenius SE" and "Fresenius SE & Co. KGaA" refer to Fresenius SE & Co. KGaA. "Management AG" and the "General Partner" refer to Fresenius Medical Care Management AG which is FMC AG & Co. KGaA's general partner and is wholly owned by Fresenius SE. "Management Board" refers to the members of the management board of Management AG and, except as otherwise specified, "Supervisory Board" refers to the supervisory board of FMC AG & Co. KGaA. The term "North America Segment" refers to the North America operating segment, the term "EMEA Segment" refers to the Europe, Middle East and Africa operating segment, the term "Asia-Pacific Segment" refers to the Asia-Pacific operating segment, and the term "Latin America Segment" refers to the Latin America operating segment. For further discussion of the Company's operating and reportable segments, see note 13.

**Basis of presentation**

The Company, as a stock exchange listed company 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 they are to be applied in the EU, as well as applying section 315e of the German Commercial Code ("HGB"), using the euro as the Company's reporting and functional currency.

The interim financial report is prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, and contains condensed financial statements, in that it does not include all of the notes that would be required in a complete set of financial statements, but rather selected explanatory notes. However, the primary financial statements are presented in the format consistent with the consolidated financial statements as presented in our Annual Report 2021 in accordance with IAS 1, Presentation of Financial Statements. During the first quarter of 2022, the Company adopted an accounting policy in relation to emission certificates which are recognized as intangible assets with an infinite useful life and initially measured at cost. During the third quarter of 2022, in the consolidated statements of shareholders' equity, the Company started presenting transactions with noncontrolling interests without a loss of control separately from changes in noncontrolling interests due to changes in the consolidation group primarily related to an increase in noncontrolling interests resulting from the business combination completed among Fresenius Health Partners, Inc., InterWell Health LLC, and Cricket Health, Inc. (for further information on this business combination, see note 2). Previously, these changes in noncontrolling interests were combined within the line item "Purchase/sale of noncontrolling interests" due to immateriality.

Furthermore, the Company prepares interim consolidated financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), which is filed on Form 6-K with the Securities and Exchange Commission ("SEC").

The interim consolidated financial statements at September 30, 2022 and for the three- and nine-months ended September 30, 2022 and 2021 contained in this report are unaudited and should be read in conjunction with the consolidated financial statements as of December 31, 2021 in accordance with IFRS, applying Section 315e HGB, contained in the Company's Annual Report 2021. The preparation of interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Such interim financial statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the periods presented. All such adjustments are of a normal recurring nature.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

The Company applies IAS 29, Financial Reporting in Hyperinflationary Economies (“IAS 29”), in its Argentine, Lebanese and Turkish subsidiaries due to inflation in these countries. The table below details the date of initial application of IAS 29 and the specific inputs used to calculate the loss on net monetary position on a country-specific basis for the nine months ended September 30, 2022. The hyperinflationary accounting effects of the initial application on the opening balance sheet are presented within accumulated other comprehensive income (loss) related to foreign currency translation, in the amount of €23,514, and ongoing re-translation effects of comparative amounts are recorded in other comprehensive income (loss) within the Company’s interim consolidated financial statements.

**Inputs for the calculation of losses on net monetary positions**

	<b>Argentina</b>	<b>Lebanon</b>	<b>Turkiye</b>
Date of IAS 29 initial application	July 1, 2018	December 31, 2020	April 1, 2022
Consumer price index	National Institute of Statistics & Censuses	Central Administration of Statistics	Turkish Statistical Institute
Index at September 30, 2022	967.3	1,611.4	1,046.9
Calendar year increase	66%	75%	52%
Loss on net monetary position in € THOUS	43,423	1,100	8,451

The effective tax rates of 28.4% and 25.7% for the three and nine months ended September 30, 2022, respectively (24.1% and 23.0% for the three and nine months ended September 30, 2021, respectively), are recognized on the basis of the best estimate made for the weighted average annual income tax rate expected for the full year and applied to income before income taxes reported in the interim financial statements.

The results of operations for the three and nine months ended September 30, 2022 are not necessarily indicative of the results of operations for the year ending December 31, 2022.

At the end of February 2022, Russia invaded Ukraine, triggering sanctions by various countries against Russia. The resulting uncertainties led to a further deterioration in the macroeconomic environment for the first nine months of 2022, resulting in accelerating inflationary developments, supply chain disruptions and capital market volatility. These developments, combined with complications in the labor market in the United States (“U.S.”), created pressure on the Company’s operations. The Company continues to monitor the situation. As of September 30, 2022, the Company’s assets in Russia and Ukraine totaled less than 1.5% of the Company’s total assets.

The market capitalization of the Company decreased by 49% to €8,500,188 at September 30, 2022 (December 31, 2021: €16,742,268). Total equity of the Company increased by 20% to €16,735,378 at September 30, 2022 (December 31, 2021: €13,979,037), driven primarily by foreign currency translation effects in the amount of €2,237,453.

In consideration of this situation, the world-wide prevailing increase of interest rates and the uncertainty regarding the macroeconomic environment noted above, the Company reviewed the impacts on its 2021 goodwill impairment test performed as of December 31, 2021. During the third quarter of 2022, the Company compared the carrying amounts of certain cash generating units (“CGUs”), EMEA and North America, to the respective CGU’s value in use, using the free cash flows of the CGUs considered in the impairment tests as of December 31, 2021, which were considerably above the carrying amounts of the respective CGUs, as a basis for evaluation. In its evaluation, the Company performed qualitative and quantitative scenario-based assessments. Based on the Company’s analysis, the impacts noted above were reflected in probability-weighted free cash flow projections with operating income margin as a key valuation parameter and in two different (pre-tax and after-tax discount rates) scenarios.

The updated pre-tax discount rates used are 6.4% and 6.9% (2021: 5.8%) for North America and 8.1% and 8.5% (2021: 7.1%) for EMEA and the after-tax discount rates are 5.0% and 5.4% (2021: 4.6%) for North America and 5.9% and 6.2% (2021: 5.2%) for EMEA. For a detailed description of the procedure and other, consistently applied key assumptions and ranges to perform impairment tests, see notes 1 g) and 2 a) of the consolidated financial statements contained in the Annual Report 2021. The assessment did not result in any indication of impairment as of September 30, 2022. Management continues to monitor the situation.

Based on the assessment performed, the sensitivity analyses for the cash generating units North America and EMEA showed that without considering any growth, improvement and recovery projects compared to the status quo for the first three years, an impairment loss would not be required to be recognized even if the after-tax discount rate (North America 5.0% (2021: 4.6%) and EMEA 5.9% (2021: 5.2%)) were to increase by 30% in North America and by 10% in EMEA.

Furthermore, without considering any growth, improvement and recovery projects compared to the status quo for the first three years, the operating income margin of each projection year would need to decline by 2.81 percentage points (2021: decline by 5.22 percentage points) for North America and need to decline by 0.97 percentage points (2021: decline by 3.49 percentage points) for EMEA in order for the recoverable amount (value in use) to equal the carrying amount.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

Goodwill as of September 30, 2022 was €17,187,107 (December 31, 2021: €14,361,577), thereof €14,929,506 (December 31, 2021: €12,223,884) in North America and €1,466,123 (December 31, 2021: €1,376,542) in EMEA.

On October 31, 2022, the Management Board authorized the issuance of the Company's unaudited interim consolidated financial statements.

### **New accounting pronouncements**

#### **Recently implemented accounting pronouncements**

The Company has prepared its interim consolidated financial statements at and for the nine months ended September 30, 2022 in conformity with IFRS that have to be applied for the interim periods starting on or after January 1, 2022. In the nine months ended September 30, 2022, there were no recently implemented accounting pronouncements that had a material effect on the Company's interim consolidated financial statements.

#### **Recent accounting pronouncements not yet adopted**

The IASB issued the following new standard which is relevant for the Company:

##### ***IFRS 17, Insurance Contracts***

In May 2017, the IASB issued IFRS 17, Insurance Contracts. In June 2020 and December 2021, further amendments were published. 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 updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts.

Based on an assessment performed during 2022, the Company believes that the premium allocation approach under IFRS 17 is the most appropriate measurement model. On initial recognition of the liability for incurred claims, the estimation and valuation process remains unchanged as compared to the application of IFRS 4. Regarding the measurement of the liability for the remaining coverage, the liability is equal to the premiums received less any insurance acquisition cash flows. The Company does not consider the effects and time value of money when measuring the liability for the remaining coverage, as the related cash flow are expected to be paid or received in one year or less from the date the claims are incurred. The Company will apply the modified retrospective approach at the transition. Insurance premium revenues are currently recognized based on the passage of time, therefore the pattern of revenue recognition will not change upon the application of IFRS 17.

The Company does not expect that IFRS 17 will have a material impact on its consolidated financial statements and will continue to assess the qualitative and quantitative impacts of the application of IFRS 17. 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.

In the Company's view, no other pronouncements issued by the IASB are expected to have a material impact on the consolidated financial statements.

## **2. Acquisitions, investments (including debt securities) and purchases of intangible assets**

The Company completed acquisitions, investments (including debt securities) and the purchase of intangible assets in the amount of €135,736 and €365,536 for the nine months ended September 30, 2022 and 2021, respectively.

Additionally, on August 24, 2022 ("Acquisition Date"), the Company completed a business combination among Fresenius Health Partners, Inc. ("FHP"), the value-based care division of the Company's wholly-owned subsidiary Fresenius Medical Care Holdings, Inc., with InterWell Health LLC, a physician organization driving innovation in the kidney care space in the U.S., and Cricket Health, Inc. ("Cricket"), a U.S. provider of value-based kidney care with a patient engagement and data platform. The transaction was completed after regulatory approval was received in the U.S. and other customary closing conditions were satisfied. Upon completion of the transactions with noncontrolling shareholders and consummation of the business combination described below, the Company held approximately 75% of the new company. The new company, InterWell Topco L.P. ("NewCo"), will operate under the InterWell Health brand and will target the management of care for more than 270,000 people with kidney disease.

Under the terms and conditions of this business combination, Cricket Health, Inc. contributed all of its net assets in exchange for approximately 17% of the equity interest in NewCo. The fair value of the consideration transferred by the Company to Cricket Health, Inc. for a controlling interest in NewCo was \$269,318 (€271,107 as of the Acquisition Date).

InterWell Health LLC also contributed all of its net assets in exchange for approximately 8% of the equity interest in NewCo. The fair value of the consideration transferred by the Company to InterWell Health LLC for a controlling

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

interest in Newco was \$136,768 (€137,677 as of the Acquisition Date). Prior to the transaction, the Company owned approximately 46% of InterWell Health LLC with a carrying value of \$19,370 (€19,499) and a fair value of \$175,434 (€176,600) as of the Acquisition Date. At the Acquisition Date, the Company received approximately 7% equity in NewCo in exchange for its investment in InterWell Health, LLC. As a result of the transaction, the Company recognized a remeasurement gain of \$156,064 (€146,699) for the nine months ended September 30, 2022, which represented the difference between the fair value and the carrying value of its investment in InterWell Health LLC prior to the Acquisition Date, and a related currency translation adjustment reversal due to the disposal of its investment in Interwell Health LLC in the amount of €364 for the nine months ended September 30, 2022. The remeasurement gain is recorded in the consolidated statements of income for the three- and nine-months ended September 30, 2022 within the line item "Remeasurement Gain From InterWell Health".

The contributions of the net assets of InterWell Health LLC and Cricket Health, Inc. were accounted for as a business combination in accordance with IFRS 3 in which the Company was identified as the acquirer and InterWell Health LLC and Cricket Health, Inc. were identified as acquired companies. NewCo has been consolidated in the Company's consolidated financial statements as of and for the reporting period ending September 30, 2022.

The Company also contributed the business of FHP in exchange for approximately 68% of equity interest in NewCo. Since the Company controlled FHP before the Acquisition Date and controls NewCo post-Acquisition Date, the Company's contribution of FHP was accounted for as an equity transaction. Therefore, the net assets contributed were recorded at their respective carrying value at the Acquisition Date. Noncontrolling interest was recognized in the amount of \$4,914 (€4,947 as of the Acquisition Date) and additional paid in capital of \$401,188 (€403,854 as of the Acquisition Date) representing the difference between the carrying value and the fair value of the corresponding interests was recorded within the line item "Transactions with noncontrolling interests without loss of control" in the consolidated statements of shareholders' equity.

As a result of the transaction, the Company recorded additional noncontrolling interests at fair value in the amount of \$194,158 (€195,448 as of the Acquisition Date) using the full goodwill method within the line item "Noncontrolling interests due to changes in consolidation group" in the consolidated statements of shareholders' equity. A third party valuation advisor was engaged to assist the Company in the estimation of the underlying fair value of the transaction and primarily employed an income approach which was used in the calculation of consideration transferred to the acquirees as well as in the calculation of noncontrolling interests. In addition, the Company also granted put options to noncontrolling shareholders with an estimated fair value of \$577,308 (€592,232) at September 30, 2022 (as of Acquisition Date: \$604,137 (€608,150)). For further information regarding the valuation of put option liabilities, see note 12.

The following allocation of the purchase price is based upon information available to management as of September 30, 2022. Based on a preliminary allocation, the following assets, including goodwill (which will not be deductible for tax purposes), were acquired and liabilities were assumed as of the Acquisition Date:

**Reconciliation of goodwill recognized**

	in \$ THOUS	in € THOUS
Fair value of consideration transferred	406,086	408,784
Fair value of previously held equity method investment in InterWell Health LLC	175,434	176,600
	<b>581,520</b>	<b>585,384</b>
Fair Values of Assets Acquired and Liabilities Assumed (preliminary)		
Less: Cash and cash equivalents	(57,383)	(57,764)
Less: Other assets	(2,819)	(2,838)
Less: Intangible assets	(34,519)	(34,748)
Other liabilities	13,029	13,116
Deferred tax liabilities	9,084	9,144
Noncontrolling interests	194,158	195,448
<b>Goodwill</b>	<b>703,070</b>	<b>707,742</b>

The Company is in the process of obtaining and evaluating the information necessary for the purchase price allocations, including, but not limited to, working capital, tax-related items and the final capital interest allocation. As such, the balances noted in the table above are provisional and subject to measurement period adjustments permitted under IFRS 3. Any adjustments to acquisition accounting, net of related income tax effects, will be recorded with a corresponding adjustment to goodwill within one year from the Acquisition Date.

As of the Acquisition Date, amortizable intangible assets, primarily a technology platform, in the amount of \$34,519 (€34,748) acquired in this transaction have weighted average useful lives of 12 years.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

As of the Acquisition Date, goodwill in the amount of \$703,070 (€707,742) was recorded as part of the transaction and mainly represents anticipated synergies and future cash flows expected to be generated by NewCo. The entire amount of goodwill recorded as a result of this transaction was allocated to the North America cash generating unit.

Additionally, and as contemplated in the agreement, the Company also transferred Acumen Physician Solutions, LLC ("Acumen") to NewCo shortly after the Acquisition Date, and prior to September 30, 2022, with working capital in the amount of \$1,824 (€1,845 as of the date of the transfer agreement). Since certain long-lived assets (mainly intangible assets) held by Acumen will be utilized materially differently by NewCo, management performed an impairment assessment prior to the transfer, concluded that the assets were completely impaired in accordance with IAS 36, Impairment of Assets, and recorded an impairment charge in the North America Segment in the amount of \$71,025 before the transfer (€66,763 for the nine months ended September 30, 2022). The Company also incurred certain transaction-related costs of \$25,352 (€23,831 for the nine months ended September 30, 2022). The expenses, along with the impairment charges were recognized in "Selling, general and administrative" expense on the consolidated statements of income. The transaction-related costs are included in operating activities and cash acquired is included in investing activities in the consolidated statements of cash flows.

From August 24, 2022 through September 30, 2022, the revenue contributed by the acquired companies (i.e. Cricket and InterWell Health, LLC) was not material. During this period, the Company recognized a loss of €3,765 from the acquired companies within its consolidated profit or loss. Had the business combination taken place on January 1, 2022, the Company estimates that its revenue for the nine months ended September 30, 2022 would not have been materially different. However, the Company estimates that net income for the nine months ended September 30, 2022 would have been €38,955 lower than reported if the business combination had taken place at the beginning of the reporting period.

### 3. Notes to the consolidated statements of income

#### a) Revenue

The Company has recognized the following revenue in the consolidated statements of income for the three and nine months ended September 30, 2022 and 2021:

<b>Revenue</b>						
<i>in € THOUS</i>						
	<b>For the three months ended September 30,</b>					
	<b>2022</b>			<b>2021</b>		
	<b>Revenue from contracts with customers</b>	<b>Other revenue</b>	<b>Total</b>	<b>Revenue from contracts with customers</b>	<b>Other revenue</b>	<b>Total</b>
<b>Health care services</b>	3,973,255	109,145	4,082,400	3,424,066	105,543	3,529,609
<b>Health care products</b>	989,256	24,510	1,013,766	889,217	22,540	911,757
<b>Total</b>	<b>4,962,511</b>	<b>133,655</b>	<b>5,096,166</b>	<b>4,313,283</b>	<b>128,083</b>	<b>4,441,366</b>

  

	<b>For the nine months ended September 30,</b>					
	<b>2022</b>			<b>2021</b>		
	<b>Revenue from contracts with customers</b>	<b>Other revenue</b>	<b>Total</b>	<b>Revenue from contracts with customers</b>	<b>Other revenue</b>	<b>Total</b>
<b>Health care services</b>	11,106,053	365,074	11,471,127	9,962,881	292,408	10,255,289
<b>Health care products</b>	2,850,964	79,124	2,930,088	2,629,629	86,743	2,716,372
<b>Total</b>	<b>13,957,017</b>	<b>444,198</b>	<b>14,401,215</b>	<b>12,592,510</b>	<b>379,151</b>	<b>12,971,661</b>

#### b) Research and development expenses

Research and development expenses of €166,575 for the nine months ended September 30, 2022 (for the nine months ended September 30, 2021: €153,024) included research and non-capitalizable development costs as well as depreciation and amortization expenses related to capitalized development costs of €7,182 (for the nine months ended September 30, 2021: €4,380).

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

**c) Earnings per share**

The following table contains reconciliations of the numerators and denominators of the basic and diluted earnings per share computations for the three and nine months ended September 30, 2022 and 2021:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
	<b>Reconciliation of basic and diluted earnings per share</b>			
<i>in € THOUS, except share and per share data</i>				
<b>Numerator:</b>				
Net income attributable to shareholders of FMC AG & Co. KGaA	230,100	273,044	534,601	740,567
<b>Denominators:</b>				
Weighted average number of shares outstanding	293,413,449	292,986,093	293,190,145	292,926,425
Potentially dilutive shares	—	144,984	—	136,811
Basic earnings per share	0.78	0.93	1.82	2.53
Diluted earnings per share	0.78	0.93	1.82	2.53

**d) Impacts of severe acute respiratory syndrome coronavirus 2 (“COVID-19”)**

The Company provides life-sustaining dialysis treatments and other critical health care services and products to patients. The Company’s patients need regular and frequent dialysis treatments, or else they face significant adverse health consequences that could result in hospitalization or death. To be able to continue care for its patients in light of COVID-19, the Company determined that it needed to implement a number of measures, both operational and financial, to maintain an adequate workforce, to protect its patients and employees through expanded personal protective equipment protocols and to develop surge capacity for patients suspected or confirmed to have COVID-19. Additionally, the Company experienced a loss of revenue due to the pandemic in certain parts of its business, partially offset by increased demand for its services and products in other parts. Various governments in regions in which the Company operates have provided economic assistance programs to address the consequences of the pandemic on companies and support health care providers and patients.

The Company recorded €275,355 and €20,416 for the nine months ended September 30, 2022 and 2021, respectively, within the statement of profit and loss for government grants in various regions in which it operates. In addition to the costs incurred which are eligible for government funding in various countries, the Company has been affected by impacts that COVID-19 had on the global economy and financial markets as well as effects related to lockdowns. During the nine months ended September 30, 2022, the Company received \$234,411 (€220,344) in U.S. Department of Health and Human Services funding available for health care providers affected by the COVID-19 pandemic.

The remaining amount of U.S. government grants received recorded in deferred income was \$9,127 (€9,363) and \$62,176 (€54,897) at September 30, 2022 and December 31, 2021, respectively. The Company also recorded a contract liability for advance payments received under the Center for Medicare and Medicaid (“CMS”) Accelerated and Advance Payment program which is currently recorded within current provisions and other current liabilities. Contract liabilities related to the CMS Accelerated and Advance Payment program were \$15,925 (€16,336) and \$442,568 (€390,754) as of September 30, 2022 and December 31, 2021, respectively.

**4. Related party transactions**

Fresenius SE is the Company’s largest shareholder and owns 32.2% of the Company’s outstanding shares at September 30, 2022. The Else Kröner-Fresenius-Stiftung is the sole shareholder of Fresenius Management SE, the general partner of Fresenius SE, and has sole power to elect the supervisory board of Fresenius Management SE. The Company has entered into certain arrangements for services and products with Fresenius SE or its subsidiaries and with certain of the Company’s equity method investees as described in item a) below. The arrangements for leases with Fresenius SE or its subsidiaries are described in item b) below. The Company’s terms related to the receivables or payables for these services, leases and products are generally consistent with the normal terms of the Company’s ordinary course of business transactions with unrelated parties and the Company believes that these arrangements reflect fair market terms. The Company utilizes various methods to verify the commercial reasonableness of its related party arrangements. Financing arrangements as described in item c) below have agreed-upon terms which are determined at the time such financing transactions occur and reflect market rates at the time of the transaction. The relationship between the Company and its key management personnel who are considered to be related parties is described in item d) below. The Company’s related party transactions are settled through Fresenius SE’s cash management system where appropriate.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

**a) Service agreements and products**

The Company is party to service agreements with Fresenius SE and certain of its affiliates (collectively “Fresenius SE Companies”) to receive services, including, but not limited to: administrative services, management information services, employee benefit administration, insurance, information technology services, tax services and treasury management services. These related party agreements generally have a duration of 1 to 5 years and are renegotiated on an as needed basis when the agreement comes due. The Company also provides administrative services to one of its equity method investees.

The Company sells products to Fresenius SE Companies and purchases products from Fresenius SE Companies and equity method investees. In addition, Fresenius Medical Care Holdings, Inc. (“FMCH”) purchases heparin supplied by Fresenius Kabi USA, Inc. (“Kabi USA”), through an independent group purchasing organization (“GPO”). Kabi USA is an indirect, wholly-owned subsidiary of Fresenius SE. The Company has no direct supply agreement with Kabi USA and does not submit purchase orders directly to Kabi USA. FMCH acquires heparin from Kabi USA, through the GPO contract, which was negotiated by the GPO at arm’s length on behalf of all members of the GPO.

In December 2010, the Company and Galenica Ltd. (now known as CSL Vifor) formed the renal pharmaceutical company Vifor Fresenius Medical Care Renal Pharma Ltd., an equity method investee of which the Company owns 45%. The Company has entered into exclusive supply agreements to purchase certain pharmaceuticals from, as well as into certain exclusive distribution agreements with, Vifor Fresenius Medical Care Renal Pharma Ltd.

Under the CMS Comprehensive End-Stage Renal Disease (“ESRD”) Care Model, the Company and participating physicians formed entities known as ESRD Seamless Care Organizations (“ESCOs”) as part of a payment and care delivery model that seeks to deliver better health outcomes for Medicare ESKD patients while lowering CMS’s costs. The Company entered into participation/service agreements with these ESCOs, which are accounted for as equity method investees. The Company anticipates that CMS will publish final settlement reports for the last performance year during the fourth quarter of 2022.

Below is a summary, including the Company’s receivables from and payables to the indicated parties, resulting from the above-described transactions with related parties.

**Service agreements and products with related parties**

*in € THOUS*

	For the nine months ended September 30, 2022		For the nine months ended September 30, 2021		September 30, 2022		December 31, 2021	
	Sales of goods and services	Purchases of goods and services	Sales of goods and services	Purchases of goods and services	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
<b>Service agreements <sup>(1)</sup></b>								
Fresenius SE	300	33,381	158	27,988	210	4,722	—	6,707
Fresenius SE affiliates	3,378	63,878	3,163	75,676	1,021	7,715	1,544	8,041
Equity method investees	29,206	—	39,664	—	134,340	—	131,661	—
<b>Total</b>	<b>32,884</b>	<b>97,259</b>	<b>42,985</b>	<b>103,664</b>	<b>135,571</b>	<b>12,437</b>	<b>133,205</b>	<b>14,748</b>
<b>Products</b>								
Fresenius SE	—	—	1	—	—	—	—	—
Fresenius SE affiliates	48,817	29,221	35,136	22,991	18,685	6,581	13,487	6,000
Equity method investees	—	334,964	—	344,397	—	62,257	—	76,444
<b>Total</b>	<b>48,817</b>	<b>364,185</b>	<b>35,137</b>	<b>367,388</b>	<b>18,685</b>	<b>68,838</b>	<b>13,487</b>	<b>82,444</b>

(1) In addition to the above shown accounts payable, accrued expenses for service agreements with related parties amounted to €20,479 and €12,911 at September 30, 2022 and December 31, 2021, respectively.

**b) Lease agreements**

In addition to the above-mentioned product and service agreements, the Company is a party to real estate lease agreements with Fresenius SE Companies, which mainly include leases for the Company’s corporate headquarters in Bad Homburg, Germany, and production sites in Schweinfurt and St. Wendel, Germany. The leases have maturities up to the end of 2029.



**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

Below is a summary resulting from the above described lease agreements with related parties.

**Lease agreements with related parties**

*in € THOUS*

	For the nine months ended September 30, 2022			For the nine months ended September 30, 2021			September 30, 2022		December 31, 2021	
	Depreciation	Interest expense	Lease expense <sup>(1)</sup>	Depreciation	Interest expense	Lease expense <sup>(1)</sup>	Right-of-use asset	Lease liability	Right-of-use asset	Lease liability
Fresenius SE	6,303	407	910	5,937	493	859	43,077	44,118	48,794	50,997
Fresenius SE affiliates	10,285	717	—	9,842	833	38	59,268	60,704	68,181	68,284
<b>Total</b>	<b>16,588</b>	<b>1,124</b>	<b>910</b>	<b>15,779</b>	<b>1,326</b>	<b>897</b>	<b>102,345</b>	<b>104,822</b>	<b>116,975</b>	<b>119,281</b>

(1) Short-term leases and expenses relating to variable lease payments as well as low value leases are exempted from balance sheet recognition.

**c) Financing**

The Company receives short-term financing from and provides short-term financing to Fresenius SE. The Company also utilizes Fresenius SE's cash management system for the settlement of certain intercompany receivables and payables with its subsidiaries and other related parties. As of September 30, 2022 and December 31, 2021, the Company had accounts receivable from Fresenius SE related to short-term financing in the amount of €2,020 and €14,900, respectively. As of September 30, 2022 and December 31, 2021, the Company did not have accounts payable to Fresenius SE related to short-term financing under Fresenius SE's cash management system. The interest rates for these cash management arrangements are set on a daily basis and are based on the then-prevailing overnight reference rate, with a floor of zero, for the respective currencies.

On August 19, 2009 and November 28, 2013, the Company borrowed €1,500 and €1,500, respectively, from the General Partner. The loan repayments were extended periodically and combined into a single borrowing during 2022. The loan repayment is currently due on April 21, 2027 with an interest rate of 1.3348%.

At September 30, 2022 and December 31, 2021, the Company borrowed from Fresenius SE in the amount of €36,000 at an interest rate of 1.292% and €74,500 at an interest rate of 0.600%, respectively. For further information on this loan agreement, see note 6.

**d) Key management personnel**

Due to the Company's legal form of a German partnership limited by shares, the General Partner holds a key management position within the Company. In addition, as key management personnel, members of the Management Board and the Supervisory Board, as well as their close relatives, are considered related parties.

The Company's Articles of Association provide that the General Partner shall be reimbursed for any and all expenses in connection with management of the Company's business, including remuneration of the members of the General Partner's supervisory board and the members of the Management Board. The aggregate amount reimbursed to the General Partner was €16,952 and €25,885 for its management services during the nine months ended September 30, 2022 and 2021, respectively. As of September 30, 2022 and December 31, 2021, the Company had accounts receivable from the General Partner in the amount of €513 and €769, respectively. As of September 30, 2022, the Company did not have accounts payable to the General Partner. As of December 31, 2021, the Company had accounts payable to the General Partner in the amount of €24,265.

**5. Inventories**

At September 30, 2022 and December 31, 2021, inventories consisted of the following:

**Inventories**

*in € THOUS*

	September 30, 2022	December 31, 2021
Finished goods	1,380,547	1,233,197
Health care supplies	576,618	452,073
Raw materials and purchased components	313,203	247,478
Work in process	139,315	105,266
<b>Inventories</b>	<b>2,409,683</b>	<b>2,038,014</b>



**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

## 6. Short-term debt

At September 30, 2022 and December 31, 2021, short-term debt consisted of the following:

<b>Short-term debt</b>	<b>September 30,</b>	<b>December 31,</b>
<i>in € THOUS</i>	<b>2022</b>	<b>2021</b>
Commercial paper program	411,820	715,153
Borrowings under lines of credit	131,621	463,091
Other	82	109
Short-term debt from unrelated parties	543,523	1,178,353
Short-term debt from related parties (see note 4 c)	39,000	77,500
<b>Short-term debt</b>	<b>582,523</b>	<b>1,255,853</b>

The Company and certain consolidated entities operate a multi-currency notional cash pooling management system. In this cash pooling management system, amounts in euro and other currencies are offset without being transferred to a specific cash pool account. The system is used for an efficient utilization of funds within the Company. The Company met the conditions to offset balances within this cash pool for reporting purposes. At September 30, 2022 and December 31, 2021, cash and borrowings under lines of credit in the amount of €113,635 and €116,538, respectively, were offset under this cash pooling management system. Before this offset, cash and cash equivalents as of September 30, 2022 was €1,227,187 (December 31, 2021: €1,598,193) and short-term debt from unrelated parties was €657,158 (December 31, 2021: €1,294,891).

### Commercial paper program

The Company maintains a commercial paper program under which short-term notes of up to €1,500,000 can be issued. At September 30, 2022, the outstanding commercial paper amounted to €412,000 (December 31, 2021: €715,000).

### Short-term debt from related parties

The Company and FMCH were parties to an unsecured loan agreement, as borrowers, with Fresenius SE, as lender, under which the Company and FMCH could request and receive one or more short-term advances up to an aggregate amount of €600,000. In June 2022, the Company replaced its unsecured loan agreement with a new uncommitted revolving facility under which the Company, as borrower, may request and receive one or more short-term advances up to an aggregate amount of €600,000 with Fresenius SE, as lender. The uncommitted revolving facility is unsecured, does not have a termination date and is effective beginning August 1, 2022. For further information on short-term debt from related parties, see note 4 c).

## 7. Long-term debt

As of September 30, 2022 and December 31, 2021, long-term debt consisted of the following:

<b>Long-term debt</b>	<b>September</b>	<b>December</b>
<i>in € THOUS</i>	<b>30, 2022</b>	<b>31, 2021</b>
Schuldschein loans	224,595	—
Bonds	7,684,970	7,071,259
Accounts Receivable Facility	25,634	—
Other	191,778	243,656
Long-term debt	8,126,977	7,314,915
Less current portion	(58,485)	(667,966)
<b>Long-term debt, less current portion</b>	<b>8,068,492</b>	<b>6,646,949</b>

### Schuldschein loans

On February 14, 2022, the Company issued €25,000 and €200,000 tranches of Schuldschein loans with maturities of 5 and 7 years, respectively, at variable interest rates. The proceeds were used for general corporate purposes including refinancing of existing liabilities.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

**Bonds**

The bonds issued by Fresenius Medical Care US Finance II, Inc. in the amount of \$700,000 (€532,522 as of the date of issuance on January 26, 2012) were redeemed at maturity on January 31, 2022.

On September 20, 2022, the Company issued bonds under its Debt Issuance Program in an aggregate principal amount of €750,000 with a maturity of 5 years and a coupon rate of 3.875%. The proceeds will be used for general corporate purposes, including the refinancing of outstanding indebtedness.

**Accounts Receivable Facility**

On August 11, 2021, the Company amended and restated its accounts receivable securitization program ("Accounts Receivable Facility"), extending it until August 11, 2024. The maximum capacity, \$900,000 (€768,049 at August 11, 2021), remains unchanged under the restated Accounts Receivable Facility.

The following table shows the available and outstanding amounts under the Accounts Receivable Facility at September 30, 2022 and December 31, 2021:

**Accounts Receivable Facility - maximum amount available and balance outstanding**

*in THOUS*

	<b>Maximum amount available September 30, 2022 <sup>(1)</sup></b>		<b>Balance outstanding September 30, 2022 <sup>(2)</sup></b>	
Accounts Receivable Facility	\$ 900,000	€ <u>923,266</u>	\$ 25,000	€ <u>25,646</u>
	<b>Maximum amount available December 31, 2021 <sup>(1)</sup></b>		<b>Balance outstanding December 31, 2021 <sup>(2)</sup></b>	
Accounts Receivable Facility	\$ 900,000	€ <u>794,632</u>	\$ —	€ —

(1) Subject to availability of sufficient accounts receivable meeting funding criteria.

(2) Amounts shown are excluding debt issuance costs.

The Company also had letters of credit outstanding under the Accounts Receivable Facility in the amount of \$12,532 and \$12,532 (€12,856 and €11,065) at September 30, 2022 and December 31, 2021, respectively. These letters of credit are not included above as part of the balance outstanding at September 30, 2022 and December 31, 2021. However, the letters reduce available borrowings under the Accounts Receivable Facility.

**Syndicated Credit Facility**

The Company entered into a €2,000,000 sustainability-linked syndicated revolving credit facility ("Syndicated Credit Facility") in July 2021. On June 8, 2022, the Company amended and extended the Syndicated Credit Facility to extend the term by one year and replace U.S. dollar-LIBOR as the reference rate with the Term Secured Overnight Financing Rate. The Syndicated Credit Facility, which serves as a back-up line for general corporate purposes, was undrawn as of September 30, 2022.

**8. Employee benefit plans**

Pension liabilities decreased by €241,495 to €541,127 at September 30, 2022 from €782,622 at December 31, 2021. The decrease is mainly attributable to adjustments to the discount rate, which resulted in an actuarial gain of the same amount to be recognized in other comprehensive income (loss). For the German benefit plan, which accounts for a substantial part of the pension liability, an interest rate of 4.20% was applied as of September 30, 2022 (December 31, 2021: 1.40%).

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

## 9. Capital management

As of September 30, 2022 and December 31, 2021 total equity in percent of total assets was 43.6% and 40.7%, respectively, and debt and lease liabilities in percent of total assets was 35.9% and 38.8%, respectively.

An important financial performance indicator for the Company is the net leverage ratio, defined as the ratio of net debt/EBITDA. To determine the net leverage ratio, debt and lease liabilities less cash and cash equivalents (net debt) is compared to EBITDA (adjusted for acquisitions and divestitures made during the last twelve months with a purchase price above a €50,000 threshold as defined in the Syndicated Credit Facility, non-cash charges, impairment losses and special items, including costs related to our FME25 Program, the impact from applying hyperinflationary accounting under IAS 29, Financial Reporting in Hyperinflationary Economies, in Turkey, the impact from the remeasurement of our investment in Humacyte, Inc., the net gain related to the InterWell Health business combination, including the remeasurement gain of our investment, prior to the transaction, in InterWell Health LLC, the impairment of certain intangible assets transferred to InterWell Health as part of the transaction and certain transaction-related costs as well as bad debt expense in Russia and Ukraine and accruals for certain risks associated with allowances on inventories related to the war in Ukraine). The self-set target for the net leverage ratio is 3.0 - 3.5x, which management considers appropriate for the Company. At September 30, 2022 the net leverage ratio, was 3.6 (December 31, 2021: 3.3). Therefore, the net leverage ratio is outside the self-set target. Further information on the Company's capital management is available in the consolidated financial statements contained in the Annual Report 2021.

The Company's financing structure and business model are reflected in the investment grade ratings. The Company is rated investment grade by Standard & Poor's, Moody's and Fitch.

Rating <sup>(1)</sup>	Standard & Poor's	Moody's	Fitch
Corporate credit rating	BBB	Baa3	BBB-
Outlook	stable	stable	stable

(1) A rating is not a recommendation to buy, sell or hold securities of the Company, and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

## 10. Share-based plans

The FMC AG & Co. KGaA Long-Term Incentive Plan 2019 ("LTIP 2019") expired on December 31, 2021. In order to continue to enable the members of the management boards of affiliated companies and managerial staff members to adequately participate in the long-term, sustained success of the Company, the Management Board has approved and adopted the FMC AG & Co. KGaA Long-Term Incentive Plan 2022+ ("LTIP 2022+") as a successor program effective January 1, 2022.

The LTIP 2022+ is a variable compensation program with a long-term incentive effect. Plan participants of the LTIP 2022+ can be allocated so-called "performance shares" once or twice a year. Performance shares are non-equity, cash-settled virtual compensation instruments which may entitle plan participants to receive a cash payment depending on the achievement of pre-defined performance targets further defined below as well as the Company's share price development.

For LTIP 2022+ participants, the respective grant value is determined by the Management Board. In order to determine the number of performance shares each plan participant receives, their respective grant value will be divided by the value per performance share at the time of the allocation which is determined based on the average share price of the Company over a period of thirty calendar days prior to the respective allocation date. For allocations in fiscal year 2022, the number of allocated performance shares may change over the performance period of three years, depending on the level of achievement of the following: (i) revenue growth at constant currency ("Revenue Growth"), (ii) net income growth at constant currency (net income attributable to the shareholders of FMC AG & Co. KGaA) ("Net Income Growth") and (iii) return on invested capital ("ROIC").

Revenue, net income and ROIC are determined according to the Company's consolidated reported and audited figures in Euro for the consolidated financial statements prepared in accordance with the respective plan terms. Revenue Growth and Net Income Growth are determined at constant currency.

For allocations in fiscal year 2022, the target achievements of the performance targets Revenue Growth and Net Income Growth are calculated based on a Compound Annual Growth Rate ("CAGR") over the 3-year performance period. The basis for the first annual growth rate is 2021. Growth rates are calculated at constant currency. For ROIC, annual target values apply. For all three performance targets, the Management Board has defined target achievement corridors which will be used for the calculation of the respective target achievements.

The degree of target achievement for all three performance targets is weighted with 1/3 for the purpose of determining the overall target achievement at the end of the performance period. The relevant target achievement for

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

Revenue Growth and Net Income Growth is determined based on the CAGR over the entire performance period. The relevant target achievement for the ROIC target is determined based on the average annual target achievement for the ROIC during the performance period (i.e., 1/3 weighting per performance year).

The number of performance shares allocated to plan participants at the beginning of the performance period is multiplied with the degree of overall target achievement to determine the final number of performance shares.

Under the LTIP 2022+, the final number of performance shares generally vests three years after the allocation date (three-year vesting period). The number of vested performance shares is then multiplied with the average share price of the Company during a period of 30 days prior to the end of this three-year vesting period. The resulting amount is capped at 400% of a participant's grant value and will be paid out as cash compensation.

The first allocation under the LTIP 2022+ was made on July 25, 2022. Under the LTIP 2022+, 1,673,865 performance shares with a total fair value of €67,725 were allocated. At the time of allocation, the fair value per performance share allocated under the LTIP 2022+ was €40.46.

In addition, 220,311 performance shares with a total fair value of €11,584 were allocated on March 1, 2022, under the Management Board Long Term Incentive Plan 2020, to the members of the Management Board and to senior members of the Company's managerial staff who serve on the Company's Executive Committee ("Executive Committee"). Of this number, 160,668 performance shares with a total fair value of €8,460 relate to members of the Management Board and 59,643 performance shares with a total fair value of €3,124 relate to members of the Executive Committee. These amounts will be amortized over the three-year vesting period. The weighted average fair value per performance share at the allocation date was €52.58.

## **11. Commitments and contingencies**

### **Legal and regulatory matters**

The Company 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 Company currently deems to be material or noteworthy are described below. The Company records its litigation reserves for certain legal proceedings and regulatory matters to the extent that the Company determines an unfavorable outcome is probable and the amount of loss can be reasonably estimated. For the other matters described below, the Company believes that the loss is not probable and/or the loss or range of possible losses cannot be reasonably estimated at this time. The outcome of litigation and other legal matters is always difficult to predict accurately and outcomes that are not consistent with the Company's view of the merits can occur. The Company 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.

Beginning in 2012, the Company received certain communications alleging conduct in countries outside the United States that might violate the U.S. Foreign Corrupt Practices Act ("FCPA") or other anti-bribery laws. The Company conducted investigations with the assistance of outside counsel and, in a continuing dialogue, advised the Securities and Exchange Commission ("SEC") and the United States Department of Justice ("DOJ") about these investigations. The DOJ and the SEC also conducted their own investigations, in which the Company cooperated.

In the course of this dialogue, the Company identified and reported to the DOJ and the SEC, and took remedial actions with respect to, conduct that resulted in the DOJ and the SEC seeking monetary penalties including disgorgement of profits and other remedies. This conduct revolved principally around the Company's products business in countries outside the United States.

On March 29, 2019, the Company entered into a non-prosecution agreement ("NPA") with the DOJ and a separate agreement with the SEC ("SEC Order") intended to resolve fully and finally the U.S. government allegations against the Company arising from the investigations. Both agreements included terms starting August 2, 2019. The DOJ NPA and SEC Order are both scheduled to terminate on December 31, 2022. In 2019, the Company paid a combined total in penalties and disgorgement of approximately \$231,715 (€205,854) to the DOJ and the SEC in connection with these agreements. The entire amount paid to the DOJ and the SEC was reserved for in charges that the Company recorded in 2017 and 2018 and announced in 2018. As part of the resolution, the Company agreed to certain self-reporting obligations and to retain an independent compliance monitor. Due in part to COVID-19 pandemic restrictions, the monitorship program faced certain delays, but the Company is working to complete all its obligations under the resolution with the DOJ and SEC and expects the certification decision of the monitor by the end of 2022 and, if that decision is to certify, the formalization and publication of the end of the monitorship by the end of the first quarter in 2023.

In 2015, the Company self-reported to the German prosecutor conduct with a potential nexus to Germany and continues to cooperate with government authorities in Germany in their review of the conduct that prompted the Company's and United States government investigations.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

Since 2012, the Company has made and continues to make further significant investments in its compliance and financial controls and in its compliance, legal and financial organizations. The Company's remedial actions included separation from those employees responsible for the above-mentioned conduct. The Company is dealing with post-FCPA review matters on various levels. The Company continues to be fully committed to compliance with the FCPA and other applicable anti-bribery laws.

Personal injury and related litigation involving FMCH's acid concentrate product, labeled as Granuflo® or Naturalyte®, first arose in 2012. FMCH's insurers agreed to the settlement in 2017 of personal injury litigation and funded \$220,000 (€179,284) of the settlement fund under a reciprocal reservation of rights. FMCH accrued a net expense of \$60,000 (€48,896) in connection with the settlement, including legal fees and other anticipated costs. Following the settlement, FMCH's insurers in the AIG group initiated litigation against FMCH seeking to be indemnified by FMCH for their \$220,000 (€179,284) outlay and FMCH initiated litigation against the AIG group to recover defense and indemnification costs FMCH had borne. *National Union Fire Insurance v. Fresenius Medical Care, 2016 Index No. 653108 (Supreme Court of New York for New York County)*.

Discovery in the litigation is complete. The AIG group abandoned certain of its coverage claims and submitted expert reports on damages asserting that, if AIG prevails on all its remaining claims, it should recover \$60,000 (€48,896). FMCH contests all of AIG's claims and submitted expert reports supporting rights to recover \$108,000 (€88,012) from AIG, in addition to the \$220,000 (€179,284) already funded. A trial date has not been set in the matter.

In August 2014, FMCH received a subpoena from the United States Attorney's Office ("USAO") for the District of Maryland inquiring into FMCH's contractual arrangements with hospitals and physicians involving contracts relating to the management of in-patient acute dialysis services. On August 27, 2020, after the USAO declined to pursue the matter by intervening, the United States District Court for Maryland unsealed a 2014 relator's qui tam complaint that gave rise to the investigation. The relator thereafter served the complaint and proceeded on his own in part by filing an amended complaint making broad allegations about financial relationships between FMCH and nephrologists. FMCH's motion to dismiss the amended complaint remains pending. On October 5, 2021, the District Court for Maryland granted FMCH's motion to transfer the case to the United States District Court for Massachusetts, where the litigation continues. *Flanagan v. Fresenius Medical Care Holdings, Inc., 1:21-cv-11627*.

In July 2015, the Attorney General for Hawaii issued a civil complaint under the Hawaii False Claims Act alleging a conspiracy pursuant to which certain Liberty Dialysis subsidiaries of FMCH overbilled Hawaii Medicaid for Liberty's Epogen® administrations to Hawaii Medicaid patients during the period from 2006 through 2010, prior to the time of FMCH's acquisition of Liberty. *Hawaii v. Liberty Dialysis—Hawaii, LLC et al., Case No. 15-1-1357-07 (Hawaii 1st Circuit)*. The State alleged that Liberty acted unlawfully by relying on incorrect and unauthorized billing guidance provided to Liberty by Hawaii's contracted administrator for its Medicaid program. Liberty initiated an administrative action challenging the State's recoupment of alleged overpayments from sums currently owed to Liberty. On June 7, 2022, FMCH and Hawaii entered into an agreement under which FMCH paid Hawaii \$13,000 (€12,193) in restitution and interest and all claims, counterclaims, and cross-claims raised by or against FMCH in any part of the litigation were extinguished.

On August 31, 2015, FMCH received a subpoena under the False Claims Act from the United States Attorney for the District of Colorado (Denver) inquiring into FMCH's participation in and management of dialysis facility joint ventures in which physicians are partners. FMCH cooperated in the Denver USAO investigation, which FMCH understands had concluded on or before June 1, 2022.

On November 25, 2015, FMCH received a subpoena under the False Claims Act from the United States Attorney for the Eastern District of New York (Brooklyn) also inquiring into FMCH's involvement in certain dialysis facility joint ventures in New York. On September 26, 2018, the Brooklyn USAO declined to intervene on the qui tam complaint filed under seal in 2014 that gave rise to this investigation. *CKD Project LLC v. Fresenius Medical Care, 2014 Civ. 06646 (E.D.N.Y. November 12, 2014)*. The District Court unsealed the complaint, allowing the relator to proceed on its own. On August 3, 2021, the District Court granted FMCH's motion to dismiss the relator's amended complaint, dismissed the case with prejudice and declined to allow further amendment. On August 27, 2021, the relator appealed to the United States Court of Appeals for the Second Circuit.

In 2014, two New York physicians filed under seal a qui tam complaint in the United States District Court for the Eastern District of New York (Brooklyn), alleging violations of the False Claims Act relating to FMCH's vascular access line of business. As previously disclosed, on October 6, 2015, the United States Attorney for the Eastern District of New York (Brooklyn) issued subpoenas to FMCH indicating its investigation now seen to be related to the two relators' complaint. FMCH cooperated in the Brooklyn investigation, which was understood to be separate and distinct from settlements entered in 2015 in Connecticut, Florida and Rhode Island of allegations against American Access Care LLC ("AAC") following FMCH's 2011 acquisition of AAC.

On July 12, 2022, after the Court denied the USAO's motions to renew the sealing of the relators' complaint, the USAO filed a complaint-in-intervention. *United States ex rel. Pepe and Sherman v. Fresenius Vascular Care, Inc. et al, 1:14-cv-3505*. The United States' and relators' complaints allege that the defendants billed and received

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

government payment for surgery that was not medically necessary. FMCH expects to defend the allegations asserted in the litigation now proceeding.

On November 18, 2016, FMCH received a subpoena under the False Claims Act from the United States Attorney for the Eastern District of New York (Brooklyn) seeking documents and information relating to the operations of Shiel Medical Laboratory, Inc. ("Shiel"), which FMCH acquired in October 2013. FMCH advised the USAO that, under the asset sale provisions of its 2013 Shiel acquisition, it was not responsible for Shiel's conduct prior to the date of the acquisition. On December 12, 2017, FMCH sold to Quest Diagnostics certain Shiel operations. Nonetheless, FMCH cooperated in the Brooklyn USAO's investigation.

On June 14, 2022, the Brooklyn USAO declined to intervene on two anonymous relator complaints that underlay the investigation. The relators, who remain anonymous, are proceeding with litigation at their own expense against both Shiel and FMCH entities, alleging that the defendants wrongly caused government payers to pay for laboratory tests that were falsely or improperly invoiced and retaliated against relators for objecting to the alleged misconduct. *Relator v. Shiel Medical Laboratory*, 1:16-cv-01090 (E.D.N.Y. 2016); *Relator v. Shiel Holdings*, 1:17-cv-02732 (E.D.N.Y. 2017). FMCH will defend allegations directed against entities it controls.

On March 12, 2018, Vifor Fresenius Medical Care Renal Pharma Ltd. and Vifor Fresenius Medical Care Renal Pharma France S.A.S. (collectively, "VFMCRP") (see note 4), filed a complaint for patent infringement against Lupin Atlantis Holdings SA and Lupin Pharmaceuticals Inc. (collectively, "Lupin"), and Teva Pharmaceuticals USA, Inc. ("Teva") in the U.S. District Court for the District of Delaware (Case 1:18-cv-00390-MN, "first complaint"). The patent infringement action is in response to Lupin and Teva's filings of Abbreviated New Drug Applications ("ANDA") with the U.S. Food and Drug Administration ("FDA") for generic versions of Velphoro®. Velphoro® is protected by patents listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, also known as the Orange Book. The complaint was filed within the 45-day period provided for under the Hatch-Waxman legislation, and triggered a stay of FDA approval of the ANDAs for 30 months (specifically, up to July 29, 2020 for Lupin's ANDA; and August 6, 2020 for Teva's ANDA. In response to another ANDA being filed for a generic Velphoro®, VFMCRP filed a complaint for patent infringement against Annora Pharma Private Ltd., and Hetero Labs Ltd. (collectively, "Annora"), in the U.S. District Court for the District of Delaware on December 17, 2018. The case was settled among the parties, thus terminating the court action on August 4, 2020. On May 26, 2020, VFMCRP filed a further complaint for patent infringement against Lupin in the U.S. District Court for the District of Delaware (Case No. 1:20-cv-00697-MN) in response to Lupin's ANDA for a generic version of Velphoro® and on the basis of a newly listed patent in the Orange Book. On July 6, 2020, VFMCRP filed an additional complaint for patent infringement against Lupin and Teva in the U.S. District Court for the District of Delaware (Case No. 1:20-cv-00911-MN, "second complaint") in response to the companies' ANDA for generic versions of Velphoro® and on the basis of two newly listed patents in the Orange Book. All cases involving Lupin as defendant were settled among the parties, thus terminating the corresponding court actions on December 18, 2020. In relation to the remaining pending cases and the defendant Teva, trial took place for the first complaint between January 19 and 22, 2021. Another patent newly listed in the Orange Book was added to the second complaint on June 23, 2021. Trial was scheduled for the second complaint for late June 2022, but was cancelled on June 14, 2022. By final judgement dated August 25, 2022, the Court decided for the first complaint that the generic product proposed in Teva's ANDA infringes the patent claims subject to the complaint and that such patent claims are valid. Further, unless the order is overturned or the parties agree otherwise, the effective date of any final approval by the FDA for Teva's ANDA shall not be a date until the underlying patent, including any pediatric extension, expires. On September 21, 2022, Teva filed an appeal to the U.S. Court of Appeals for the Federal Circuit to contest the first instance Court decision. Also on September 21, 2022, VFMCRP filed another complaint for patent infringement against Teva in the U.S. District Court for the District of Delaware (Case No. 1:22-cv-01227-MN, "third complaint") in response to the company's ANDA for generic versions of Velphoro® and on the basis of another newly listed patent in the Orange Book. On October 4, 2022, a motion to stay the proceedings of the second complaint until the appeal for the first complaint is resolved was granted by the first instance Court.

On December 17, 2018, FMCH was served with a subpoena under the False Claims Act from the United States Attorney for the District of Colorado (Denver) as part of an investigation of allegations against DaVita, Inc. ("DaVita") involving transactions between FMCH and DaVita. The subject transactions include sales and purchases of dialysis facilities, dialysis-related products and pharmaceuticals, including dialysis machines and dialyzers, and contracts for certain administrative services. FMCH cooperated in the investigation.

On June 28, 2019, certain FMCH subsidiaries filed a complaint against the United States seeking to recover monies owed to them by the United States Department of Defense under the Tricare program, and to preclude Tricare from recouping monies previously paid. *Bio-Medical Applications of Georgia, Inc., et al. v. United States*, CA 19-947, *United States Court of Federal Claims*. Tricare provides reimbursement for dialysis treatments and other medical care provided to members of the military services, their dependents and retirees. The litigation challenges unpublished administrative actions by Tricare administrators reducing the rate of compensation paid for dialysis treatments provided to Tricare beneficiaries based on a recasting or "crosswalking" of codes used and followed in invoicing without objection for many years. Tricare administrators have acknowledged the unpublished administrative action and declined to change or abandon it. On July 8, 2020, the U.S. government filed its answer (and confirmed its position) and litigation is continuing. The court has not yet set a date for trial in this matter. FMCH has imposed a

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

constraint on revenue otherwise recognized from the Tricare program that it believes, in consideration of facts currently known, sufficient to account for the risk of this litigation.

On August 21, 2020, FMCH was served with a subpoena from the United States Attorney for the District of Massachusetts requesting information and documents related to urgent care centers that FMCH owned, operated, or controlled as part of its ChoiceOne and Medspring urgent care operations prior to its divestiture of and exit from that line of business in 2018. The subpoena appears to be related to an ongoing investigation of alleged upcoding in the urgent care industry, which has resulted in certain published settlements under the federal False Claims Act. FMCH is cooperating in the investigation.

In February 2022, the Company received a formal request for information from the Hessen Data Protection Authority (“*Hessischer Beauftragter für Datenschutz und Informationsfreiheit*” or “HBDI”). The information request relates to specific data processing functions of a few of the Company’s peritoneal dialysis devices. The Company is committed to comply with the HBDI’s request and cooperate with them, and it is working to provide the relevant information.

On March 20 and April 12, 2022, respectively, an attorney employed as general counsel for the Company’s North American division from 2013 to 2016 filed a complaint with the Occupational Safety and Health Administration (“OSHA”) under the Sarbanes-Oxley Act of 2002 and other anti-retaliation statutes, and a civil lawsuit in Suffolk County, Massachusetts seeking compensation for personnel management decisions allegedly adverse to him. *OSHA Case No. 1-076-22-049; Kott v. National Medical Care, Inc., Case No. 22-802 (Superior Court, Suffolk County, Mass.)*.

The plaintiff alleges in support of his demands for compensation that he was transferred to a subordinate position in the global legal department, and subsequently terminated from employment as part of the FME 25 reorganization, in retaliation for legal advice he provided with respect to a licensing agreement with DaVita relating to pharmaceutical operations and products. The DaVita licensing agreement expired by its terms in 2017.

As previously disclosed in the Company’s financial statements, the United States Department of Justice has reviewed multiple aspects of the DaVita contract in question, including those relevant to the plaintiff’s allegations. No enforcement action has resulted against the Company.

Other bases of retaliation alleged by the plaintiff implicate internal personnel and privacy protection concerns that do not impact ongoing operations, and on which the Company does not comment.

On April 21, 2022, FMCH paused shipping of new dialysis machines in the United States at the recommendation of the FDA following FMCH’s voluntary report of a potential bio-compatibility concern. The concern arose from a component that was already scheduled to be replaced later in 2022. As of October 28, 2022, FMCH received clearance from the FDA encompassing the replacement component and resumed shipping machines.

From time to time, the Company is a party to or may be threatened with other litigation or arbitration, claims or assessments arising in the ordinary course of its business. Management regularly analyzes current information including, as applicable, the Company’s defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Company, like other health care providers, insurance plans and suppliers, conducts its operations under intense government regulation and scrutiny. The Company must comply with regulations which relate to or govern the safety and efficacy of medical products and supplies, the marketing and distribution of such products, the operation of manufacturing facilities, laboratories, dialysis clinics and other health care facilities, and environmental and occupational health and safety. With respect to its development, manufacture, marketing and distribution of medical products, if such compliance is not maintained, the Company could be subject to significant adverse regulatory actions by the FDA and comparable regulatory authorities outside the U.S. These regulatory actions could include warning letters or other enforcement notices from the FDA, and/or comparable foreign regulatory authority which may require the Company to expend significant time and resources in order to implement appropriate corrective actions. If the Company does not address matters raised in warning letters or other enforcement notices to the satisfaction of the FDA and/or comparable regulatory authorities outside the U.S., these regulatory authorities could take additional actions, including product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of the Company’s products and/or criminal prosecution. FMCH completed remediation efforts with respect to one pending FDA warning letter and is awaiting confirmation as to whether the letter is now closed. The Company must also comply with the laws of the United States, including the federal Anti-Kickback Statute, the federal False Claims Act, the federal Stark Law, the federal Civil Monetary Penalties Law and the federal Foreign Corrupt Practices Act as well as other federal and state fraud and abuse laws. Applicable laws or regulations may be amended, or enforcement agencies or courts may make interpretations that differ from the Company’s interpretations or the manner in which it conducts its business. Enforcement has become a high priority for the federal government and some states. In addition, the provisions of the False Claims Act authorizing payment of a portion of any recovery to the party bringing the suit encourage private plaintiffs to commence whistleblower actions. By virtue of this regulatory environment, the Company’s business activities and practices are subject to extensive review by regulatory authorities and private parties, and continuing audits, subpoenas, other inquiries, claims and litigation relating to the Company’s compliance with applicable laws and regulations. The Company may not always be aware



**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

that an inquiry or action has begun, particularly in the case of whistleblower actions, which are initially filed under court seal.

The Company operates many facilities and handles the personal data of its patients and beneficiaries throughout the United States and other parts of the world and engages with other business associates to help it carry out its health care activities. In such a widespread, global system, it is often difficult to maintain the desired level of oversight and control over the thousands of individuals employed by many affiliated companies and its business associates. On occasion, the Company or its business associates may experience a breach under the Health Insurance Portability and Accountability Act Privacy Rule and Security Rules, the EU's General Data Protection Regulation and or other similar laws ("Data Protection Laws") when there has been impermissible use, access, or disclosure of unsecured personal data or when the Company or its business associates neglect to implement the required administrative, technical and physical safeguards of its electronic systems and devices, or a data breach that results in impermissible use, access or disclosure of personal identifying information of its employees, patients and beneficiaries. On those occasions, the Company must comply with applicable breach notification requirements.

The Company relies upon its management structure, regulatory and legal resources, and the effective operation of its compliance program to direct, manage and monitor the activities of its employees. On occasion, the Company may identify instances where employees or other agents deliberately, recklessly or inadvertently contravene the Company's policies or violate applicable law. The actions of such persons may subject the Company and its subsidiaries to liability under the Anti-Kickback Statute, the Stark Law, the False Claims Act, Data Protection Laws, the Health Information Technology for Economic and Clinical Health Act and the FCPA, among other laws and comparable state laws or laws of other countries.

Physicians, hospitals and other participants in the health care industry are also subject to a large number of lawsuits alleging professional negligence, malpractice, product liability, worker's compensation or related claims, many of which involve large claims and significant defense costs. The Company has been and is currently subject to these suits due to the nature of its business and expects that those types of lawsuits may continue. Although the Company maintains insurance at a level which it believes to be prudent, it cannot assure that the coverage limits will be adequate or that insurance will cover all asserted claims. A successful claim against the Company or any of its subsidiaries in excess of insurance coverage could have a material adverse effect upon it and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

The Company has also had claims asserted against it and has had lawsuits filed against it relating to alleged patent infringements or businesses that it has acquired or divested. These claims and suits relate both to operation of the businesses and to the acquisition and divestiture transactions. The Company has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition, and the results of its operations. Any claims, regardless of their merit or eventual outcome, could have a material adverse effect on the Company's reputation and business.

In Germany, the tax audits for the years 2006 through 2009 have been substantially completed. The German tax authorities have indicated a re-qualification of dividends received in connection with intercompany mandatorily redeemable preferred shares into fully taxable interest payments for these and subsequent years until 2013 which could lead to additional tax payments in the middle double-digit million range. Additionally, in August 2022, German tax authorities objected to the Company's tax returns and took the position that income of one of the Company's finance entities should be subject to German Controlled Foreign Corporation taxation resulting in potential additional income tax payments in the upper double-digit million range. In the latter case, the Company has filed appeals against the assessments. In both cases, the Company will defend its position and will avail itself of further appropriate remedies. The Company is also subject to ongoing and future tax audits in the U.S., Germany and other jurisdictions in the ordinary course of business. Tax authorities routinely pursue adjustments to the Company's tax returns and disallowances of claimed tax deductions. When appropriate, the Company defends these adjustments and disallowances and asserts its own claims. A successful tax related claim against the Company or any of its subsidiaries could have a material adverse effect upon its business, financial condition and results of operations.

The Company is subject to residual value guarantees in certain lease contracts, primarily real estate contracts, for which it is the lessee in the amount of \$433,644 (€444,854). Under the terms of these leases, the Company has the option to remarket the underlying leased properties to satisfy its residual value guarantee obligations at the end of the lease term. As of September 30, 2022, the estimated fair market value of the underlying leased assets exceeded the related residual value guarantees and, therefore, the Company did not have any risk exposure relating to these guarantees.

Other than those individual contingent liabilities mentioned above, the current estimated amount of the Company's other known individual contingent liabilities is immaterial.



**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

**12. Financial instruments**

The following tables show the carrying amounts and fair values of the Company's financial instruments at September 30, 2022 and December 31, 2021:

**Carrying amount and fair value of financial instruments**

*in € THOUS*

	Carrying amount					Fair value		
	Amortized cost	FVPL	FVOCI	Not classified	Total	Level 1	Level 2	Level 3
<b>September 30, 2022</b>								
Cash and cash equivalents	1,055,061	58,491	—	—	1,113,552	58,491	—	—
Trade accounts and other receivables from unrelated parties	3,727,781	—	—	87,593	3,815,374	—	—	—
Accounts receivable from related parties	156,789	—	—	—	156,789	—	—	—
Derivatives - cash flow hedging instruments	—	—	—	1,546	1,546	—	1,546	—
Derivatives - not designated as hedging instruments	—	5,235	—	—	5,235	—	5,235	—
Equity investments	—	111,699	76,189	—	187,888	61,243	77,502	49,143
Debt securities	—	108,582	359,533	—	468,115	463,139	4,976	—
Other financial assets <sup>(1)</sup>	149,154	—	—	131,013	280,167	—	—	—
Other current and non-current assets	149,154	225,516	435,722	132,559	942,951	—	—	—
<b>Financial assets</b>	<b>5,088,785</b>	<b>284,007</b>	<b>435,722</b>	<b>220,152</b>	<b>6,028,666</b>	—	—	—
Accounts payable to unrelated parties	828,090	—	—	—	828,090	—	—	—
Accounts payable to related parties	80,829	—	—	—	80,829	—	—	—
Short-term debt	582,523	—	—	—	582,523	—	—	—
Long-term debt	8,126,977	—	—	—	8,126,977	6,566,889	440,829	—
Lease liabilities	—	—	—	5,076,042	5,076,042	—	—	—
Derivatives - cash flow hedging instruments	—	—	—	7,883	7,883	—	7,883	—
Derivatives - not designated as hedging instruments	—	28,072	—	—	28,072	—	28,072	—
Variable payments outstanding for acquisitions	—	45,462	—	—	45,462	—	—	45,462
Put option liabilities	—	—	—	1,638,950	1,638,950	—	—	1,638,950
Other financial liabilities <sup>(2)</sup>	1,227,635	—	—	—	1,227,635	—	—	—
Other current and non-current liabilities	1,227,635	73,534	—	1,646,833	2,948,002	—	—	—
<b>Financial liabilities</b>	<b>10,846,054</b>	<b>73,534</b>	<b>—</b>	<b>6,722,875</b>	<b>17,642,463</b>	—	—	—

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

**Carrying amount and fair value of financial instruments**

*in € THOUS*

December 31, 2021	Carrying amount					Fair value		
	Amortized cost	FVPL	FVOCI	Not classified	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	989,257	492,398	—	—	1,481,655	492,398	—	—
Trade accounts and other receivables from unrelated parties	3,328,720	—	—	80,341	3,409,061	—	—	—
Accounts receivable from related parties	162,361	—	—	—	162,361	—	—	—
Derivatives - cash flow hedging instruments	—	—	—	579	579	—	579	—
Derivatives - not designated as hedging instruments	—	2,846	—	—	2,846	—	2,846	—
Equity investments	—	174,884	69,595	—	244,479	121,643	72,157	50,679
Debt securities	—	95,417	327,078	—	422,495	418,196	4,299	—
Other financial assets <sup>(1)</sup>	137,358	—	—	130,859	268,217	—	—	—
Other current and non-current assets	137,358	273,147	396,673	131,438	938,616	—	—	—
<b>Financial assets</b>	<b>4,617,696</b>	<b>765,545</b>	<b>396,673</b>	<b>211,779</b>	<b>5,991,693</b>	—	—	—
Accounts payable to unrelated parties	736,069	—	—	—	736,069	—	—	—
Accounts payable to related parties	121,457	—	—	—	121,457	—	—	—
Short-term debt	1,255,853	—	—	—	1,255,853	—	—	—
Long-term debt	7,314,915	—	—	—	7,314,915	7,246,019	243,656	—
Lease liabilities	—	—	—	4,749,381	4,749,381	—	—	—
Derivatives - cash flow hedging instruments	—	—	—	4,490	4,490	—	4,490	—
Derivatives - not designated as hedging instruments	—	21,428	—	—	21,428	—	21,428	—
Variable payments outstanding for acquisitions	—	47,690	—	—	47,690	—	—	47,690
Put option liabilities	—	—	—	992,423	992,423	—	—	992,423
Other financial liabilities <sup>(2)</sup>	965,663	—	—	—	965,663	—	—	—
Other current and non-current liabilities	965,663	69,118	—	996,913	2,031,694	—	—	—
<b>Financial liabilities</b>	<b>10,393,957</b>	<b>69,118</b>	<b>—</b>	<b>5,746,294</b>	<b>16,209,369</b>	—	—	—

(1) As of September 30, 2022 and December 31, 2021, other financial assets primarily include lease receivables, deposits, guarantees, securities, vendor and supplier rebates as well as notes receivable.

(2) As of September 30, 2022 and December 31, 2021, other financial liabilities primarily include receivable credit balances and goods and services received.

Derivative and non-derivative financial instruments are categorized in the following three-tier fair value hierarchy that reflects the significance of the inputs in making the measurements. Level 1 inputs are quoted prices for similar instruments in active markets. Level 2 is defined as using valuation models (i.e. mark-to-model) with input factors that are inputs other than quoted prices in active markets that are directly or indirectly observable. Level 3 is defined as using valuation models (i.e. mark-to-model) with input factors that are unobservable inputs for which little or no market data exists, therefore requiring the Company to develop its own assumptions. Fair value information is not provided for financial instruments, if the carrying amount is a reasonable estimate of fair value due to the relatively short period of maturity of these instruments. This includes cash and cash equivalents measured at amortized costs, trade accounts and other receivables from unrelated parties, accounts receivable from related parties, other financial assets as well as accounts payable to unrelated parties, accounts payable to related parties, short-term debt and other financial liabilities. Transfers between levels of the fair value hierarchy have not occurred as of September 30, 2022. At September 30, 2021, the Company transferred its investment in Humacyte, Inc. ("Humacyte") with a carrying amount of €158,551 from Level 3 to Level 1, after Humacyte completed its merger with Alpha Healthcare Acquisition Corporation, a special purpose acquisition company. The shares in Alpha Healthcare Acquisition Corporation (now called Humacyte) received by the Company as a result of this merger and in a contemporaneous private placement are quoted in an active market, and Humacyte has registered the Company's shares for resale under the Securities Act of 1933. No additional transfers between levels of the fair value hierarchy occurred as of December 31, 2021. The Company accounts for transfers at the end of the reporting period.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

### **Derivative financial instruments**

In order to manage the risk of currency exchange rate and interest rate fluctuations, the Company enters into various hedging transactions by means of derivative instruments with highly rated financial institutions. The Company primarily enters into foreign exchange forward contracts and interest rate swaps. In certain instances, the Company enters into derivative contracts that do not qualify for hedge accounting but are utilized for economic purposes ("economic hedges"). The Company does not use financial instruments for trading purposes.

### **Non-derivative financial instruments**

The significant methods and assumptions used for the classification and measurement of non-derivative financial instruments are as follows:

The Company assessed its business models and the cash flow characteristics of its financial assets. The vast majority of the non-derivative financial assets are held in order to collect the contractual cash flows. The contractual terms of the financial assets allow the conclusion that the cash flows represent payment of principal and interest only. Trade accounts and other receivables from unrelated parties, Accounts receivable from related parties and Other financial assets are consequently measured at amortized cost.

Cash and cash equivalents are comprised of cash funds and other short-term investments. Cash funds are measured at amortized cost. Short-term investments are highly liquid and readily convertible to known amounts of cash. Short-term investments are measured at fair value through profit or loss ("FVPL"). The risk of changes in fair value is insignificant.

Equity investments are not held for trading. At initial recognition the Company elected, on an instrument-by-instrument basis, to represent subsequent changes in the fair value of individual strategic investments in OCI. If equity instruments are quoted in an active market, the fair value is based on price quotations at the period-end-date. As necessary, the Company engages external valuation firms to assist in determining the fair value of Level 3 equity investments. The external valuation uses a discounted cash flow model, which includes significant unobservable inputs such as investment specific forecasted financial statements and weighted average cost of capital, that reflects current market assessments as well as a terminal growth rate.

The majority of the debt securities are held within a business model whose objective is achieving both contractual cash flows and selling the securities. The standard coupon bonds give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount. Subsequently these financial assets have been classified as fair value through other comprehensive income ("FVOCI"). The smaller part of debt securities does not give rise to cash flows that are solely payments of principal and interest. Consequently, these securities are measured at FVPL. In general, most of the debt securities are quoted in an active market.

Long-term debt is initially recognized at its fair value. The fair values of major long-term debt are calculated on the basis of market information. Liabilities for which market quotes are available are measured using these quotes. The fair values of the other long-term debt are calculated at the present value of the respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Company as of the balance sheet date are used.

Variable payments outstanding for acquisitions are recognized at their fair value. The estimation of the individual fair values is based on the key inputs of the arrangement that determine the future contingent payment as well as the Company's expectation of these factors. The Company assesses the likelihood and timing of achieving the relevant objectives. The underlying assumptions are reviewed regularly.

Put option liabilities are recognized at the present value of the exercise price of the option. The exercise price of the option is generally based on fair value and, in certain limited instances, might contain a fixed floor price. The methodology the Company uses to estimate the fair values assumes the greater of net book value or a multiple of earnings, based on historical earnings, development stage of the underlying business and other factors. From time to time the Company engages an external valuation firm to assist in the valuation of certain put options. The external valuation assists the Company in estimating the fair values using a combination of discounted cash flows and a multiple of earnings and/or revenue. Under those limited circumstances in which the put option might contain a fixed floor price, the external valuation firm may assist the Company with the valuation by performing a Monte Carlo Simulation analysis to simulate the exercise price. The put option liabilities are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The estimated fair values of these put options can also fluctuate, and the discounted cash flows as well as the implicit multiple of earnings and/or revenue at which these obligations may ultimately be settled could vary significantly from the Company's current estimates depending upon market conditions. For the purpose of analyzing the impact of changes in unobservable inputs on the fair value measurement of put option liabilities, the Company assumes an increase on earnings (or enterprise value for the put options granted in the InterWell Health business combination) of 10% compared to the actual estimation as of the balance sheet date. The corresponding increase in fair value of €113,893 is then compared to the total liabilities and the shareholder's equity of the Company. This analysis shows that an increase of 10% in the relevant earnings (or enterprise value for the put options granted in the InterWell

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

Health business combination) would have an effect of less than 1% on the total liabilities and less than 1% on the shareholder's equity of the Company.

Following is a roll forward of Level 3 financial instruments at September 30, 2022 and December 31, 2021:

**Reconciliation from beginning to ending balance of level 3 financial instruments**

*in € THOUS*

	2022			2021		
	Equity investments	Variable payments outstanding for acquisitions	Put option liabilities	Equity investments	Variable payments outstanding for acquisitions	Put option liabilities
Beginning balance at January 1,	50,679	47,690	992,423	188,518	66,359	882,422
Transfer to level 1	—	—	—	(158,551)	—	—
Increase	1,764	6,632	633,695	21,137	9,488	112,194
Decrease	—	(4,977)	(6,566)	—	(22,499)	(18,495)
Gain / loss recognized in profit or loss <sup>(1)</sup>	(10,689)	(6,842)	—	(12,975)	(6,716)	—
Gain / loss recognized in equity	—	—	(131,987)	—	—	(54,019)
Foreign currency translation and other changes	7,389	2,959	151,385	12,550	1,058	70,321
Ending balance at September 30, and December 31,	<u>49,143</u>	<u>45,462</u>	<u>1,638,950</u>	<u>50,679</u>	<u>47,690</u>	<u>992,423</u>

(1) Includes realized and unrealized gains / losses.

**13. Segment and corporate information**

The Company's operating and reportable segments are the North America Segment, the EMEA Segment, the Asia-Pacific Segment and the Latin America Segment. The operating segments are determined based upon how the Company manages its businesses with geographical responsibilities. All segments are primarily engaged in providing health care services and the distribution of products and equipment for the treatment of ESKD and other extracorporeal therapies.

Management evaluates each segment using measures that reflect all of the segment's controllable revenues and expenses. With respect to the performance of business operations, management believes that the most appropriate measures are revenue and operating income. The Company does not include income taxes as it believes taxes are outside the segments' control. Financing is a corporate function, which the Company's segments do not control. Therefore, the Company does not include interest expense relating to financing as a segment measurement. Similarly, the Company does not allocate certain costs, which relate primarily to certain headquarters' overhead charges, including accounting and finance as well as certain legal and IT costs, because the Company believes that these costs are also not within the control of the individual segments. Production of products, production asset management, quality and supply chain management as well as procurement related to production are centrally managed. Products transferred to the segments are transferred at cost; therefore, no internal profit is generated. The associated internal revenue for the product transfers and their elimination are recorded as corporate activities. Capital expenditures for production are based on the expected demand of the segments and consolidated profitability considerations. The Company's global research and development team as well as its Global Medical Office, which seek to optimize medical treatments and clinical processes within the Company, are also centrally managed. These corporate activities ("Corporate") do not fulfill the definition of a segment according to IFRS 8, Operating Segments. In addition, certain revenues, investments and intangible assets, as well as any related expenses, are not allocated to a segment but are accounted for as Corporate.

Information pertaining to the Company's segment and Corporate activities for the three and nine months ended September 30, 2022 and 2021 is set forth below:

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

**Segment and corporate information**

*in € THOUS*

	North America Segment	EMEA Segment	Asia- Pacific Segment	Latin America Segment	Total Segment	Corporate <sup>(1)</sup>	Total
<b>Three months ended September 30, 2022</b>							
Revenue from health care services	3,159,756	376,567	256,486	172,949	3,965,758	7,497	3,973,255
Revenue from health care products	283,430	336,781	295,558	68,712	984,481	4,775	989,256
Revenue from contracts with customers	3,443,186	713,348	552,044	241,661	4,950,239	12,272	4,962,511
Other revenue external customers	113,294	6,586	12,915	860	133,655	—	133,655
Revenue external customers	3,556,480	719,934	564,959	242,521	5,083,894	12,272	5,096,166
Inter-segment revenue	5,103	—	—	—	5,103	(5,103)	—
Revenue	3,561,583	719,934	564,959	242,521	5,088,997	7,169	5,096,166
Operating income	468,662	47,587	85,124	10,859	612,232	(140,589)	471,643
Interest							(76,485)
Income before income taxes							395,158
Depreciation and amortization	(282,628)	(47,810)	(26,779)	(12,451)	(369,668)	(72,977)	(442,645)
Impairment loss	(57,527)	(1,808)	—	—	(59,335)	(3)	(59,338)
Income (loss) from equity method investees	22,488	(4,689)	(156)	(195)	17,448	—	17,448
Additions of property, plant and equipment, intangible assets and right-of-use assets	159,223	23,452	17,075	9,872	209,622	76,517	286,139
<b>Three months ended September 30, 2021</b>							
Revenue from health care services	2,704,091	346,490	239,321	126,170	3,416,072	7,994	3,424,066
Revenue from health care products	266,151	315,552	253,227	50,907	885,837	3,380	889,217
Revenue from contracts with customers	2,970,242	662,042	492,548	177,077	4,301,909	11,374	4,313,283
Other revenue external customers	109,673	8,911	8,724	775	128,083	—	128,083
Revenue external customers	3,079,915	670,953	501,272	177,852	4,429,992	11,374	4,441,366
Inter-segment revenue	4,377	—	194	—	4,571	(4,571)	—
Revenue	3,084,292	670,953	501,466	177,852	4,434,563	6,803	4,441,366
Operating income	445,892	78,771	86,266	4,349	615,278	(110,617)	504,661
Interest							(68,436)
Income before income taxes							436,225
Depreciation and amortization	(247,594)	(48,566)	(25,359)	(9,673)	(331,192)	(65,212)	(396,404)
Impairment loss	(6,434)	—	—	—	(6,434)	5	(6,429)
Income (loss) from equity method investees	16,690	3,300	630	416	21,036	—	21,036
Additions of property, plant and equipment, intangible assets and right-of-use assets	206,081	32,668	18,298	13,586	270,633	59,755	330,388

(1) Includes inter - segment consolidation adjustments.

**FRESENIUS MEDICAL CARE AG & Co. KGaA**  
**Notes to the interim consolidated financial statements**  
**(unaudited)**  
**(in THOUS, except share and per share data)**

**Segment and corporate information (continued)**

*in € THOUS*

	North America Segment	EMEA Segment	Asia- Pacific Segment	Latin America Segment	Total Segment	Corporate <sup>(1)</sup>	Total
<b>Nine months ended September 30, 2022</b>							
Revenue from health care services	8,818,628	1,083,193	729,685	451,858	11,083,364	22,689	11,106,053
Revenue from health care products	823,099	1,016,832	816,747	178,985	2,835,663	15,301	2,850,964
Revenue from contracts with customers	9,641,727	2,100,025	1,546,432	630,843	13,919,027	37,990	13,957,017
Other revenue external customers	378,929	20,817	41,850	2,602	444,198	—	444,198
Revenue external customers	10,020,656	2,120,842	1,588,282	633,445	14,363,225	37,990	14,401,215
Inter-segment revenue	13,218	—	223	1,179	14,620	(14,620)	—
Revenue	10,033,874	2,120,842	1,588,505	634,624	14,377,845	23,370	14,401,215
Operating income	1,112,931	168,614	255,125	15,829	1,552,499	(392,678)	1,159,821
Interest							(217,161)
Income before income taxes							942,660
Depreciation and amortization	(807,532)	(143,780)	(80,829)	(34,150)	(1,066,291)	(212,536)	(1,278,827)
Impairment loss	(61,224)	(2,779)	(2)	—	(64,005)	(858)	(64,863)
Income (loss) from equity method investees	62,805	(16,086)	(126)	709	47,302	—	47,302
Total assets	26,023,066	4,049,028	3,035,833	921,255	34,029,182	4,377,253	38,406,435
thereof investments in equity method investees	437,166	198,060	105,776	26,697	767,699	—	767,699
Additions of property, plant and equipment, intangible assets and right-of-use assets	521,607	100,661	60,981	27,631	710,880	177,107	887,987
<b>Nine months ended September 30, 2021</b>							
Revenue from health care services	7,855,557	1,020,400	693,951	364,072	9,933,980	28,901	9,962,881
Revenue from health care products	771,863	974,380	729,388	141,717	2,617,348	12,281	2,629,629
Revenue from contracts with customers	8,627,420	1,994,780	1,423,339	505,789	12,551,328	41,182	12,592,510
Other revenue external customers	304,017	38,485	34,641	2,008	379,151	—	379,151
Revenue external customers	8,931,437	2,033,265	1,457,980	507,797	12,930,479	41,182	12,971,661
Inter-segment revenue	26,243	—	361	—	26,604	(26,604)	—
Revenue	8,957,680	2,033,265	1,458,341	507,797	12,957,083	14,578	12,971,661
Operating income	1,241,989	232,030	255,780	13,583	1,743,382	(340,247)	1,403,135
Interest							(213,717)
Income before income taxes							1,189,418
Depreciation and amortization	(727,271)	(146,943)	(76,855)	(28,040)	(979,109)	(192,061)	(1,171,170)
Impairment loss	(9,349)	—	—	—	(9,349)	(6,049)	(15,398)
Income (loss) from equity method investees	69,303	(248)	1,489	670	71,214	—	71,214
Total assets	22,991,521	3,964,433	2,904,586	787,526	30,648,066	3,182,860	33,830,926
thereof investments in equity method investees	434,975	182,138	101,222	24,464	742,799	—	742,799
Additions of property, plant and equipment, intangible assets and right-of-use assets	655,916	136,054	61,272	38,916	892,158	188,813	1,080,971

(1) Includes inter - segment consolidation adjustments.

**14. Events occurring after the balance sheet date**

No significant activities have taken place subsequent to the balance sheet date September 30, 2022 that have a material impact on the key figures and earnings presented. Currently, there are no significant changes in the Company's structure, management, legal form or personnel.

### **Review report**

The consolidated interim financial statements as of and for the period ended September 30, 2022 and the interim management report for the three and nine months ended September 30, 2022 were not audited nor reviewed.

**FRESENIUS MEDICAL CARE AG & CO. KGAA**

Else-Kroener-Str. 1  
61352 Bad Homburg v. d. H.  
Germany  
[www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com)



**FIND OUT MORE:**

[www.factsandfigures.freseniusmedicalcare.com](http://www.factsandfigures.freseniusmedicalcare.com)

