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GENERAL NOTES

1. PRINCIPLES

I. Group structure

Fresenius is a global healthcare group. As a therapy-focused healthcare company, Fresenius offers system-critical products and services for leading therapies for the treatment of critically and chronically ill patients. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., Germany, the activities are organized amongst the following legally independent business segments in fiscal year 2024:

- Fresenius Kabi
- Fresenius Helios

Starting with the second quarter of 2024, Fresenius Vamed has no longer been reported as segment of Fresenius due to the structured exit. Since May 2024, essential parts of the business segment Fresenius Vamed have been accounted for as discontinued operations and since October 1, 2024, the 30% stake in the rehabilitation business has been accounted for using the equity method in accordance with IAS 28.

Fresenius Kabi specializes in products for the therapy and care of critically and chronically ill patients. The portfolio includes biopharmaceuticals, clinical nutrition, MedTech products, intravenously administered generic drugs (generic IV drugs), and IV fluids.

Fresenius Helios is Europe’s leading private hospital operator. The company includes Helios Germany and Helios Spain. At the end of 2024, Helios Germany operated more than 80 hospitals, around 220 medical care centers, 27 occupational health centers and 6 prevention centers. Helios Spain operated 50 hospitals, around 130 outpatient health centers, and more than 300 facilities for occupational health management at the end of 2024. In addition, the company is active in Latin America with 7 hospitals and as a provider of medical diagnostics.

Fresenius SE & Co. KGaA continued to hold 100% of the management companies of the business segments Fresenius Kabi (Fresenius Kabi AG) and Fresenius Helios (held through Fresenius ProServe GmbH) on December 31, 2024. Through Fresenius ProServe GmbH, Fresenius SE & Co. KGaA holds 100% in Helios Kliniken GmbH and Helios Healthcare Spain S.L. (Quirónsalud). Fresenius ProServe GmbH increased its previous 77% stake in VAMED Aktiengesellschaft to 100% as part of the exit from the Fresenius Vamed business segment. Through Fresenius ProServe GmbH, Fresenius SE & Co. KGaA owned 30% of the subscribed capital of Aceso Topco 1 S.à r.l. which in turn is the holding company of the associated rehabilitation clinics. The 100% stakes in Helios Fertility Spain S.L.U. and Helios Healthcare USA, Inc. (Eugin group) were sold on January 31, 2024. In addition, Fresenius SE & Co. KGaA consolidates companies with corporate holding functions regarding real estate, financing and insurance, as well as Fresenius Digital Technology GmbH which provides intercompany services in the field of information technology.

Furthermore, at the end of fiscal year 2024, Fresenius SE & Co. KGaA owned 32% of the subscribed capital of the associated company Fresenius Medical Care AG which offers services and products for patients with chronic kidney failure.

The reporting currency and functional currency of the Fresenius Group is the euro. In order to improve the clarity of presentation, amounts are generally presented in million euros. Amounts less than €1 million, after rounding, are marked with “0”.

EXIT FROM FRESENIUS VAMED

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

- the sale of a 70% majority stake in Vamed's rehabilitation business to PAI Partners. The transaction was largely closed on September 30, 2024.
- the sale of Vamed's activities in Austria to an Austrian consortium of construction companies Porr and Strabag. The transaction is expected to be completed in the first half of 2025.
- The Health Tech Engineering (HTE) business unit, which is responsible for the international project business and accounts for approximately 15% of Vamed's revenue, will gradually be scaled back in an orderly manner. The process should largely be completed by 2026. Current project contracts will be fulfilled. Until then, the business will be reported as a special item separate from Fresenius' core business. For further information on current developments, please see note 41, Subsequent events.

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

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

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

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

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

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

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

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

II. Basis of presentation

Fresenius SE & Co. KGaA, as a stock exchange listed company with a domicile in a member state of the European Union (EU), fulfills its obligation to prepare and publish the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and applying Section 315e of the German Commercial Code (HGB). The consolidated financial statements of Fresenius SE & Co. KGaA at December 31, 2024 have been prepared and are published in accordance with the Standards and interpretations in effect on the reporting date, and endorsed in the EU, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC).

In order to improve the clarity of presentation, various items are aggregated in the consolidated statement of financial position and in the consolidated statement of income. These items are shown separately in the notes to provide useful information to the readers of the consolidated financial statements.

Moreover, the notes include information required by HGB according to Section 315e (1) HGB. The consolidated financial statements include a Group management report according to Section 315e HGB in conjunction with Section 315 HGB.

The consolidated statement of financial position contains all information required to be disclosed by International Accounting Standard (IAS) 1, Presentation of Financial Statements, and is classified on the basis of the liquidity of assets and liabilities. The consolidated statement of income is classified using the cost-of-sales accounting format.

The general partner of Fresenius SE & Co. KGaA is Fresenius Management SE. Fresenius Management SE prepares its own consolidated financial statements. The Else Kröner-Fresenius-Stiftung is the sole shareholder of Fresenius Management SE. The shareholder representatives elect in the Annual General Meeting of Fresenius Management SE its Supervisory Board.

At February 25, 2025, the Management Board of Fresenius Management SE authorized the consolidated financial statements for issue and passed it to the Supervisory Board of Fresenius SE & Co. KGaA. The Supervisory Board has to review and approve the consolidated financial statements.

III. Summary of significant accounting policies

A) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared using uniform accounting methods.

Acquisitions of companies are accounted for applying the purchase method. Capital consolidation is performed at the date of acquisition. Initially, all identifiable assets and liabilities of subsidiaries as well as the noncontrolling interests are recognized at their fair values. The costs and acquired noncontrolling interests are then compared and offset against the fair value of the assets acquired and liabilities assumed. Any remaining balance is recognized as goodwill and is tested at least once a year for impairment.

All intercompany revenues, expenses, income, receivables and payables as well as other intercompany financial obligations and contingent liabilities are eliminated. Profits and losses on items of property, plant and equipment and inventory acquired from other Group entities are also eliminated. Deferred tax assets and liabilities are recognized on temporary differences resulting from consolidation procedures.

Noncontrolling interests are the portion of equity of Group entities not attributable, directly or indirectly, to Fresenius SE & Co. KGaA and are recognized at fair value at the date of first consolidation using the full goodwill method. Profits and losses attributable to the noncontrolling interests are separately disclosed in the consolidated statement of income.

The Fresenius Group writes put options on certain noncontrolling interests. Some of the put options relate to mAbxience where put options were granted to noncontrolling shareholders. When the put options are exercised they provide for settlement in cash. The Fresenius Group records the put options in the item “Other financial liabilities” at present value of the exercise price of the option at the date of the consolidated financial statements. The Fresenius Group, in line with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, paragraph 10, applies the present access method. According to the present access method, noncontrolling interests are recorded in equity when the risks and rewards of ownership reside with the noncontrolling interests holders. The initial recognition of the put option liability, as well as valuation differences, are recorded in equity with no impact to the consolidated statement of income.

B) COMPOSITION OF THE GROUP

Besides Fresenius SE & Co. KGaA, the consolidated financial statements include all material subsidiaries according to IFRS 10, which Fresenius SE & Co. KGaA can control. Fresenius SE & Co. KGaA controls an entity if it has power over the entity. That is, Fresenius SE & Co. KGaA has existing rights that give Fresenius SE & Co. KGaA the current ability to direct the relevant activities, which are the activities that significantly affect the entity's return. In addition, Fresenius SE & Co. KGaA is exposed to, or has rights to, variable returns from the involvement with the entity and Fresenius SE & Co. KGaA has the ability to use its power over the entity to affect the amount of Fresenius SE & Co. KGaA's return.

Associated companies are accounted for using the equity method. Generally, entities in which Fresenius SE & Co. KGaA, directly or indirectly, holds more than 20% and less than 50% of the voting rights and can exercise a significant influence over their financial and operating policies are considered associates.

As a result of the conversion of the investment company Fresenius Medical Care AG & Co. KGaA into a German stock corporation (Aktiengesellschaft – AG) on November 30, 2023, the business segment Fresenius Medical Care has been deconsolidated and subsequently accounted for at equity in accordance with IAS 28. Since October 1, 2024, the stake in the rehabilitation business of Fresenius Vamed has also been accounted for using the equity method in accordance with IAS 28. The income from investments accounted for using the equity method is reported as a separate line in the consolidated statement of income below operating income (EBIT).

All other associated companies are immaterial for the Fresenius Group. The results of these companies are recognized as other operating income or other operating expenses.

Investments that are not classified as associated companies are recorded at fair value.

Joint arrangements in which two or more parties share control are either joint ventures or joint operations. Joint ventures are accounted for using the equity method. Joint operations are accounted for by recognizing the relevant share of assets and liabilities, as well as revenue and expense. Fresenius Helios is party to a joint operation structured as an independent entity without legal personality. The joint operation provides hospital healthcare services. While Fresenius Helios ensures hospital operations, the other joint operator mainly provides the building and available infrastructure.

The consolidated financial statements of 2024 included, in addition to Fresenius SE & Co. KGaA, 458 (2023: 585) consolidated companies. 29 (2023: 33) companies were accounted for using the equity method. 76 companies that were fully consolidated in 2023 belong to the rehabilitation business of Fresenius Vamed and are no longer consolidated due to sale. In 2024, there were no further material changes in the scope of consolidated entities, except for those mentioned in note 2, Acquisitions and divestitures.

The complete list of the investments of Fresenius SE & Co. KGaA, registered office in 61352 Bad Homburg v. d. H., Else-Kröner-Straße 1, Germany, registered in the Commercial Register of the local court in Bad Homburg v. d. H. under B11852, will be submitted to the Federal Gazette and the companies register as well as published on the website of Fresenius SE & Co. KGaA (www.fresenius.com/financial-reports-and-presentations).

For fiscal year 2024, the following consolidated German subsidiaries of the Fresenius Group will apply the exemption provided in Sections 264 (3) and 264b, respectively, of the German Commercial Code (HGB):

Name of the company	Registered office
Corporate	
Fresenius Digital Technology GmbH	Bad Homburg v. d. H.
Fresenius Immobilien-Verwaltungs-GmbH & Co. Objekt Friedberg 2 KG	Bad Homburg v. d. H.
Fresenius ProServe GmbH	Bad Homburg v. d. H.
ProServe Krankenhaus Beteiligungs-gesellschaft mbH & Co. KG	München
Fresenius Kabi	
Fresenius HemoCare GmbH	Bad Homburg v. d. H.
Fresenius Kabi AG	Bad Homburg v. d. H.
Fresenius Kabi Deutschland GmbH	Bad Homburg v. d. H.
Fresenius Kabi Logistik GmbH	Friedberg
Fresenius Kabi MedTech Services GmbH	Alzenau
medi1one medical gmbh	Waiblingen

Name of the company	Registered office
Fresenius Helios	
Gesundheitsmanagement Elbe-Fläming GmbH	Burg
Helios Agnes-Karll Krankenhaus GmbH	Bad Schwartau
Helios AMAGS GmbH	Berlin
Helios Arbeitsmedizin Mitteldeutschland GmbH	Leipzig
Helios Aukamm-Klinik Wiesbaden GmbH	Wiesbaden
Helios Bördeklinik GmbH	Oschersleben
Helios Catering Süd GmbH	Erfurt
Helios ENDO-Klinik Hamburg GmbH	Hamburg
Helios Fachklinik Schleswig GmbH	Schleswig
Helios Fachklinik Vogelsang-Gommern GmbH	Gommern
Helios Fachkliniken Hildburghausen GmbH	Hildburghausen
Helios Frankenwaldklinik Kronach GmbH	Kronach
Helios Hanseklinikum Stralsund GmbH	Stralsund
Helios Health GmbH	Berlin
Helios IT Service GmbH	Berlin
Helios Klinik Blankenhain GmbH	Blankenhain
Helios Klinik Bleicherode GmbH	Bleicherode
Helios Klinik für Herzchirurgie Karlsruhe GmbH	Karlsruhe
Helios Klinik Herzberg/Osterode GmbH	Herzberg am Harz
Helios Klinik Jerichower Land GmbH	Burg
Helios Klinik Leezen GmbH	Leezen
Helios Klinik Leisnig GmbH	Leisnig
Helios Klinik Lengerich GmbH	Lengerich
Helios Klinik Köthen GmbH	Köthen (Anhalt)
Helios Klinik Rottweil GmbH	Rottweil
Helios Klinik Schkeuditz GmbH	Schkeuditz
Helios Klinik Schleswig GmbH	Schleswig
Helios Klinik Wesermarsch GmbH	Nordenham
Helios Klinik Wipperfürth GmbH	Wipperfürth
Helios Klinik Zerbst/Anhalt GmbH	Zerbst
Helios Kliniken GmbH	Berlin
Helios Kliniken Breisgau Hochschwarzwald GmbH	Müllheim
Helios Kliniken Mansfeld-Südharz GmbH	Sangerhausen

Name of the company	Registered office
Fresenius Helios	
Helios Kliniken Mittelweser GmbH	Nienburg/Weser
Helios Kliniken Taunus GmbH	Bad Schwalbach
Helios Klinikum Aue GmbH	Aue
Helios Klinikum Bad Saarow GmbH	Bad Saarow
Helios Klinikum Berlin-Buch GmbH	Berlin
Helios Klinikum Erfurt GmbH	Erfurt
Helios Klinikum Gifhorn GmbH	Gifhorn
Helios Klinikum Gotha GmbH	Gotha
Helios Klinikum Hildesheim GmbH	Hildesheim
Helios Klinikum Meiningen GmbH	Meiningen
Helios Klinikum Pirna GmbH	Pirna
Helios Klinikum Schwelm GmbH	Schwelm
Helios Klinikum Siegburg GmbH	Siegburg
Helios Klinikum Uelzen GmbH	Uelzen
Helios Klinikum Wuppertal GmbH	Wuppertal
Helios Mariahilf Klinik Hamburg GmbH	Hamburg
Helios Park-Klinikum Leipzig GmbH	Leipzig
Helios Privatkliniken GmbH	Bad Homburg v. d. H.
Helios Reinigung GmbH	Berlin
Helios Reinigung Ost GmbH	Berlin
Helios Reinigung West GmbH	Wuppertal
Helios Spital Überlingen GmbH	Überlingen
Helios St. Elisabeth Klinik Oberhausen GmbH	Oberhausen
Helios St. Elisabeth-Krankenhaus Bad Kissingen GmbH	Bad Kissingen
Helios St. Marienberg Klinik Helmstedt GmbH	Helmstedt
Helios Versorgungszentren GmbH	Berlin
Helios Vogtland-Klinikum Plauen GmbH	Plauen
Helios Weißeritztal-Kliniken GmbH	Freital
Herzzentrum Leipzig GmbH	Leipzig
Kliniken Miltenberg-Erlenbach GmbH	Erlenbach
Medizinisches Versorgungszentrum am Helios Klinikum Bad Saarow GmbH	Bad Saarow
MVZ arGon GmbH	Hamburg
MVZ Campus Gifhorn GmbH	Gifhorn
Poliklinik am Helios Klinikum Buch GmbH	Berlin

C) CLASSIFICATIONS

The prior year figures have been adjusted in the consolidated statement of income, the consolidated statement of cash flows and in the corresponding notes due to the application of IFRS 5 for the discontinued operations of Fresenius Vamed.

In the consolidated statement of financial position, the following adjustments were made to the disclosure to enhance transparency:

- Financial assets and liabilities are now reported separately.
- The item "Other current assets" is divided into "Other financial assets", "Other assets" and "Income tax receivables" and the item "Other non-current assets" is divided into "Other financial assets" and "Other assets".
- "Short-term provisions and other short-term liabilities" as well as "Long-term provisions and other long-term liabilities" are divided into "Other financial liabilities", "Other liabilities" and "Provisions".
- The items "Short-term debt" and "Current portion of long-term debt" are combined and renamed in "Debt."

The prior year figures have been adjusted to conform with the disclosure in the current year.

D) HYPERINFLATIONARY ACCOUNTING

Due to inflation in Argentina, Fresenius Group's subsidiaries operating in Argentina apply IAS 29, Financial Reporting in Hyperinflationary Economies. For fiscal year 2024, the application of IAS 29 resulted in an effect on net income from continuing operations attributable to shareholders of Fresenius SE & Co. KGaA of -€25 million (2023: -€26 million) included in other operating expenses. The ongoing re-translation effects of hyperinflationary accounting and their impact on comparative amounts are recorded in other comprehensive income (loss) within the consolidated financial statements.

E) REVENUE RECOGNITION POLICY

Revenue is recognized in accordance with IFRS 15, Revenue from Contracts with Customers.

Revenue from services and products is billed according to the usual contract arrangements with customers, patients and related third parties. For services performed for patients, the transaction price is estimated based on either Fresenius Group's standard rates, rates determined under reimbursement arrangements or by government regulations. These arrangements are generally with third party payors, such as German health insurance funds or commercial insurers. Amounts billed are recorded net of contractually agreed upon discounts or rebates to reflect the estimated amounts to be received from these payors. Estimates are determined on the basis of historical experience.

If the collection of the billed amount or a portion of the billed amount for services performed for patients is considered to be uncertain, the Fresenius Group concludes that the consideration is variable (implicit price concession) and recognizes the difference between the invoiced amounts and the amounts that are considered recoverable as reduction from revenue. Implicit price concessions are generally deductible amounts from patients with healthcare insurance coverage.

Revenue from services is recognized on the date the service is performed. At this point of time, the payor is obliged to pay for the services performed.

Revenue from product sales is recognized when the customer obtains control of the product, either after possession is transferred or upon installation and provision of the necessary technical instructions or at another point in time that better defines transfer of control.

The project business of Fresenius Vamed has performance obligations from the still existing long-term production contracts that are satisfied over time. Revenue is recognized according to progress towards completion. This progress towards completion of the performance obligation is measured based on the costs incurred in relation to expected total costs of fulfilling the contract, contractually defined milestones or performance completed to date whichever better reflects the progress towards completion of the performance obligation.

IFRS 15 does not apply to lease contracts. Revenue from leasing components is determined according to IFRS 16.

Revenue is reported net of sales tax.

F) GOVERNMENT GRANTS

The Fresenius Group primarily receives governmental funding for hospitals in Germany to finance buildings and medical equipment. Public sector grants are not recognized until there is reasonable assurance that the respective conditions are met and the grants will be received. Initially, the grant related to assets is recorded as a liability and as soon as the asset is acquired, the grant is offset against the acquisition costs. Grants related to income are recognized in the period in which the related expenses are recorded. Depending on the nature of the respective type of grant, they are reported either under other operating income or as a reduction of the reimbursed expenses. For information regarding government compensation payments and reimbursements, please see note 13, Government grants.

G) RESEARCH AND DEVELOPMENT EXPENSES

Research is the independent and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the technical and commercial implementation of research results and occurs before the start of the commercial production or use. The research and development phase of pharmaceutical products normally ends with the regulatory approval by the relevant authorities on the market of the particular country. Generally, a new pharmaceutical product is primarily approved in an established market, such as Europe, the United States, China and Japan.

Research expenses are expensed as incurred. Development expenses that meet all the criteria for the recognition of an intangible asset are capitalized (see note 1. III. n., Intangible assets with finite useful lives).

H) IMPAIRMENT

The Fresenius Group reviews the carrying amounts of its property, plant and equipment, intangible assets and right-of-use assets as well as other non-current assets for impairment whenever events or changes in circumstances indicate that the carrying amount is higher than the asset's recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and its value in use. The fair value less cost of disposal of an asset is estimated as its net realizable value. The value in use is the present value of future cash flows expected to be derived from the relevant asset. If it is not possible to estimate the future cash flows from the individual assets, impairment is generally tested on the basis of corresponding cash generating units.

Impairment losses, except impairment losses recognized on goodwill, are reversed if there are indications that the reasons for impairment no longer exist or there has been a change in the estimates used to determine the asset's recoverable amount. This reversal shall not exceed the carrying amount that would have been determined had no impairment loss been recognized before.

I) CAPITALIZED INTEREST

The Fresenius Group includes capitalized interest as part of the cost of the asset if it is directly attributable to the acquisition, construction or manufacture of qualifying assets. No interest was recognized for fiscal year 2024. In fiscal year 2023, interest of €35 thousand, based on an average interest rate of 2.10%, was recognized as a component of the cost of assets.

J) INCOME TAXES

Current taxes are calculated based on the earnings of the fiscal year and in accordance with local tax rules of the respective tax jurisdictions. Expected and executed additional tax payments and tax refunds for prior years are also taken into account.

Deferred tax assets and liabilities are recognized for the future consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Furthermore, deferred taxes are recognized on certain consolidation adjustments which affect net income attributable to shareholders of Fresenius SE & Co. KGaA. Deferred tax assets also include claims for tax reductions which arise from the probable expected use of existing tax losses carryforwards. The recognition of deferred tax assets from net operating losses and their utilization is based on the budget planning of the Fresenius Group and implemented tax strategies.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

A change in tax rate for the calculation of deferred tax assets and liabilities is recognized in the period the new laws are enacted or substantively enacted. The effects of the adjustment are generally recognized in the income statement. The effects of the adjustment are recognized in equity, if the temporary differences are related to items directly recognized in equity.

The realizability of the carrying amount of a deferred tax asset is reviewed at each date of the statement of financial position. In assessing the realizability of deferred tax assets, the Management considers to which extent it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences and tax loss carryforwards become deductible. The Management considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. Deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, branches and associates and interests in joint arrangements are not recognized if the Fresenius Group can determine the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent it is probable that sufficient taxable income will be available for the utilization of parts or of the entire deferred tax asset.

The Fresenius Group recognizes assets and liabilities for uncertain tax treatments to the extent it is probable the tax will be recovered or that the tax will be payable, respectively. In North America and Germany, interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37. All other jurisdictions account for interest and penalties related to income taxes in accordance with local tax rules of the respective tax jurisdiction either under IAS 37 or as income tax expense under IAS 12.

The Fresenius Group is subject to ongoing and future tax audits in various countries. Different interpretations of tax laws, particularly due to the Fresenius Group's international activities, may lead to potential additional tax payments or tax refunds for prior years. To consider income tax liabilities or income tax receivables, Management's estimates are based on experiences with previous tax audits and local tax rules of the respective tax jurisdiction and the interpretation of such. Differences between actual results and Management's estimates or future changes in these estimates may have an impact on future tax payments or tax refunds. Estimates are revised in the period in which there is sufficient evidence to revise the assumptions.

K) EARNINGS PER SHARE

Basic earnings per share are computed by dividing net income attributable to shareholders of Fresenius SE & Co. KGaA by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share include the effect of all potentially dilutive instruments on ordinary shares that would have been outstanding during the fiscal year. The equity-settled awards granted under Fresenius' stock option plans can result in a dilutive effect.

L) INVENTORIES

Inventories are comprised of all assets which are held for sale in the ordinary course of business (finished goods), in the process of production for such sale (work in process) or consumed in the production process or in the rendering of services (raw materials and purchased components).

Inventories are measured at the lower of acquisition and manufacturing cost (determined by using the average or first-in, first-out method) or net realizable value. Manufacturing costs are comprised of direct costs, production and material overhead, including depreciation charges.

M) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition and manufacturing cost less accumulated depreciation. Repairs and maintenance costs are recognized in profit and loss as incurred. The costs for the replacement of components or the general overhaul of property, plant and equipment are recognized, if it is probable that future economic benefits will flow to the Fresenius Group and these costs can be measured reliably. Depreciation on property, plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 50 years for buildings and improvements (with a weighted average life of 20 years) and 2 to 15 years for machinery and equipment (with a weighted average life of 13 years).

N) INTANGIBLE ASSETS WITH FINITE USEFUL LIVES

Intangible assets with finite useful lives, such as patents, product and distribution rights, customer relationships, technology as well as licenses to manufacture, distribute and sell pharmaceutical drugs are recognized and reported apart from goodwill and are amortized using the straight-line method over their respective useful lives to their residual values and reviewed for impairment (see note 1. III. h, Impairment). The useful lives of patents, product and distribution rights range from 5 to 20 years, the average useful life is 13 years. The useful lives of customer relationships vary from 10 to 30 years, the average useful life is 18 years. Technology is amortized over a finite useful life of 15 years. Licenses to manufacture, distribute and sell pharmaceutical drugs are amortized over the contractual license period. All other intangible assets are amortized over their individual estimated useful lives between 3 and 15 years.

Losses in value are recorded as an impairment and are reversed if there are indications that the reasons for impairment no longer exist and there has been a change in the estimates used to determine the asset's recoverable amount. This reversal shall not exceed the carrying amount that would have been determined had no impairment loss been recognized before.

Development costs are capitalized as manufacturing costs when the recognition criteria are met.

Fresenius Kabi capitalizes development costs as soon as the registration of a new product is very likely. This mainly applies if a product is already approved on an established market. Costs are amortized on a straight-line basis over the expected useful lives. In 2024 and 2023, impairments were recorded (see note 7, Research and development expenses).

O) GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

The Fresenius Group identified intangible assets with indefinite useful lives because, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which those assets are expected to generate net cash inflows for the Group.

Generally, adjustments made to the fair value of identifiable assets and liabilities subsequent to the final purchase price allocation are recognized immediately in the consolidated statement of income.

Goodwill and intangible assets with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment (impairment test).

To perform the annual impairment test of goodwill, the Fresenius Group identified several groups of cash generating units (hereinafter referred to as CGU or CGUs) and determined the carrying amount of each CGU by assigning the assets and liabilities, including corporate assets, the existing goodwill and intangible assets, to those CGUs. A CGU is usually defined one level below the segment level based on regions or the nature of the business activity.

Four CGUs were identified in the segment Fresenius Kabi (Biopharma, MedTech, Nutrition and Pharma (IV Drugs & Fluids)). According to the organizational structure, the segment Fresenius Helios consists of two CGUs, Germany and Spain. The previous CGU Fertility was divested on

January 31, 2024 and classified as an asset held for sale in the consolidated statement of financial position in accordance with IFRS 5 in 2023. Due to the exit from Fresenius Vamed, the two previous CGUs (Project business and Service business) no longer exist. Fresenius Health Services, which emerged from the former High-End Services business (HES) of Vamed, forms a new CGU, which is allocated to Corporate / Other.

At least once a year, in the fourth quarter, the Fresenius Group compares the value in use of each CGU to the CGU's carrying amount. The recoverable amount as its value in use of a CGU is determined using a discounted cash flow approach based upon the cash flow expected to be generated by the CGU. In case that the value in use of the CGU is less than its carrying amount and the fair value less cost of disposal is not estimated to be higher than the value in use, the difference is recorded as an impairment of the carrying amount of the CGU goodwill.

To evaluate the recoverability of intangible assets with indefinite useful lives, the Fresenius Group compares the recoverable amounts of the smallest identifiable group of assets that generate largely independent cash inflows with their carrying amounts. An intangible asset's fair value is determined using a discounted cash flow approach or other methods, if appropriate.

Based on the impairment tests performed, the annual impairment assessments have not resulted in any indications of impairment in 2024 and 2023.

P) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Initial recognition using the equity method is generally at cost. In the case of investments that are deconsolidated due to loss of control and subsequently accounted for using the equity method, the fair value of the investment corresponds to the acquisition cost. This applies to the first-time recognition of the rehabilitation business of Fresenius Vamed. At initial recognition of the investment in Fresenius Medical Care at equity, a notional purchase price allocation was undertaken identifying and valuing the fair value of the assets and liabilities included in the carrying amount of the equity investment. In subsequent periods, the value of the investment is adjusted by the share in the profit or loss of the investment, including the fair values identified which form the basis for additional depreciation, amortization of the purchase price allocation and other proportionate changes in equity.

Q) LEASES

A lease is defined as a contract that conveys the right to use an underlying asset for a period of time in exchange for consideration.

The Fresenius Group decided not to apply the guidance within IFRS 16 to leases with a total maximum term of twelve months (short-term leases) and leases for underlying assets of low value. These leases are exempt from balance sheet recognition and lease payments will be recognized as expenses over the lease term.

IFRS 16 is not applied to leases of intangible assets.

Lease liabilities

Lease liabilities are recognized at the present value of the following payments:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments, that are linked to an index or interest rate,
- expected payments under residual value guarantees,
- the exercise price of purchase options, where exercise is reasonably certain,
- lease payments in optional renewal periods, where exercise of extension options is reasonably certain, and
- penalty payments for the termination of a lease, if the lease term reflects the exercise of the respective termination option.

IFRS 16 requires the Fresenius Group to make judgments that affect the valuation of lease liabilities as well as right-of-use assets, including the determination of which contracts are within the scope of IFRS 16, identifying the contract lease term and determining the incremental borrowing rate.

With the "reasonably certain" assessments, the Fresenius Group determines if and which future costs based on extension and/or termination options have to be included in the lease liabilities. During these assessments, the Fresenius Group considers all relevant facts and circumstances that create an economic incentive for the Fresenius Group to exercise, or not to exercise, an option, including any expected changes in facts and circumstances (e.g., contract-, object-, entity- or market-specific factors) from the commencement date until the exercise date of the option. Additionally, the Fresenius Group's historical practice regarding the period over which it has typically used particular types of assets, and its economic reasons for doing so, is also relevant. Unrecognized extension options are shown as potential future cash outflows (see note 34, Leases).

Lease payments are discounted using the implicit interest rate underlying the lease if this rate can be readily determined. Otherwise, the incremental borrowing rate of the lessee is used as the discount rate.

Lease liabilities are subsequently measured at amortized cost using the effective interest method. Furthermore, lease liabilities may be remeasured due to lease modifications or reassessments of the lease.

The incremental borrowing rate is determined when the Fresenius Group initiates a lease contract or changes an existing lease. The interest rate is calculated based on the following components: available interest rate sampling points, group risk margins, shadow rating (credit risk) margins, country risk margins, handling margins and other risk margins.

For lease contracts that include both lease and non-lease components that are not separable from lease components, no allocation is performed. Each lease component and any associated non-lease components are accounted for as a single lease. If the lease contracts include the lease and non-lease costs separately, the lease contract costs are divided into lease and non-lease components.

Right-of-use assets

Right-of-use assets are stated at cost, which comprises of:

- lease liability amount,
- initial direct costs incurred when entering into the lease,
- (lease) payments before commencement date of the respective lease, and
- an estimate of costs to dismantle and remove the underlying asset,
- less any lease incentives received.

Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. Where a lease agreement includes a transfer of ownership at the end of the lease term or the exercise of a purchase option is deemed reasonably certain, right-of-use assets are depreciated over the useful life of the underlying asset using the straight-line method. In addition, right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements.

Right-of-use assets from lease contracts are classified in accordance with the Fresenius Group's classification of property plant and equipment:

- Right-of-use assets: land
- Right-of-use assets: buildings and improvements
- Right-of-use assets: machinery and equipment

Right-of-use assets from lease contracts and lease liabilities are presented separately from property, plant and equipment and other financial debt in the consolidated statement of financial position.

R) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Purchases and sales of financial assets are recognized or derecognized on the trading date. Furthermore, the Fresenius Group does not make use of the fair value option, which allows financial liabilities to be classified at fair value through profit or loss upon initial recognition. The Fresenius Group elects to represent changes in the fair value of selected equity investments that are not held for trading in other comprehensive income (loss).

Financial instruments are allocated to categories following the analysis of the business model and cash flow characteristics as required by IFRS 9, Financial Instruments. The following categories are relevant for the Fresenius Group: financial assets and liabilities measured at amortized cost, financial assets and liabilities measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive income (loss). The reconciliation of the categories to the positions in the consolidated statement of financial position is shown in tabular form in note 35, Financial instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash funds and all short-term investments with maturities of up to three months. Short-term investments are highly liquid and readily convertible into known amounts of cash. The risk of changes in value is insignificant.

Trade accounts and other receivables

Trade accounts and other receivables are stated at their nominal value less lifetime expected credit losses.

Impairments

According to IFRS 9, impairments are recognized on the basis of expected credit losses (expected credit loss model). The Fresenius Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost, contract assets and lease receivables as well as for investments in debt instruments measured at fair value through other comprehensive income.

The Fresenius Group recognizes loss allowances for expected credit losses (allowance for doubtful accounts) mainly for trade accounts receivable and cash and cash equivalents. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instrument.

For trade accounts receivable, the Fresenius Group uses the simplified method which requires recognizing lifetime expected credit losses.

Expected credit losses on cash and cash equivalents are measured according to the general method based on IFRS 9. A significant increase in credit risk will be assessed based on available qualitative as well as quantitative information. Based on external credit ratings of the counterparties, the Fresenius Group considers that its cash and cash equivalents have a low credit risk.

The Fresenius Group does not expect any material credit losses from financial instruments that are measured according to the general approach.

The allowances are estimates comprised of customer and financial asset specific evaluations regarding payment history, current financial stability, and applicable future economic conditions.

Financial assets whose expected credit loss is not assessed individually are allocated to geographical regions. The impairment is generally assessed on the basis of regional macroeconomic indicators such as credit default swaps or scoring models.

Due to the number of transactions and geographical regions that the Fresenius Group operates in, the Fresenius Group's policy of determining when an individual expected credit loss is required considers the appropriate individual local facts and circumstances that apply to an account. While payment and collection practices vary significantly between countries and even agencies within one country, government payors usually represent low to moderate credit risks. It is the Fresenius Group's policy to determine when receivables should be classified as bad debt on a local basis taking into account local payment practices and local collection experience.

In case of objective evidence of a detrimental impact on the estimated future cash flows of a financial asset, the asset is considered to be credit impaired. This is generally the case after more than 360 days overdue, at the latest.

When a counterpart defaults, all financial assets against this counterpart are considered impaired. The definition of default is mainly based on payment practices specific to individual regions and businesses.

For further information regarding impairments, please see note 1. IV. c, Allowances for expected credit losses.

Put option liabilities

The Fresenius Group, as option writer of existing put options, can be obligated to purchase noncontrolling interests held by third parties. If these put options were exercised, the Fresenius Group would be required to purchase all or part of the third-party owners' noncontrolling interests at the appraised fair value at the time of exercise. 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.

Put options in the Fresenius Group mainly relate to the Fresenius Kabi segment. The exercise price of the put options of Fresenius Kabi is based on the fair value of mAbxience. Common discounted cash flow valuation models are used to approximate this fair value. The estimated fair values of the 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 Fresenius Group's current estimates depending on market conditions. For the purpose of analyzing the impact of changes in unobservable inputs on the fair value measurement of put option liabilities, please see note 35, Financial instruments.

Derivative financial instruments

Derivative financial instruments, such as interest rate swaps, cross currency swaps and foreign currency forward contracts, are recognized at fair value as assets or liabilities in the consolidated statement of financial position. The effective portion of changes in fair value of cash flow hedges is recognized in accumulated other comprehensive income (loss) in shareholders' equity until the secured underlying transaction is realized (see note 35, Financial instruments). Based on the spot rate changes of hedged items and hedging instruments, the ineffective portion of cash flow hedges is recognized in current earnings. Changes in the fair value of derivatives that are not designated as hedging instruments are recognized in earnings.

Derivatives embedded in host contracts with a financial liability as host contract are accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

S) LIABILITIES

At the date of the statement of financial position, liabilities are generally stated at amortized cost, with the exception of contingent considerations resulting from a business combination, put option liabilities as well as derivative financial liabilities.

T) LEGAL CONTINGENCIES

In the ordinary course of Fresenius Group's operations, the Fresenius Group is party to litigation and arbitration and is subject to investigations relating to various aspects of its business. The Fresenius Group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including the estimated legal expenses and consulting services in connection with these matters, as appropriate. The Fresenius Group utilizes its internal legal department as well as external resources for these assessments. In making the decision regarding the need for a loss accrual, the Fresenius Group considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not necessarily indicate that accrual of a loss is appropriate.

U) PROVISIONS

Accruals for other obligations are recognized when there is a present obligation to a third party arising from past events, it is probable that the obligation will be settled in the future and the amount can be reliably estimated.

Provisions for warranties and complaints are estimated based on historical experience.

Non-current provisions with a remaining period of more than one year are discounted to the present value of the expenditures expected to settle the obligation.

V) PENSION LIABILITIES AND SIMILAR OBLIGATIONS

Pension obligations for post-employment benefits are measured in accordance with IAS 19, Employee Benefits, using the projected unit credit method, taking into account future salary and trends for pension increase.

The Fresenius Group uses December 31 as the measurement date when measuring the deficit or surplus of all plans.

Net interest costs are calculated by multiplying the pension liability at the beginning of the year with the discount rate utilized in determining the benefit obligation. The pension liability results from the benefit obligation less the fair value of plan assets.

Remeasurements include actuarial gains and losses resulting from the evaluation of the defined benefit obligation as well as from the difference between actual return on plan assets and the expected return on plan assets at the beginning of the year used to calculate the net interest costs. In the event of a surplus for a defined benefit pension plan, remeasurements can also contain the effect from Asset Ceiling, as far as this effect is not included in net interest costs.

Remeasurements are recognized in accumulated other comprehensive income (loss) completely. It is not allowed to reclassify the remeasurements in subsequent periods. Components of net periodic benefit cost are recognized in profit and loss of the period.

W) DEBT ISSUANCE COSTS

Debt issuance costs related to a recognized debt liability are presented in the consolidated statement of financial position as a direct deduction from the carrying amount of that debt liability. Debt issuance costs related to undrawn credit facilities are presented in other assets. These costs are amortized over the term of the related obligation or credit facility.

X) SHARE-BASED COMPENSATION PLANS

The Fresenius Group measures its share-based compensation plans in accordance with IFRS 2, Share-based Payments.

The measurement date fair value of cash-settled performance shares and stock awards granted to members of the Management Board and executive employees of the Fresenius Group is calculated using the Monte Carlo simulation. The corresponding liability based on the measurement date fair value is accrued over the vesting period of the performance share and stock award plans.

Y) FOREIGN CURRENCY TRANSLATION

The reporting and functional currency is the euro. Substantially all assets and liabilities of the foreign subsidiaries that use a functional currency other than the euro are translated at year-end exchange rates, while income and expense are translated at annual average exchange rates of the fiscal year. Adjustments due to foreign currency translation fluctuations are excluded from net earnings and are reported in accumulated other comprehensive income (loss). When hedging the translation risk from a net investment in a foreign operation, both the gains and losses from the currency translation of the hedging instrument and the foreign currency translation effects of the net assets of the subsidiary are recognized in accumulated other comprehensive income (loss). In addition, the translation adjustments of certain intercompany borrowings, which are of a long-term nature, are also reported in accumulated other comprehensive income (loss). Transactions in foreign currencies recorded by subsidiaries are accounted for at the prevailing spot rate on the date of the respective transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognized in profit and loss. Financial instruments denominated in a foreign currency are revalued at the spot rate as of the date of the consolidated statement of financial position. On the disposal of a foreign operation, all of the foreign currency translation differences accumulated in respect of that disposed operation are reclassified to the consolidated statement of income. On a partial disposal of a subsidiary that includes a foreign operation that does not result in the loss of control over the subsidiary, the proportionate share of accumulated foreign currency translation differences is re-attributed to noncontrolling interests.

The exchange rates of the main currencies affecting foreign currency translation developed as follows:

	Year-end exchange rate		Average exchange rate	
	December 31, 2024	December 31, 2023	**2024**	2023
U.S. dollar per €	1.039	1.105	1.082	1.081
Chinese renminbi per €	7.583	7.851	7.788	7.660
Colombian peso per €	4,566.650	4,272.670	4,410.691	4,675.913
Pound sterling per €	0.829	0.869	0.847	0.870
Brazilian real per €	6.425	5.362	5.830	5.401
Swiss franc per €	0.941	0.926	0.953	0.972
Canadian dollar per €	1.495	1.464	1.482	1.459

Z) FAIR VALUE HIERARCHY

The three-tier fair value hierarchy as defined in IFRS 13, Fair Value Measurement, classifies financial assets and liabilities recognized at fair value based on the inputs used in estimating the fair value. Level 1 is defined as observable inputs, such as quoted prices in active markets. Level 2 is in application of recognized financial mathematical models defined as inputs other than quoted prices in active markets that are directly or indirectly observable. Level 3 is defined as unobservable inputs for which little or no market data exists, therefore requiring the company to develop its own assumptions. The three-tier fair value hierarchy is used in note 35, Financial instruments and in note 22, Interests in associates.

AA) USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. Estimates and judgmental assumptions are required in particular for the positions trade accounts receivable, deferred tax assets and pension liabilities as well as put option liabilities, contingent payments outstanding for acquisitions, equity investments and when examining the recoverability of goodwill.

BB) NON-CURRENT ASSETS HELD FOR SALE, DISCONTINUED AND DECONSOLIDATED OPERATIONS

A non-current asset or disposal group held for sale is measured at the lower of its carrying amount or its fair value less cost to sell, and amortization / depreciation is ceased.

Assets classified as held for sale and the related liabilities are presented separately in a line within the current portion of the consolidated statement of financial position. If the disposal group is classified as a discontinued operation, the Fresenius Group also presents the results separately in the consolidated statement of income and in the consolidated statement of cash flows and prior year figures are adjusted.

The Fresenius Group reports a component of an entity that has been disposed of or is classified as held for sale and comprises at least one major line of business or geographical area of operations as a discontinued operation.

Due to the completed or agreed sale, the rehabilitation business (May to September 2024) and the Vamed activities in Austria (since May 2024) have been accounted for as discontinued operations. They have been reported in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, as a separate item (discontinued operations) in the consolidated statement of income and the consolidated statement of cash flows as well as in the consolidated statement of financial position (assets held for sale and liabilities directly associated with the assets held for sale). Due to the application of IFRS 5, the prior year figures have been adjusted in the consolidated statement of income and the consolidated statement of cash flows.

The deconsolidation of the business segment Fresenius Medical Care as of November 30, 2023 was also accounted for in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. Fresenius Medical Care was recognized as a discontinued operation by the Fresenius Group from July 14, 2023 to November 30, 2023. At July 14, 2023, the General Meeting of Fresenius Medical Care AG & Co. KGaA approved the conversion of the legal form into a German stock corporation and the deconsolidation within one year was considered highly probable. On November 30, 2023, the conversion of the legal form was registered with the commercial register and Fresenius Medical Care was deconsolidated at that date.

The Fresenius Group reported the results of Fresenius Medical Care up to November 30, 2023 separately in the consolidated statement of income and in the consolidated statement of cash flows.

CC) RECEIVABLES MANAGEMENT

The entities of the Fresenius Group perform ongoing evaluations of the financial situation of their customers and generally do not require a collateral from the customers for the supply of products and provision of services.

DD) RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at and for the year ended December 31, 2024 in conformity with IFRS, as adopted by the EU, that must be applied for fiscal years beginning on January 1, 2024.

In fiscal year 2024, the following new standard relevant for Fresenius Group's business was applied for the first time:

IAS 1

In January 2020, the IASB issued **Amendments to IAS 1, Classification of Liabilities as Current and Non-current**. The amendments clarify under which circumstances debt and other liabilities with an uncertain settlement date should be classified as current or non-current. Among others, the amendments state that liabilities shall be classified depending on rights that exist at the end of the reporting period and define under which conditions liabilities might be settled by cash, other economic resources or equity. On July 15, 2020, and October 31, 2022, the IASB deferred the effective date. The amendments to IAS 1 are now effective for fiscal years beginning on or after January 1, 2024.

The adoption of IAS 1 did not have a material impact on the consolidated financial statements of the Fresenius Group.

All other mandatory new IFRS standards had no material impact on the consolidated financial statements of the Fresenius Group.

EE) RECENT PRONOUNCEMENTS, NOT YET APPLIED

The International Accounting Standards Board (IASB) issued the following new standard relevant for the Fresenius Group and mandatory for fiscal years commencing on or after January 1, 2025:

IFRS 18

In April 2024, the IASB issued **IFRS 18, Presentation and Disclosure in Financial Statements**. IFRS 18 amends a number of other standards and replaces IAS 1, Presentation of Financial Statements. However, the new standard carries forward most of its requirements while introducing new guidance to increase transparency and comparability of financial statements. IFRS 18 requires structuring the statement of profit or loss in three newly defined categories and enhanced disclosures for company-specific measures, among others.

IFRS 18 is effective for fiscal years beginning on or after January 1, 2027. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of IFRS 18 on the consolidated financial statements.

The EU Commission's endorsement of IFRS 18 is still outstanding.

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

FF) IMPACTS OF THE MACROECONOMIC ENVIRONMENT ON ACCOUNTING

There are still uncertainties, in particular due to a possible further deterioration in the global macroeconomic outlook. The macroeconomic inflationary environment caused by the Ukraine war, other conflicts and political interventions continues to pose the risk of significantly rising energy, supply and transportation costs. However, this risk has decreased, mainly due to an easing of the situation on individual procurement markets, particularly the one for energy.

GG) IMPACTS OF CLIMATE CHANGE ON ACCOUNTING

The Fresenius Group continually analyzes potential sustainability risks in the areas of climate change and water scarcity. In both areas, the Fresenius Group has not identified any significant risks for its business model. Therefore, the Fresenius Group does not currently expect any material impact of sustainability risks on the accounting.

IV. Critical accounting policies

In the opinion of the Management of the Fresenius Group, the following accounting policies and topics are critical for the consolidated financial statements in the present economic environment. The influences and judgments as well as the uncertainties which affect them are also important factors to be considered when looking at present and future operating earnings of the Fresenius Group.

A) RECOVERABILITY OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

The amount of goodwill and other non-amortizable intangible assets with indefinite useful lives represents a considerable part of the total assets of the Fresenius Group. At December 31, 2024 and December 31, 2023, the carrying amount of these was €15,099 million and €15,103 million (€14,789 million excluding Fresenius Vamed), respectively. This represented 35% and 33%, respectively, of total assets.

An impairment test of goodwill and non-amortizable intangible assets with indefinite useful lives is performed at least once a year, or if events occur or circumstances change that would indicate the carrying amount may not be recoverable.

To determine possible impairments of these assets, the recoverable amount as its value in use of the cash generating units (CGUs) is compared to their carrying amount and the fair value less cost of disposal. The value in use of each CGU is determined using estimated future cash flows for the unit discounted by a weighted average cost of capital (WACC) specific to that CGU. Estimating the discounted future cash flows involves significant assumptions, especially regarding future reimbursement rates and sales prices, number of treatments, sales volumes and costs. In determining discounted cash flows, the Fresenius Group utilizes for every CGU its approved three-year budget, projections for years 4 to 10 and a corresponding growth rate for all remaining years. Projections for up to 10 years are possible due to historical experience and the stability of Fresenius Group's business, which is largely independent from the economic cycle.

The following table shows the key assumptions of value in use calculations:

	Average revenue growth in ten year projection period (in %)		Average EBIT growth in ten year projection period (in %)		Residual value growth (in %)		After-tax WACC (in %)		Carrying amount of goodwill (€ in millions)	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Fresenius Kabi										
Pharma (IV Drugs & Fluids)	low single-digit	low single-digit	low to mid single-digit	low to mid single-digit	2.00	2.00	8.09	8.38	2,275	2,385
Biopharma	low double-digit	low double-digit	low to mid double-digit	low to mid double-digit	2.00	2.00	9.01	9.18	1,681	1,738
Nutrition	mid to high single-digit	mid single-digit	high single-digit	high single-digit	2.00	2.00	8.57	9.13	1,524	1,598
MedTech	mid to high single-digit	mid single-digit	low double-digit	low double-digit	2.00	2.00	8.74	8.50	598	628
Fresenius Helios										
Germany	low to mid single-digit	low single-digit	low to mid single-digit	low single-digit	1.00	1.00	5.24	5.74	4,873	4,875
Spain	low single-digit	low single-digit	low single-digit	low single-digit	1.50	1.50	5.84	6.38	3,733	3,733
Fresenius Vamed										
Project business	n.a.	mid to high single-digit	n.a.	high single-digit	n.a.	1.00	n.a.	5.87	n.a.	18
Service business	n.a.	low single-digit	n.a.	low to mid single digit	n.a.	1.00	n.a.	5.87	n.a.	296
Corporate/Other										
Fresenius Health Services	low single-digit	n.a.	low to mid single digit	n.a.	1.00	n.a.	5.40	n.a.	57	n.a.

The discount factor is determined by the WACC of the respective CGU. The WACC in the business segment Fresenius Helios and of Fresenius Health Services consisted of a basic rate of 5.24% in 2024. This basic rate is adjusted by a country-specific risk premium for each CGU. The WACC for the CGUs of the business segment Fresenius Kabi was based on a peer group analysis.

If the value in use of the CGU is less than its carrying amount and the fair value less cost of disposal is not estimated to be higher than the value in use, the difference is recorded as an impairment of the CGU's goodwill.

Based on the impairment tests performed, the Fresenius Group did not record any impairment losses related to goodwill in fiscal years 2024 and 2023 after having compared each CGU's value in use to its carrying amount. An increase of the WACC (after tax) by 0.5 percentage points would not have resulted in the recognition of an impairment loss in 2024.

Due to the exit from Fresenius Vamed, the goodwill of the former CGU Service business with a carrying amount of €239 million was reclassified to assets held for sale based on the IFRS 5 classification of the rehabilitation business and the Vamed activities in Austria. The remaining goodwill of €57 million was transferred to the CGU Fresenius Health Services. The goodwill of the former CGU Project business in the amount of €18 million was amortized due to the decision to scale back the international project business.

A prolonged downturn in the healthcare industry with lower than expected increases in reimbursement rates and prices and / or higher than expected costs for providing healthcare services and for procuring and selling healthcare products would adversely affect the estimated future cash flows of certain countries or segments. Furthermore, changes in the macroeconomic environment could affect the discount rate. A possible consequence could be a material and adverse effect on Fresenius Group's future operating results due to additional impairments on goodwill and intangible assets with indefinite useful lives.

The following tables show the changes in the key assumptions for the main business segments Fresenius Kabi and Fresenius Helios for the respective CGU with the lowest sensitivity with regard to the WACC that would result in the recoverable amount for the mentioned CGUs being equal to the carrying amount:

SENSITIVITY ANALYSIS 2024

Change in percentage points	After-tax WACC	Revenue growth in each projection year	EBIT growth in each projection year
Fresenius Kabi			
CGU Biopharma	-3.23	-6	-7
Fresenius Helios			
CGU Spain	-2.63	-9	-7

As of October 1, 2024, the recoverable amount of the CGUs Fresenius Kabi Biopharma and Fresenius Helios Spain exceeded the carrying amount by €1,216 million and €5,318 million, respectively.

SENSITIVITY ANALYSIS 2023

Change in percentage points	After-tax WACC	Revenue growth in each projection year	EBIT growth in each projection year
Fresenius Kabi			
CGU MedTech	-3.02	-5	-7
Fresenius Helios			
CGU Spain	-1.22	-5	-3
Fresenius Vamed			
CGU Service business	-1.81	-4	-7

As of October 1, 2023, the recoverable amount of the CGUs Fresenius Kabi MedTech and Fresenius Helios Spain exceeded the carrying amount by €1,293 million and €2,178 million, respectively, while the recoverable amount of the CGU Fresenius Vamed Service business exceeded the carrying amount by €573 million.

B) LEGAL CONTINGENCIES

The Fresenius Group is involved in several legal matters arising from the ordinary course of its business. The outcome of these matters may have a material adverse effect on the financial position, results of operations or cash flows of the Fresenius Group. For details, please see note 33, Commitments and contingencies.

The Fresenius Group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including the estimated legal expenses and consulting services in connection with these matters, as appropriate. The Fresenius Group utilizes its internal legal department as well as external resources for these assessments. In making the decision regarding the need for a provision for legal matters, the Fresenius Group considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

The filing of a suit or formal assertion of a claim or assessment, or the disclosure of any such suit or assertion, does not necessarily indicate that a provision for a loss is appropriate.

C) ALLOWANCES FOR EXPECTED CREDIT LOSSES

Trade accounts receivable are a significant asset and the allowances for expected credit losses are a significant estimate made by the local Management. Trade accounts receivable were €3,500 million and €3,673 million in 2024 and 2023, respectively, net of allowance.

The major debtors or debtor groups of trade accounts receivable were statutory health insurers in Germany with 14% as well as the public health authority of the region of Madrid with 13%, at December 31, 2024. Other than that, the Fresenius Group has no significant risk concentration, due to its international and heterogeneous customer structure.

The allowances for expected credit losses were €316 million and €348 million as of December 31, 2024 and December 31, 2023, respectively. A valuation allowance is calculated if specific circumstances indicate that amounts will not be collectible. When all efforts to collect a receivable, including the use of outside sources where required and allowed, have been exhausted, and after appropriate review by the local management, a receivable deemed to be uncollectible is considered a bad debt and written off.

Deterioration in the aging of receivables and collection difficulties could require that the Fresenius Group increases the estimates of allowances for expected credit losses. Additional expenses for uncollectible receivables could have a significant negative impact on future operating results.

2. ACQUISITIONS AND DIVESTITURES

Acquisitions and investments

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €75 million and €210 million in 2024 and 2023, respectively. In 2024, of this amount, €80 million was paid in cash, including €5 million in subsequent purchase price payments already recognized as liabilities.

FRESENIUS KABI

In 2024 and 2023, Fresenius Kabi spent €50 million (2023: €207 million) on acquisitions, mainly for milestone payments relating to the acquisition of Merck KGaA's biosimilars business which were already recognized as liabilities as part of the acquisition.

FRESENIUS HELIOS

In 2024, Fresenius Helios spent €7 million on acquisitions, mainly for the acquisition of an occupational risk prevention company in Portugal.

In 2023, Fresenius Helios did not incur any acquisition expenses.

CORPORATE/ OTHER

In 2024, the acquisition expenses of €18 million were attributable to the purchase of the remaining Fresenius Vamed shares by Fresenius ProServe GmbH as part of the exit from the business segment.

Divestitures

FRESENIUS VAMED

On May 2, 2024, the Fresenius Group announced to sell a majority stake in Vamed's rehabilitation business to PAI Partners, an international private equity firm. After having received the necessary regulatory approvals, the transaction was largely closed on September 30, 2024, and the Fresenius Group holds a 30% stake in the business. The rehabilitation business which also includes specialized healthcare services in the areas of prevention, acute care and nursing, was Vamed's largest business unit. With approximately 13,000 employees, it provides inpatient and outpatient rehabilitation services to approximately 100,000 patients every year in various European countries.

On May 8, 2024, the Fresenius Group announced that it initiated the structured exit from its investment company Fresenius Vamed. An Austrian consortium of construction companies Porr and Strabag has agreed to acquire Vamed's activities in its Austrian home market. The transaction includes Vamed's entities responsible for the technical management of the Vienna General Hospital (AKH Wien), the Austrian project business that is part of Vamed's Health Tech Engineering business unit and shares in several spas throughout Austria. The transaction is expected to be completed in the first half of 2025.

Vamed's High-End Services (HES) business unit, which provides services for Fresenius Helios and other hospitals, was transferred to Fresenius and will continue to operate under the name Fresenius Health Services. The Health Tech Engineering business unit outside Austria, which is responsible for the international project business, will gradually be scaled back in an orderly manner. The process should largely be completed by 2026. For further information on current developments, please see note 41, Subsequent events.

The business units earmarked for sale of Fresenius Vamed are reported as separate items (discontinued operations and assets held for sale and liabilities directly associated with the assets held for sale, respectively) in the relevant periods.

Net income from Fresenius Vamed's discontinued operations (including special items) was comprised of the following:

€ in millions	**2024**	2023
Revenue	1,226	1,351
Expenses	-1,194	-1,409
Income before income taxes	**32**	**-58**
Income taxes	2	8
Net income	**34**	**-50**
Loss due to subsequent remeasurement of discontinued operations at fair value less cost to sell and due to deconsolidation	-605	–
Net income from discontinued Fresenius Vamed operations under IFRS 5	**-571**	**-50**

For a more appropriate presentation of the financial effects, eliminations of intercompany transactions with Fresenius Vamed have been allocated to discontinued Fresenius Vamed operations, taking into account future supply and service relationships. As of December 31, 2024, the cumulative losses recognized in other comprehensive income (loss) relating to the discontinued Fresenius Vamed operations amounted to €51 million.

The following assets and liabilities were classified as held for sale as of December 31, 2024:

€ in millions	2024
Current assets	198
Non-current assets	112
Assets held for sale	**310**
Short-term liabilities	311
Long-term liabilities	113
Liabilities held for sale	**424**

The carrying amounts of the main groups of assets and liabilities of Vamed's rehabilitation business disposed of at the time of disposal on September 30, 2024 were as follows:

€ in millions	September 30, 2024
Cash and cash equivalents	18
Other current assets	167
Non-current assets	1,103
Assets disposed of	**1,288**
Short-term liabilities	240
Long-term liabilities	464
Liabilities disposed of	**704**

DECONSOLIDATION OF FRESENIUS MEDICAL CARE

On July 14, 2023, the Extraordinary General Meeting of Fresenius Medical Care AG & Co. KGaA approved the proposal of conversion of the legal form into a German stock corporation and thereupon, in fiscal year 2023, Fresenius Medical Care was classified as a separate item (operations to be deconsolidated and deconsolidated operations, respectively) in the Fresenius Group's consolidated statement of income, consolidated statement of financial position and consolidated statement of cash flows. After registration with the commercial register on November 30, 2023, the investment in Fresenius Medical Care was deconsolidated and subsequently accounted for using the equity method in accordance with IAS 28 (see note 1. III. bb, Non-current assets held for sale, discontinued and deconsolidated operations).

Net income from deconsolidated Fresenius Medical Care's operations (including special items) was comprised of the following:

€ in millions	2023
Revenue	18,033
Expenses	-16,967
Income before income taxes	**1,066**
Income taxes	-320
Net income	**746**
Loss due to revaluation of operations to be deconsolidated at fair value less costs of deconsolidation according to IFRS 5 (booked against goodwill)	-2,775
Other valuation adjustments according to IFRS 5 (mainly suspension of regular depreciation and amortization)	558
Loss due to deconsolidation according to IFRS 10	-467
Net income from deconsolidated Fresenius Medical Care operations	**-1,938**

For a more appropriate presentation of the financial effects, eliminations of intercompany transactions with Fresenius Medical Care have been allocated to Fresenius Medical Care operations to be deconsolidated, taking into account future supply and service relationships. A corresponding allocation is made in the consolidated statement of cash flows.

The carrying amounts of the main groups of assets and liabilities of Fresenius Medical Care disposed of at the time of disposal on November 30, 2023 were as follows:

€ in millions	November 30, 2023
Cash and cash equivalents	1,303
Other current assets	7,635
Non-current assets	25,859
Assets disposed of	**34,797**
Short-term liabilities	6,473
Long-term liabilities	13,170
Liabilities disposed of	**19,643**

FURTHER DIVESTITURES

On November 14, 2023, the Fresenius Group signed an agreement to transfer its plant in Halden, Norway, to HP Halden Pharma AS, a company of the Prange Group. The Prange Group, together with its affiliate Adragos Pharma, will take over the manufacturing facility with equipment as well as employees and will continue to manufacture Fresenius Kabi's products. The transaction was completed on March 1, 2024. For the disposal, an impairment loss of €20 million was recognized in connection with the classification as an asset held for sale in 2023, which is included in costs of revenue in the consolidated statement of income and classified as a special item. In the first quarter of 2024, a loss from the disposal of assets of around €5 million was recognized, which is included in other operating expenses in the consolidated statement of income and classified as a special item.

On November 8, 2023, the Fresenius Group signed an agreement to sell the Eugin group to the global fertility group IVI RMA (a KKR portfolio company) and GED Capital. Following the receipt of the regulatory approvals, the transaction was completed on January 31, 2024. The sale only comprises the Eugin group. Fresenius Helios' well-established legacy business of fertility treatments in selected hospitals and outpatient centers of Quirónsalud and Helios Germany will remain with Fresenius Helios and continue to offer fertility treatments. The sales price is composed of a fixed cash payment and possible further performance-related payments. For the disposal of the Eugin group, an impairment loss of €231 million was recognized in connection with the classification as an asset held for sale, which is included in other operating expenses in the consolidated statement of income and classified as a special item.

A deconsolidation loss of €6 million was recognized in the first quarter of 2024, which is mainly included in other operating expenses in the consolidated statement of income and classified as a special item.

The following assets and liabilities of the Eugin group were classified as held for sale:

€ in millions	2024
Current assets	134
Non-current assets	421
Assets held for sale	**555**
Short-term liabilities	84
Long-term liabilities	146
Liabilities held for sale	**230**

The carrying amounts of the main groups of assets and liabilities of the Eugin group disposed of at the time of disposal on January 31, 2024 were as follows:

€ in millions	January 31, 2024
Cash and cash equivalents	18
Other current assets	52
Non-current assets	317
Assets disposed of	**387**
Short-term liabilities	53
Long-term liabilities	125
Liabilities disposed of	**178**

On October 31, 2023, the Fresenius Group signed an agreement to sell its 70 percent stake in IDCQ CRP, a co-holding entity of the hospital Clínica Ricardo Palma in Lima, Peru. The stake was acquired by entities of the Verme family which already held a stake in the hospital, together with other local investors. After regulatory approvals, the transaction was completed on April 23, 2024. The sales price was paid in the form of a fixed cash payment upon completion of the transaction. For the disposal of the hospital in Peru, no impairment loss was recognized in the first quarter of 2024 in connection with the classification as an asset held for sale and the assets were recognized at their carrying amount. A deconsolidation gain of €32 million was recognized in the first half of 2024, which is included in other operating income in the consolidated statement of income and classified as a special item.

The carrying amounts of the main groups of assets and liabilities of the hospital in Peru disposed of at the time of disposal on April 23, 2024 were as follows:

€ in millions	April 23, 2024
Cash and cash equivalents	17
Other current assets	20
Non-current assets	90
Assets disposed of	**127**
Short-term liabilities	40
Long-term liabilities	13
Liabilities disposed of	**53**

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

The prior year figures have been adjusted in the notes on the consolidated statement of income due to the exit from Fresenius Vamed.

3. SPECIAL ITEMS

Revenue in the amount of €21,833 million and net income attributable to shareholders of Fresenius SE & Co. KGaA for 2024 in the amount of €471 million include special items which impacted the consolidated statement of income as shown in the table below. The earnings before special items are an alternative performance indicator, as special items are not defined in IFRS. The effects of selected items on earnings are presented as special items in order to increase the transparency of the Group's earnings quality. In the consolidated segment reporting, special items are shown under "Corporate/Other". Such special items mainly result from costs of the Vamed transformation and the exit from Fresenius Vamed as well as the associated classification as discontinued operations in accordance with IFRS 5. They also include expenses from the amortization of the purchase price allocation as part of the accounting of the investment in Fresenius Medical Care using the equity method and other special items of Fresenius Medical Care. Further special items mainly relate to expenses at Fresenius Kabi in connection with the Group-wide Fresenius cost and efficiency program and the Group-wide IT transformation as well as legacy portfolio adjustments and divestments at Fresenius Helios. In addition, special items in fiscal year 2023 included expenses in connection with acquisitions in the Kabi segment. The amounts shown correspond to the effects on earnings recognized in accordance with IFRS.

€ in millions	Revenue	EBIT	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings 2024, before special items	**21,526**	**2,489**	**1,749**
Divestitures Eugin and clinic Peru	30	5	1
Discontinued operations Vamed	–	–	-430
Transformation/Vamed exit	277	-473	-398
Expenses associated with the Fresenius cost and efficiency program	–	-144	-115
Legacy portfolio adjustments	–	-51	-55
IT transformation	–	-40	-28
Legal form conversion costs Fresenius Medical Care	–	-4	-3
Special items Fresenius excluding Fresenius Medical Care	**307**	**-707**	**-1,028**
Impact of PPA equity method Fresenius Medical Care	–	–	-133
Special items Fresenius Medical Care (32%)	–	–	-117
Special items Fresenius Medical Care	**–**	**–**	**-250**
Earnings 2024 according to IFRS	**21,833**	**1,782**	**471**

Revenue in the amount of €21,067 million and net income attributable to shareholders of Fresenius SE & Co. KGaA for 2023 in the amount of -€594 million included special items which had the following impact on the consolidated statement of income:

€ in millions	Revenue	EBIT	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings 2023, before special items	**20,307**	**2,266**	**1,543**
Divestitures Eugin and clinic Peru	368	42	9
Revaluations of biosimilars contingent purchase price liabilities	–	29	24
Discontinued operations Vamed	–	–	-45
Transformation / Vamed exit	392	-560	-428
Expenses associated with the Fresenius cost and efficiency program	–	-221	-171
Legacy portfolio adjustments	–	-320	-271
Transaction costs mAbxience, Ivenix	–	-36	-34
Legal form conversion costs Fresenius Medical Care	–	-17	-19
Special items Fresenius excluding Fresenius Medical Care	**760**	**-1,083**	**-935**
Special items Fresenius Medical Care (32%)	–	–	-1,197
Impact of PPA equity method Fresenius Medical Care	–	–	-5
Special items Fresenius Medical Care	**–**	**–**	**-1,202**
Earnings 2023 according to IFRS	**21,067**	**1,183**	**-594**

4. REVENUE

Revenue by activity was as follows:

	2024			
€ in millions	Fresenius Kabi	Fresenius Helios	Corporate / Other	**Fresenius Group**
Revenue from contracts with customers	8,357	12,707	741	21,805
thereof revenue from services	187	12,703	303	13,193
thereof revenue from products and related services	8,154	–	2	8,156
thereof revenue from long-term production contracts	–	–	436	436
thereof further revenue from contracts with customers	16	4	–	20
Other revenue	5	23	–	28
Revenue	**8,362**	**12,730**	**741**	**21,833**

€ in millions	2023 Fresenius Kabi	Fresenius Helios	Corporate/ Other	**Fresenius Group**
Revenue from contracts with customers	7,956	11,878	1,178	21,012
thereof revenue from services	104	11,874	845	12,823
thereof revenue from products and related services	7,847	–	–	7,847
thereof revenue from long-term production contracts	–	–	333	333
thereof further revenue from contracts with customers	5	4	–	9
Other revenue	5	50	–	55
Revenue	**7,961**	**11,928**	**1,178**	**21,067**

Other revenue includes revenue from insurance and lease contracts. At December 31, 2024, revenue that was included in the contract liabilities balance at the beginning of the period was €65 million (2023: €74 million).

As of December 31, 2024 and 2023, respectively, the Fresenius Group had performance obligations that are unsatisfied or partially unsatisfied and that are expected to be satisfied and recorded in revenue in the following years.

December 31, 2024, € in millions	2025	2026	2027	2028	2029	thereafter	**Total**
Transaction price of the unsatisfied or partially unsatisfied performance obligations	358	269	322	7	2	8	**966**

December 31, 2023, € in millions	2024	2025	2026	2027	2028	thereafter	**Total**
Transaction price of the unsatisfied or partially unsatisfied performance obligations	795	586	200	569	282	212	**2,644**

A revenue analysis by business segment is shown in the consolidated segment reporting.

5. COST OF MATERIALS

Cost of materials included in costs of revenue was comprised of cost of raw materials, supplies and purchased components and cost of purchased services:

€ in millions	2024	2023
Cost of raw materials, supplies and purchased components	4,782	4,857
Cost of purchased services	1,271	1,280
Cost of materials	**6,053**	**6,137**

6. PERSONNEL EXPENSES

Costs of revenue, selling expenses, general and administrative expenses and research and development expenses included personnel expenses of €9,586 million and €9,229 million in 2024 and 2023, respectively.

Personnel expenses were comprised of the following:

€ in millions	2024	2023
Wages and salaries	7,806	7,565
Social security contributions, cost of retirement pensions and social assistance	1,780	1,664
thereof retirement pensions	247	225
Personnel expenses	**9,586**	**9,229**

Fresenius Group's annual average number of employees by function is shown below:

	2024	2023
Production	27,093	27,585
Service	122,072	120,456
Administration	16,620	18,061
Sales and marketing	8,064	8,410
Research and development	2,492	2,568
Total employees (per capita)	**176,341**	**177,080**

7. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €641 million (2023: €661 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €41 million (2023: €36 million). Furthermore, in 2024, research and development expenses included impairments of €9 million. These related to R&D projects of Fresenius Kabi that were not pursued further. The impairments of €53 million included in research and development expenses in fiscal year 2023 related to impairments of R&D projects of Fresenius Kabi that were not pursued further and impairments of the discontinued operations of Fresenius Helios in connection with the legacy portfolio adjustments. The expenses for the further development of the biopharma business included in the research and development expenses amounted to €206 million in 2024 (2023: €220 million).

8. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to €2,222 million (2023: €2,285 million) and were related to expenditures for administrative functions not attributable to research and development, production or selling. The decrease was mainly due to lower expenses associated with the cost and efficiency program and legacy portfolio adjustments compared to the previous year.

9. OTHER OPERATING INCOME AND EXPENSES

In 2024 and in 2023, other operating income of €293 million (2023: €417 million) mainly included income from the reversal of provisions and other income, mainly from Fresenius Digital Technology GmbH in connection with business relationsships with associated companies. Other operating expenses of €329 million (2023: €517 million) mainly included foreign exchange losses and other expenses, mainly from Fresenius Digital Technology GmbH in connection with business relationships with associated companies in 2024 and an impairment on the disposal group Eugin in 2023.

10. NET INTEREST

Net interest of -€432 million (2023: -€398 million) included interest expenses of €547 million (2023: €519 million) and interest income of €115 million (2023: €121 million). In fiscal years 2024 and 2023, the main portion of the interest expenses resulted from Fresenius Group's financial liabilities, which are recognized at amortized cost (see note 35, Financial instruments), from interest expenses in connection with additional interest accruals on tax items and from outstanding contingent purchase price payments. Moreover, €47 million (2023: €48 million) related to lease liabilities. The main portion of interest income in 2024 resulted from interest income on receivables. In 2023, the main portion of interest income resulted from interest income on receivables and from discounting effects.

11. TAXES

Income taxes

Income before income taxes was attributable to the geographic regions:

€ in millions	2024	2023
Germany	-17	95
International	1,405	678
Total	**1,388**	**773**

Income tax expenses (benefits) for 2024 and 2023 consisted of the following:

€ in millions	Current taxes	Deferred taxes	**Income taxes**
2024			
Germany	**39**	**43**	**82**
International	**450**	**-11**	**439**
Total	**489**	**32**	**521**
2023			
Germany	109	61	170
International	376	-61	315
Total	485	–	485

A reconciliation between the expected and actual income tax expense is shown in the following table. The expected corporate income tax expense is computed by applying the German corporation tax rate (including the solidarity surcharge) and the effective trade tax rate on income before income taxes. The respective combined tax rate was 30.9% and 30.8% for fiscal years 2024 and 2023, respectively.

€ in millions	2024	2023
Computed "expected" income tax expense	429	238
Increase (reduction) in income taxes resulting from:		
Items not recognized for tax purposes	60	190
Tax rate differential	-227	-185
Tax rate changes	1	-16
Tax-free income	-35	-18
Taxes for prior years	20	84
Noncontrolling interests	–	–
Other	273	192
Income tax	**521**	**485**
Effective tax rate	**37.5%**	**62.7%**

The item "Other" mainly includes effects from non-capitalized tax losses for 2024 and write-downs on capitalized loss carryforwards.

Deferred taxes

The tax effects of the temporary differences and losses carried forward from prior years that gave rise to deferred tax assets and liabilities at December 31 are presented below:

€ in millions	2024	2023
Deferred tax assets		
Accounts receivable	64	73
Inventories	124	130
Other current assets	40	109
Property, plant and equipment	59	57
Intangible assets	51	59
Other non-current assets	70	56
Lease liabilities	327	413
Provisions and other liabilities	232	266
Benefit obligations	87	74
Losses carried forward from prior years	81	132
Deferred tax assets	**1,135**	**1,369**
Deferred tax liabilities		
Accounts receivable	30	22
Inventories	5	5
Other current assets	23	45
Property, plant and equipment	525	529
Intangible assets	357	359
Other non-current assets	9	29
Right-of-use assets	302	387
Provisions and other liabilities	100	164
Deferred tax liabilities	**1,351**	**1,540**
Net deferred tax assets/liabilities	**-216**	**-171**

Deferred tax assets arise from €228 million current and €182 million non-current assets as well as from €372 million short-term and €353 million long-term liabilities. Deferred tax liabilities arise from €58 million current and €1,190 million non-current assets as well as from €26 million short-term and €77 million long-term liabilities.

In the consolidated statement of financial position, the net amounts of deferred tax assets and liabilities are included as follows:

€ in millions	2024	2023
Deferred tax assets	411	360
Deferred tax liabilities	627	531
Net deferred tax assets/liabilities	**-216**	**-171**

The change in the balance of deferred tax assets and deferred tax liabilities does not equal the deferred tax expense/benefit. This is due to deferred taxes that are booked directly to equity, the effects of exchange rate changes on tax assets and liabilities denominated in currencies other than euro and the acquisition and disposal of entities as part of ordinary activities.

The total amount of temporary differences in connection with investments in subsidiaries, branches and associates as well as interests in joint ventures for which no deferred tax liabilities were recognized amounted to €161 million as of December 31, 2024 (2023: €150 million).

Net operating losses

The expiration of net operating losses as of December 31, 2024 is as follows:

for the fiscal years	€ in millions
2025	32
2026	33
2027	24
2028	86
2029	86
2030	92
2031	0
2032	1
2033	0
2034 and thereafter	8
Total	**362**

The expiration of net operating losses as of December 31, 2023 was as follows:

for the fiscal years	€ in millions
2024	28
2025	32
2026	45
2027	27
2028	110
2029	85
2030	93
2031	0
2032	1
2033 and thereafter	10
Total	**431**

The total remaining operating losses of €2,007 million (2023: €1,644 million) can mainly be carried forward for an unlimited period. The total amount of the existing operating losses as of December 31, 2024 includes an amount of €1,923 million (2023: €1,429 million) that will probably not be realizable. For these operating losses, deferred tax assets were not recognized.

Based upon the level of historical taxable income and projections for future taxable income, the Management of the Fresenius Group believes it is more likely than not that the Fresenius Group will realize the benefits of these deductible differences, net of the existing valuation allowances, at December 31, 2024.

12. NONCONTROLLING INTERESTS

As of December 31, noncontrolling interests in net income in the Fresenius Group were as follows:

€ in millions	2024	2023
Noncontrolling interests in Fresenius Vamed	-100	-139
Noncontrolling interests in the business segments		
Fresenius Kabi	52	52
Fresenius Helios	13	-24
Fresenius Vamed	1	1
Total noncontrolling interests	**-34**	**-110**

In 2024 and 2023, the negative results of the noncontrolling interests of Fresenius Vamed resulted from the Vamed exit as well as from transformation expenses. The negative results of Fresenius Helios in 2023 arose from the impairment for the Eugin group recognized in accordance with IFRS 5 in 2023.

13. GOVERNMENT GRANTS

In fiscal year 2024, the German clinics of the Fresenius Group received government compensation payments and reimbursements in the amount of €49 million (2023: €304 million) to compensate for increased energy prices and costs indirectly caused by the increase in energy prices. In the consolidated statement of income, a pro rata amount of approximately €146 million (2023: €201 million) was realized also from the payments already received in 2023.

14. EARNINGS PER SHARE

The following table shows the earnings per share:

	2024	2023
Numerators, € in millions		
Net income from continuing operations attributable to shareholders of Fresenius SE & Co. KGaA	901	398
Net income from deconsolidated Fresenius Medical Care operations under IFRS 5 attributable to shareholders of Fresenius SE & Co. KGaA	n.a.	-947
Net income from discontinued operations attributable to shareholders of Fresenius SE & Co. KGaA	-430	-45
Net income attributable to shareholders of Fresenius SE & Co. KGaA	471	-594
Denominators in number of shares		
Weighted average number of ordinary shares outstanding	563,237,277	563,237,277
Earnings per share from continuing operations in €	**1.60**	**0.71**
Earnings per share from deconsolidated Fresenius Medical Care operations under IFRS 5 in €	n.a.	-1.68
Earnings per share from discontinued operations in €	-0.76	-0.08
Total earnings per share in €	**0.84**	**-1.05**

In 2024 and 2023, there were no dilutive effects from stock options issued on earnings per share.

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

15. CASH AND CASH EQUIVALENTS

As of December 31, cash and cash equivalents were as follows:

€ in millions	2024	2023
Cash	2,042	2,487
Time deposits and securities (with a maturity of up to 90 days)	240	75
Total cash and cash equivalents	**2,282**	**2,562**

As of December 31, 2024 and December 31, 2023, earmarked funds of €236 million and €273 million, respectively, were included in cash and cash equivalents.

The Fresenius Group operates 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 Fresenius Group. The Fresenius Group met the conditions to offset balances within this cash pool for reporting purposes. At December 31, 2024, €17 million (December 31, 2023: €9 million) of the cash balances and the equivalent amount of the overdraft balances were offset. Before this offset, cash and cash equivalents as of December 31, 2024 were €2,299 million (December 31, 2023: €2,571 million) and short-term debt was €763 million (December 31, 2023: €1,070 million.

16. TRADE ACCOUNTS AND OTHER RECEIVABLES

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

€ in millions	2024	2023
Trade accounts and other receivables	3,816	4,021
less allowances for expected credit losses	316	348
Trade accounts and other receivables, net	**3,500**	**3,673**

Within trade accounts and other receivables (before allowances) as of December 31, 2024, €3,816 million (December 31, 2023: €4,019 million) relate to revenue from contracts with customers as defined by IFRS 15. This amount includes €316 million (December 31, 2023: €347 million) of allowances for expected credit losses. Trade accounts and other receivables from other revenue were recorded in an immaterial amount.

All trade accounts and other receivables are due within one year. Trade accounts and other receivables with a term of more than one year in the amount of €26 million (2023: €43 million) are included in other non-current assets.

The following table shows the development of the allowances for expected credit losses during the fiscal year:

€ in millions	2024	2023
Allowances for expected credit losses at the beginning of the year	**348**	**473**
Change in valuation allowances as recorded in the consolidated statement of income	2	100
Write-offs and recoveries of amounts previously written-off	-10	1
Foreign currency translation	-5	5
Reclassifications to "Assets related to Fresenius Medical Care to be deconsolidated under IFRS 5“	n.a.	-211
Reclassifications to „Assets held for sale“	-19	-20
Allowances for expected credit losses at the end of the year	**316**	**348**

The valuation allowances as recorded in the consolidated statement of income in fiscal year 2023 were mainly attributable to revaluations as a result of the Vamed transformation. Further allowances for expected credit losses are included in other assets (see notes 18, Other financial assets, and 19, Other assets). As of December 31, 2024, the Fresenius Group had total allowances for expected credit losses of €465 million (2023: €501 million).

The following table shows the credit risk rating grades of trade accounts receivable and their allowances for expected credit losses:

€ in millions	December 31, 2024 Total	thereof overdue[1]	thereof credit impaired[2]	December 31, 2023 Total	thereof overdue[1]	thereof credit impaired[2]
Trade accounts and other receivables	3,816	1,353	389	4,021	1,598	411
less allowances for expected credit losses	316	293	254	348	300	286
Trade accounts and other receivables, net	**3,500**	**1,060**	**135**	**3,673**	**1,298**	**125**

[1] Receivables are classified as overdue from the first day of exceeding the contractually agreed payment term.
[2] In case of objective evidence of a detrimental impact on the estimated future cash flows of a financial asset, the asset is considered to be credit impaired. This is generally the case after more than 360 days overdue, at the latest.

17. INVENTORIES

As of December 31, inventories consisted of the following:

€ in millions	2024	2023
Raw materials and purchased components	883	898
Work in process	274	279
Finished goods	1,589	1,472
less reserves	173	132
Inventories, net	**2,573**	**2,517**

In 2024 and 2023, there were no reversals of write-downs.

The companies of the Fresenius Group are obliged to purchase approximately €496 million of raw materials and purchased components under fixed terms, of which €317 million was committed at December 31, 2024 for 2025. The terms of these agreements run one to four years.

18. OTHER FINANCIAL ASSETS

As of December 31, other financial assets were comprised of the following according to the categorization of the financial instruments:

€ in millions	2024	2024 thereof short-term	2023	2023 thereof short-term
Compensation receivable resulting from German hospital law	1,281	1,281	1,360	1,360
Long-term loans	187	33	41	18
Deposits	32	8	60	9
Derivative financial instruments	27	12	42	33
Equity investments	16	–	35	–
Other assets	305	88	326	84
Other financial assets, net	**1,848**	**1,422**	**1,864**	**1,504**
Allowances	124	78	103	–
Other financial assets, gross	**1,972**	**1,500**	**1,967**	**1,504**

The compensation receivable resulting from German hospital law mainly relates to income equalization claims for hospital services.

19. OTHER ASSETS

As of December 31, other assets were comprised of the following:

€ in millions	**2024**	**thereof short-term**	2023	thereof short-term
Accounts receivable resulting from German hospital law	264	202	343	325
Contract assets	178	178	353	353
Tax receivables	127	105	140	122
Advance payments	83	82	77	77
Prepaid expenses	80	44	87	58
At equity investments	54	–	21	–
Prepaid rent and insurance	9	9	10	10
Other assets	581	525	644	588
Other assets, net	**1,376**	**1,145**	**1,675**	**1,533**
Allowances	25	24	50	20
Other assets, gross	**1,401**	**1,169**	**1,725**	**1,553**

Contract assets mainly related to long-term production contracts for which revenue is recognized over time. The decrease in fiscal year 2024 is mainly due to the exit from Fresenius Vamed. In addition, as of December 31, 2024, allowances for expected credit losses of €6 million (2023: €4 million) had to be recognized.

The accounts receivable resulting from German hospital law contain approved but not yet received earmarked subsidies of the Fresenius Helios operations. The approval is evidenced in a letter written by the granting authorities that Fresenius Helios has already received.

20. PROPERTY, PLANT AND EQUIPMENT

As of December 31, the acquisition and manufacturing costs as well as accumulated depreciation of property, plant and equipment consisted of the following:

ACQUISITION AND MANUFACTURING COSTS

€ in millions	As of January 1, 2024	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to „Assets held for sale“	**As of December 31, 2024**
Land	804	1	-1	3	8	-6	-32	777
Buildings and improvements	6,312	36	-58	158	503	-28	-617	6,306
Machinery and equipment	5,889	65	-10	221	549	-141	-238	6,335
Construction in progress	1,903	24	–	391	-1,106	-22	-43	1,147
Property, plant and equipment	**14,908**	**126**	**-69**	**773**	**-46**	**-197**	**-930**	**14,565**

DEPRECIATION

€ in millions	As of January 1, 2024	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to „Assets held for sale“	**As of December 31, 2024**
Land	18	1	–	3	0	0	-1	21
Buildings and improvements	2,203	7	-60	221	20	-23	-240	2,128
Machinery and equipment	3,717	27	-11	435	-10	-132	-187	3,839
Construction in progress	6	0	–	2	0	–	0	8
Property, plant and equipment	**5,944**	**35**	**-71**	**661**	**10**	**-155**	**-428**	**5,996**

ACQUISITION AND MANUFACTURING COSTS

€ in millions	As of January 1, 2023	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Disposals	Disposals	**As of December 31, 2023**
Land	891	-1	–	3	7	-14	-68	-14	804
Buildings and improvements	10,233	-83	-4	106	539	-17	-4,382	-80	6,312
Machinery and equipment	11,703	-132	-32	468	368	-128	-6,266	-92	5,889
Construction in progress	2,445	-40	–	624	-759	-11	-353	-3	1,903
Property, plant and equipment	**25,272**	**-256**	**-36**	**1,201**	**155**	**-170**	**-11,069**	**-189**	**14,908**

DEPRECIATION

€ in millions	As of January 1, 2023	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to "Assets related to Fresenius Medical Care to be deconsolidated under IFRS 5"	Reclassifications to „Assets held for sale"	**As of December 31, 2023**
Land	19	-3	–	0	4	-1	-1	0	18
Buildings and improvements	4,832	-4	-24	345	9	-19	-2,889	-47	2,203
Machinery and equipment	7,501	-81	-29	666	-12	-44	-4,257	-27	3,717
Construction in progress	1	0	–	5	–	0	0	0	6
Property, plant and equipment	**12,353**	**-88**	**-53**	**1,016**	**1**	**-64**	**-7,147**	**-74**	**5,944**

CARRYING AMOUNTS

€ in millions	**December 31, 2024**	December 31, 2023
Land	756	786
Buildings and improvements	4,178	4,109
Machinery and equipment	2,496	2,172
Construction in progress	1,139	1,897
Property, plant and equipment	**8,569**	**8,964**

Depreciation and impairments on property, plant and equipment for fiscal years 2024 and 2023 amounted to €661 million and €1,016 million, respectively and included impairments of €65 million (2023: €53 million). Impairments mainly related to equipment as well as to buildings and improvements. Costs of revenue, selling expenses, general and administrative expenses and research and development expenses comprise depreciation expense and impairments of €653 million (2023: €586 million (restated for Fresenius Vamed)) depending upon the use of the asset.

Leasing

Machinery and equipment as of December 31, 2024 and 2023 included medical devices which Fresenius Kabi leased to hospitals, patients and physicians under operating leases in an amount of €198 million and €165 million, respectively.

For information on the development of the right-of-use assets, see note 34, Leases.

21. GOODWILL AND OTHER INTANGIBLE ASSETS

As of December 31, the acquisition and manufacturing costs as well as accumulated amortization of intangible assets consisted of the following:

ACQUISITION AND MANUFACTURING COSTS

€ in millions	As of January 1, 2024	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to "Assets held for sale"	**As of December 31, 2024**
Goodwill	15,113	252	19	0	0	-18	-239	15,127
Customer relationships	699	5	–	–	–	–	–	704
Tradenames with finite useful lives	684	2	–	0	–	-1	–	685
Capitalized development costs	1,243	19	0	71	-21	-2	–	1,310
Patents, product and distribution rights	530	32	–	0	0	-4	0	558
Software	982	5	2	85	19	-11	-29	1,053
Technology	448	26	–	–	–	–	–	474
Tradenames with indefinite useful lives	14	0	–	–	–	–	–	14
Other	173	0	0	11	16	-8	-2	190
Goodwill and other intangible assets	**19,886**	**341**	**21**	**167**	**14**	**-44**	**-270**	**20,115**

AMORTIZATION

€ in millions	As of January 1, 2024	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to "Assets held for sale"	**As of December 31, 2024**
Goodwill	24	–	–	18	–	–	–	42
Customer relationships	299	4	–	35	–	–	–	338
Tradenames with finite useful lives	284	1	–	40	–	-1	–	324
Capitalized development costs	396	16	0	50	0	-1	–	461
Patents, product and distribution rights	405	25	–	25	–	-4	0	451
Software	534	3	2	117	0	-10	-23	623
Technology	235	15	–	27	–	–	–	277
Other	89	0	0	13	0	-9	-1	92
Goodwill and other intangible assets	**2,266**	**64**	**2**	**325**	**0**	**-25**	**-24**	**2,608**

ACQUISITION AND MANUFACTURING COSTS

€ in millions	As of January 1, 2023	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to "Assets related to Fresenius Medical Care to be deconsolidated under IFRS 5"	Reclassifications to "Assets held for sale"	**As of December 31, 2023**
Goodwill	31,685	-477	-43	1	-1	-6	-15,624	-422	15,113
Customer relationships	777	-5	0	–	–	–	-73	–	699
Tradenames with finite useful lives	695	-1	–	0	–	–	-10	–	684
Capitalized development costs	1,371	-23	-2	41	-19	-6	-118	-1	1,243
Patents, product and distribution rights	684	-20	0	0	0	-3	-131	0	530
Software	1,832	-11	-2	135	64	-95	-926	-15	982
Technology	1,147	-24	0	0	–	0	-675	–	448
Tradenames with indefinite useful lives	308	-5	–	–	–	–	-248	-41	14
Non-compete agreements	355	-7	0	–	–	-1	-347	–	–
Management contracts	3	–	–	–	–	–	-3	–	–
Other	442	-7	-3	19	3	-10	-265	-6	173
Goodwill and other intangible assets	**39,299**	**-580**	**-50**	**196**	**47**	**-121**	**-18,420**	**-485**	**19,886**

AMORTIZATION

€ in millions	As of January 1, 2023	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to "Assets related to Fresenius Medical Care to be deconsolidated under IFRS 5"	Reclassifications to "Assets held for sale"	**As of December 31, 2023**
Goodwill	195	–	–	24	–	–	-195	–	24
Customer relationships	290	-3	0	37	–	–	-25	–	299
Tradenames with finite useful lives	252	0	–	41	–	–	-9	–	284
Capitalized development costs	362	-9	0	94	0	-3	-48	–	396
Patents, product and distribution rights	500	-15	0	48	–	-3	-125	0	405
Software	836	-5	-2	156	4	-34	-420	-1	534
Technology	469	-9	–	59	–	–	-284	–	235
Non-compete agreements	330	-6	–	4	0	-1	-327	–	–
Management contracts	2	–	–	–	–	–	-2	–	–
Other	235	-3	-3	19	0	-2	-157	0	89
Goodwill and other intangible assets	**3,471**	**-50**	**-5**	**482**	**4**	**-43**	**-1,592**	**-1**	**2,266**

CARRYING AMOUNTS

€ in millions	**December 31, 2024**	December 31, 2023
Goodwill	15,085	15,089
Customer relationships	366	400
Tradenames with finite useful lives	361	400
Capitalized development costs	849	847
Patents, product and distribution rights	107	125
Software	430	448
Technology	197	213
Tradenames with indefinite useful lives	14	14
Other	98	84
Goodwill and other intangible assets	**17,507**	**17,620**

Amortization and impairments on intangible assets amounted to €325 million and €482 million in fiscal years 2024 and 2023, respectively, and include impairments in an amount of €28 million (2023: €104 million). The impairments mainly related to goodwill and capitalized development costs (2023: capitalized development costs, goodwill as well as patents, product and distribution rights). Costs of revenue, selling expenses, general and administrative expenses and research and development expenses comprise depreciation expense and impairments of €323 million (2023: €375 million (restated for Fresenius Vamed)) depending upon the use of the asset.

The split of intangible assets into amortizable and non-amortizable intangible assets is shown in the following tables:

AMORTIZABLE INTANGIBLE ASSETS

	December 31, 2024			December 31, 2023		
€ in millions	**Acquisition cost**	**Accumulated amortization**	**Carrying amount**	Acquisition cost	Accumulated amortization	Carrying amount
Customer relationships	704	338	366	699	299	400
Tradenames	685	324	361	684	284	400
Capitalized development costs	1,310	461	849	1,243	396	847
Patents, product and distribution rights	558	451	107	530	405	125
Software	1,053	623	430	982	534	448
Technology	474	277	197	448	235	213
Other	190	92	98	173	89	84
Total	**4,974**	**2,566**	**2,408**	**4,759**	**2,242**	**2,517**

Fresenius Kabi capitalized development costs in an amount of €849 million at December 31, 2024 (December 31, 2023: €847 million). The amortization was recorded on a straight-line basis over a useful life of 5 to 10 years and amounted to €41 million for fiscal year 2024 (2023: €34 million). Furthermore, in 2024, research and development expenses included impairments of €9 million (2023: €33 million) (see note 7, Research and development expenses). These are included in the preceding amortization tables in the column additions.

NON-AMORTIZABLE INTANGIBLE ASSETS

€ in millions	**December 31, 2024** Acquisition cost	Accumulated amortization	Carrying amount	December 31, 2023 Acquisition cost	Accumulated amortization	Carrying amount
Goodwill	15,127	42	15,085	15,113	24	15,089
Tradenames	14	–	14	14	–	14
Total	**15,141**	**42**	**15,099**	**15,127**	**24**	**15,103**

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Kabi	Fresenius Helios	Fresenius Medical Care	Fresenius Vamed	Corporate	**Fresenius Group**
Carrying amount as of January 1, 2023	**6,307**	**9,073**	**15,791**	**313**	**6**	**31,490**
Additions	–	2	3	1	0	6
Disposals	–	-6	-48	–	–	-54
Impairment loss	–	-22	-2	–	–	-24
Reclassifications	–	–	–	-1	–	-1
Foreign currency translation	-158	1	-321	1	0	-477
Reclassifications to "Assets related to Fresenius Medical Care to be deconsolidated under IFRS 5"	n.a.	n.a.	-15,423	n.a.	-6	-15,429
Reclassifications to "Assets held for sale"	n.a.	-422	n.a.	n.a.	n.a.	-422
Carrying amount as of December 31, 2023	**6,149**	**8,626**	**–**	**314**	**0**	**15,089**
Additions	–	19	–	–	0	19
Disposals	-18	–	–	–	–	-18
Impairment loss	–	–	–	-18	–	-18
Reclassifications	–	–	–	-57	57	–
Foreign currency translation	252	–	–	0	0	252
Reclassifications to "Assets held for sale"	–	–	–	-239	–	-239
Carrying amount as of December 31, 2024	**6,383**	**8,645**	**–**	**–**	**57**	**15,085**

Apart from the deconsolidation of Fresenius Medical Care, foreign currency translation differences were the main reason for a decrease in goodwill in fiscal year 2023.

Based on the impairment tests performed, the Fresenius Group did not record any impairment losses related to goodwill in fiscal years 2024 and 2023 after having compared each CGU's value in use to its carrying amount. In fiscal year 2024, impairments of €18 million were recognized in connection with the decision to scale back the international project business. In fiscal year 2023, impairments in an amount of €22 million were recognized in connection with legal portfolio adjustments.

As of December 31, 2024 and December 31, 2023, the carrying amounts of the other non-amortizable intangible assets were €14 million for the cash generating units of Fresenius Kabi.

22. INTERESTS IN ASSOCIATES

Fresenius SE & Co. KGaA owned 32% of the subscribed capital of Fresenius Medical Care AG at the end of fiscal year 2024 and accounts for this investment according to the equity method.

Fresenius Medical Care offers services and products for patients with chronic kidney failure. Dialyzers and dialysis machines are among the most important product lines. In addition, Fresenius Medical Care offers dialysis-related services. This associate is being held as an investment company.

The carrying amount of the investment was €3,639 million at December 31, 2024 (2023: €3,500 million), while the fair value based on the quoted market price of €44.16 per share was €4,168 million.

The income from investments accounted for using the equity method reported in the consolidated statement of income mainly includes the income from the investment in Fresenius Medical Care AG.

The following table contains summarized financial information of Fresenius Medical Care AG. The statement of financial position values include fair value adjustments, the amortization of which is shown in the reconciliation table.

€ in millions	2024	2023
Current assets	7,923	9,063
Non-current assets	23,912	23,725
Short-term liabilities	5,697	6,099
Long-term liabilities	13,138	14,110
Net assets	**13,000**	**12,579**
Net assets of shareholders of Fresenius Medical Care AG	11,314	10,879
Net assets of noncontrolling interests	**1,686**	**1,700**

€ in millions	2024	2023
Revenue	19,336	19,454
Net income	741	732
Other comprehensive income (loss), net	716	-575
Total comprehensive income (loss)	**1,457**	**157**

€ in millions	2024	2023
Carrying amount of investment under the equity method at January 1	**3,500**	**3,552**
Dividends received	-112	–
Proportionate net income attributable to the shareholders of Fresenius Medical Care AG	173	-7
Proportionate other comprehensive income attributable to the shareholders of Fresenius Medical Care AG	204	-36
Proportionate other changes in equity	8	-4
Amortization of the effects of the purchase price allocation through profit or loss	-134	-5
Carrying amount of investment under the equity method at December 31	**3,639**	**3,500**

Via Aceso Topco 1 S.à r.l., Fresenius SE & Co. KGaA owned 30% of Vamed's rehabilitation business at December 31, 2024 and accounts for this investment according to the equity method.

The rehabilitation business which also includes specialized healthcare services in the areas of prevention, acute care and nursing, provides inpatient and outpatient rehabilitation services to patients in various European countries.

The carrying amount of the investment corresponded to its fair value of €45 million at December 31, 2024 (December 31, 2023: n.a.).

Further investments in equity method investees are not material to the Fresenius Group.

23. PROVISIONS

As of December 31, provisions consisted of the following:

€ in millions	2024	2024 thereof short-term	2023	2023 thereof short-term
Personnel expenses	293	155	229	159
Provisions for claims with deductibles	255	32	212	21
Warranties and complaints	232	231	235	233
Interest payable related to income taxes	55	–	49	–
Litigation and other legal risks	44	19	42	22
Other provisions	501	226	555	364
Provisions	**1,380**	**663**	**1,322**	**799**

The following table shows the development of provisions in the fiscal year:

€ in millions	As of January 1, 2024	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Utilized	Reversed	Reclassifications to „Liabilities directly associated with the assets held for sale"	As of December 31, 2024
Personnel expenses	229	1	-3	213	22	-112	-30	-27	293
Provisions for claims with deductible	212	0	–	71	–	-12	-16	0	255
Warranties and complaints	235	0	0	154	–	-122	-29	-6	232
Interest payable related to income taxes	49	0	–	7	–	-1	0	–	55
Litigation and other legal risks	42	-1	3	14	3	-10	-6	-1	44
Other provisions	555	0	-18	234	-25	-115	-107	-23	501
Total	**1,322**	**0**	**-18**	**693**	**–**	**-372**	**-188**	**-57**	**1,380**

Provisions for personnel expenses mainly refer to share-based and other compensation plans, severance payments and jubilee payments.

Other provisions include €82 million in provisions for onerous contracts, mainly from Vamed's project business. €58 million of the provisions for onerous contracts are long-term.

For details regarding litigation and other legal risks, please see note 33, Commitments and contingencies.

24. OTHER FINANCIAL LIABILITIES

As of December 31, other financial liabilities consisted of the following according to the categorization of the financial instruments:

€ in millions	2024	2024 thereof short-term	2023	2023 thereof short-term
Invoices outstanding	844	844	922	922
Put option liabilities	688	14	522	14
Accrued contingent payments outstanding for acquisitions	326	41	397	85
Compensation payable resulting from German hospital law	275	275	212	212
Bonuses and discounts	264	264	272	272
Debtors with credit balances	25	25	31	31
Derivative financial instruments	22	20	15	15
Legal matters, advisory and audit fees	21	21	27	27
Commissions	13	13	21	21
All other liabilities	36	32	51	45
Other financial liabilities	**2,514**	**1,549**	**2,470**	**1,644**

The Fresenius Group, as option writer of existing put options, has potential obligations to purchase noncontrolling interests held by third parties in certain of its consolidated subsidiaries. If these put options were exercised, the Fresenius Group would be required to purchase all or part of third-party owners' noncontrolling interests at the present value of the redemption amount based on the fair value at the time of exercise.

The accrued contingent payments outstanding for acquisitions include €177 million at December 31, 2024 (2023: €237 million) for the acquisition of the biosimilars business as well as €105 million (2023: €104 million) for the acquisition of the Ivenix business and €27 million (2023: €38 million) for the acquisition of the mAbxience business.

25. OTHER LIABILITIES

As of December 31, other liabilities consisted of the following:

€ in millions	2024	2024 thereof short-term	2023	2023 thereof short-term
Personnel liabilities	833	817	895	878
Accounts payable resulting from German hospital law	468	419	502	497
Tax liabilities	225	192	247	214
Contract liabilities	199	173	224	200
Deferred income	68	63	88	72
All other liabilities	553	430	750	616
Other liabilities	**2,346**	**2,094**	**2,706**	**2,477**

Personnel liabilities mainly include liabilities for wages and salaries and social security liabilities.

The accounts payable resulting from German hospital law contain earmarked subsidies received but not yet spent appropriately by Fresenius Helios. The amount not yet spent appropriately is classified as liability.

26. DEBT

As of December 31, debt consisted of the following:

€ in millions	Book value 2024	Book value 2024 thereof short-term	Book value 2023	Book value 2023 thereof short-term
Schuldschein Loans	1,377	–	1,622	246
Fresenius SE & Co. KGaA Commercial Paper	70	70	470	470
Loan from the European Investment Bank	400	400	400	–
Other debt	621	258	765	325
Interest liabilities	18	18	20	20
Debt	**2,486**	**746**	**3,277**	**1,061**

Other short-term debt mainly consists of borrowings by certain entities of the Fresenius Group under lines of credit with commercial banks. The average interest rates on the borrowings at December 31, 2024 and 2023 were 2.10% and 1.08%, respectively.

Schuldschein Loans

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

				Book value € in millions	
	Notional amount	Maturity	Interest rate fixed / variable	**2024**	2023
Fresenius SE & Co. KGaA 2017/2024	€246 million	January 31, 2024	1.40%	–	246
Fresenius SE & Co. KGaA 2023/2026	€309 million	May 29, 2026	4.40%/variable	309	309
Fresenius SE & Co. KGaA 2019/2026	€238 million	September 23, 2026	0.85%/variable	238	238
Fresenius SE & Co. KGaA 2017/2027	€207 million	January 29, 2027	1.96%/variable	206	206
Fresenius SE & Co. KGaA 2023/2028	€405 million	May 30, 2028	4.62%/variable	404	404
Fresenius SE & Co. KGaA 2019/2029	€84 million	September 24, 2029	1.10%	84	84
Fresenius SE & Co. KGaA 2023/2030	€136 million	May 31, 2030	4.77%/variable	136	135
Schuldschein Loans				**1,377**	**1,622**
Interest liabilities				16	20

On May 30, 2023, Fresenius SE & Co. KGaA issued €850 million of sustainability-linked Schuldschein Loans in six tranches with fixed and variable interest rates with maturities of three, five and seven years. The proceeds were used for general corporate purposes including refinancing of existing financial liabilities. The margin is linked to the achievement of sustainability targets in the areas of treatment quality and product safety.

Loan from the European Investment Bank

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

Credit Lines and other sources of liquidity

The syndicated credit facility of Fresenius SE & Co. KGaA in the amount of €2.0 billion which was entered into in July 2021 serves as backup line. As an expression of the company's commitment to integrating sustainability into all aspects of its business, a sustainability component has been embedded in the credit line. In June 2023, the syndicated credit facility was extended by a further year until July 1, 2028. It was undrawn as of December 31, 2024. In addition, further bilateral facilities are available to the Fresenius Group which have not been utilized, or have only been utilized in part, as of the reporting date.

At December 31, 2024, the available borrowing capacity resulting from unutilized credit facilities was approximately €3.0 billion. Thereof, €2.0 billion related to the syndicated credit facility and approximately €1.0 billion to bilateral facilities with commercial banks

In addition, Fresenius SE & Co. KGaA has a commercial paper program in the amount of €1,500 million under which short-term notes can be issued. As of December 31, 2024, the commercial paper program of Fresenius SE & Co. KGaA was utilized in the amount of €70 million.

27. BONDS

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

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

				Book value € in millions	
	Notional amount	Maturity	Interest rate	2024	2023
Fresenius Finance Ireland PLC 2017/2024	€700 million	Jan. 30, 2024	1.50%	–	700
Fresenius Finance Ireland PLC 2021/2025	€500 million	Oct. 1, 2025	0.00%	499	498
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%	698	697
Fresenius Finance Ireland PLC 2021/2028	€500 million	Oct. 1, 2028	0.50%	498	498
Fresenius Finance Ireland PLC 2021/2031	€500 million	Oct. 1, 2031	0.875%	496	496
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%	497	496
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%	500	499
Fresenius SE & Co. KGaA 2022/2025	€750 million	May 24, 2025	1.875%	750	749
Fresenius SE & Co. KGaA 2022/2026	€500 million	May 28, 2026	4.25%	499	498
Fresenius SE & Co. KGaA 2020/2026	€500 million	Sept. 28, 2026	0.375%	498	497
Fresenius SE & Co. KGaA 2020/2027	€750 million	Oct. 8, 2027	1.625%	746	745
Fresenius SE & Co. KGaA 2020/2028	€750 million	Jan. 15, 2028	0.75%	747	746
Fresenius SE & Co. KGaA 2023/2028	CHF275 million	Oct. 18, 2028	2.96%	291	295
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%	497	497
Fresenius SE & Co. KGaA 2024/2029	CHF225 million	Oct. 24, 2029	1.598%	236	–
Fresenius SE & Co. KGaA 2022/2029	€500 million	Nov. 28, 2029	5.00%	497	496
Fresenius SE & Co. KGaA 2022/2030	€550 million	May 24, 2030	2.875%	544	543
Fresenius SE & Co. KGaA 2023/2030	€500 million	Oct. 5, 2030	5.125%	495	494
Fresenius SE & Co. KGaA 2020/2033	€500 million	Jan. 28, 2033	1.125%	498	497
Bonds				**9,486**	**9,941**
Interest liabilities				105	115

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

On October 18, 2023, Fresenius SE & Co. KGaA placed a bond of CHF275 million with a five year maturity.

On October 5, 2023, Fresenius SE & Co. KGaA placed a bond of €500 million with a seven year maturity.

As of December 31, 2024, the bonds issued by Fresenius SE & Co. KGaA in the amount of €500 million and €750 million, which are due on February 15, 2025 and on May 24, 2025, as well as the bond issued by Fresenius Finance Ireland PLC in the amount of €500 million which is due on October 1, 2025, are shown under short-term liabilities in the consolidated statement of financial position.

All bonds of Fresenius Finance Ireland PLC are guaranteed by Fresenius SE & Co. KGaA. Some of the bonds issued may be redeemed prior to their maturity at the option of the issuers at a price of 100% plus accrued interest and a premium calculated pursuant to the terms of the indentures under observance of certain notice periods.

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

28. CONVERTIBLE BONDS

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

29. PENSIONS AND SIMILAR OBLIGATIONS

General

The Fresenius Group recognizes pension costs and related pension liabilities for current and future benefits to qualified current and former employees of the Fresenius Group. Fresenius Group's pension plans are structured in accordance with the differing legal, economic and fiscal circumstances in each country. The Fresenius Group currently has two types of plans, defined benefit and defined contribution plans. In general, plan benefits in defined benefit plans are based on all or a portion of the employees' years of services and final salary. Plan benefits in defined contribution plans are determined by the amount of contribution by the employee and the employer, both of which may be limited by legislation, and the returns earned on the investment of those contributions.

Part of the members of the Management Board of Fresenius Management SE were granted defined contribution pension commitments.

Upon retirement under defined benefit plans, the Fresenius Group is required to pay defined benefits to former employees when the defined benefits become due. Defined benefit plans may be funded or unfunded. The Fresenius Group's major funded defined benefit plans are in Switzerland, the United Kingdom and Austria. Major unfunded defined benefit plans exist in Germany and France.

Actuarial assumptions generally determine benefit obligations under defined benefit plans. The actuarial calculations require the use of estimates. The main factors used in the actuarial calculations affecting the level of the benefit obligations are: assumptions on life expectancy, the discount rate and future salary and benefit levels. Under Fresenius Group's funded plans, assets are set aside to meet future payment obligations. An estimated return on the plan assets is recognized as income in the respective period. Actuarial gains and losses are generated when there are variations in the actuarial assumptions and by differences between the actual and the estimated projected benefit obligations and the return on plan assets for that year. A company's pension liability is impacted by these actuarial gains or losses.

Related to defined benefit plans, the Fresenius Group is exposed to certain risks. Besides general actuarial risks, e.g. the longevity risk and the interest rate risk, the Fresenius Group is exposed to market risk as well as to investment risk.

In the case of Fresenius Group's funded plans, the defined benefit obligation is offset against the fair value of plan assets (deficit or surplus). A pension liability is recognized in the consolidated statement of financial position if the defined benefit obligation exceeds the fair value of plan assets. An asset is recognized and reported under other assets in the consolidated statement of financial position if the fair value of plan assets exceeds the defined benefit obligation and if the Fresenius Group has a right of reimbursement against the fund or a right to reduce future payments to the fund.

Under defined contribution plans, the Fresenius Group pays defined contributions to an independent third party as directed by the employee during the employee's service life which satisfies all obligations of the Fresenius Group to the employee. The employee retains all rights to the contributions made by the employee and to the vested portion of the Fresenius Group paid contributions upon leaving the Fresenius Group.

Defined benefit pension plans

At December 31, 2024, the defined benefit obligation (DBO) of the Fresenius Group of €793 million (2023: €924 million) included €174 million (2023: €241 million) funded by plan assets and €619 million (2023: €683 million) covered by pension liabilities.

The current portion of the pension liability in an amount of €20 million (2023: €18 million) is recognized in the consolidated statement of financial position within other liabilities. The non-current portion of €605 million (2023: €666 million) is recorded as pension liability.

The major part of pension liabilities relates to Germany. At December 31, 2024, 87% of the pension liabilities were recognized in Germany and 12% predominantly in the rest of Europe and North America. 39% of the beneficiaries were located in Germany, 30% in North America and the remainder throughout the rest of Europe and other continents.

75% of the pension liabilities in an amount of €619 million relate to the "Versorgungsordnung der Fresenius-Unternehmen" established in 2016 (Pension Plan 2016) and to pension commitments to former Management Board members. The Pension Plan 2016 applied for most of the German entities of the Fresenius Group for entries up until December 31, 2019 except for Fresenius Helios and the former business segment Fresenius Vamed. For new entrants from January 1, 2020 onwards, a new defined contribution plan applies for these entities. The remaining pension liabilities relate to individual plans from Fresenius Helios entities in Germany and non-German Group entities.

Plan benefits are generally based on an employee's years of service and final salary. Consistent with predominant practice in Germany, the benefit obligations of the German entities of the Fresenius Group are unfunded. The German Pension Plan 2016 does not have a separate pension asset.

Fresenius Group's benefit obligations relating to fully or partly funded pension plans were €178 million. Benefit obligations relating to unfunded pension plans were €615 million.

The following table shows the changes in benefit obligations, the changes in plan assets, the deficit or surplus of the pension plans and the pension liability. Benefits paid as shown in the changes in benefit obligations represent payments made from both the funded and unfunded plans while the benefits paid as shown in the changes in plan assets include only benefit payments from Fresenius Group's funded benefit plans.

The net pension liability has developed as follows:

€ in millions	2024	2023
Benefit obligations at the beginning of the year	**924**	**1,558**
Changes in entities consolidated	3	–
Foreign currency translation	0	1
Service cost	26	59
Past service cost	-2	-2
Settlements	0	0
Net interest cost	31	66
Contributions by plan participants	5	6
Transfer of plan participants	-49	13
Remeasurements	-4	53
Actuarial losses (gains) arising from changes in financial assumptions	5	35
Actuarial losses (gains) arising from changes in demographic assumptions	0	1
Actuarial losses (gains) arising from experience adjustments	-9	17
Benefits paid	-34	-78
Divestments	0	–
Reclassifications to "Liabilities related to Fresenius Medical Care to be deconsolidated under IFRS 5"	n.a.	-751
Reclassifications to „Liabilities directly associated with the assets held for sale“	-107	-1
Benefit obligations at the end of the year	**793**	**924**
thereof vested	586	734

€ in millions	2024	2023
Fair value of plan assets at the beginning of the year	**241**	**473**
Changes in entities consolidated	2	–
Foreign currency translation	0	2
Actual return (cost) on plan assets	13	32
Interest income from plan assets	6	19
Actuarial gains (losses) arising from experience adjustments	7	13
Contributions by the employer	19	23
Contributions by plan participants	6	6
Settlements	0	0
Transfer of plan participants	-1	10
Benefits paid	-17	-49
Reclassifications to "Liabilities related to Fresenius Medical Care to be deconsolidated under IFRS 5"	n.a.	-256
Reclassifications to „Liabilities directly associated with the assets held for sale“	-89	–
Fair value of plan assets at the end of the year	**174**	**241**
Net pension liability as of December 31	**619**	**683**

The plan assets are neither invested in the Fresenius Group nor in related parties of the Fresenius Group.

As of December 31, 2024, and December 31, 2022, the fair value of plan assets relating to individual pension plans exceeded the corresponding benefit obligations by a minor total amount. Furthermore, for the years 2024 and 2023, there were no effects from asset ceiling.

The discount rates for all plans are based upon yields of portfolios of highly rated debt instruments with maturities that mirror the plan's benefit obligation. Fresenius Group's discount rate is the weighted average of these plans based upon their benefit obligations.

The following weighted average assumptions were utilized in determining benefit obligations as of December 31:

in %	2024	2023
Discount rate	3.53	3.52
Rate of compensation increase	2.24	2.39
Rate of pension increase	1.66	1.46

The inflation trend was taken into account in the rate of pension increase.

Mainly changes in the discount factor, as well as inflation and mortality assumptions used for the actuarial computation resulted in actuarial losses in 2024 which increased the fair value of the defined benefit obligation. The actuarial losses of Fresenius Medical Care were reclassified to retained earnings as part of the deconsolidation in the amount of €57 million in fiscal year 2023.

SENSITIVITY ANALYSIS

Increases and decreases in principal actuarial assumptions by 0.5 percentage points would affect the pension liability as of December 31, 2024 as follows:

Development of pension liability € in millions	0.5 pp increase	0.5 pp decrease
Discount rate	-43	46
Rate of compensation increase	9	-8
Rate of pension increase	38	-34

An increase of the mortality rate of 10% would reduce the pension liability by €20 million, while a decrease of 10% would increase the pension liability by €12 million as of December 31, 2024.

The sensitivity analysis was calculated based on the average duration of the pension obligations determined at December 31, 2024. The calculations were performed isolated for each significant actuarial parameter, in order to show the effect on the fair value of the pension liability separately.

FURTHER EXPLANATORY NOTES

Defined benefit pension plans' net periodic benefit costs of €47 million (2023: €50 million) were comprised of the following components:

€ in millions	2024	2023
Service cost	23	25
Net interest cost	24	25
Net periodic benefit cost	**47**	**50**

Net periodic benefit cost is allocated as personnel expense within costs of revenue, selling expenses, general and administrative expenses as well as research and development expenses. The allocation depends upon the area in which the beneficiary is employed.

The fair values of plan assets by categories were as follows:

€ in millions	December 31, 2024 Quoted prices in active markets for identical assets Level 1	December 31, 2024 Significant observable inputs Level 2	December 31, 2024 Significant unobservable inputs Level 3	December 31, 2024 Total	December 31, 2023 Quoted prices in active markets for identical assets Level 1	December 31, 2023 Significant observable inputs Level 2	December 31, 2023 Significant unobservable inputs Level 3	December 31, 2023 Total
Categories of plan assets								
Equity investments	42	–	–	42	69	–	–	69
Index funds[1]	40	–	–	40	32	–	–	32
Other equity investments[2]	2	–	–	2	37	–	–	37
Fixed income investments	56	–	–	56	77	1	–	78
Government securities	18	–	–	18	7	–	–	7
Corporate bonds[3]	28	–	–	28	36	–	–	36
Other fixed income investments[4]	10	–	–	10	34	1	–	35
Other[5]	71	5	–	76	79	15	–	94
Total	**169**	**5**	**–**	**174**	**225**	**16**	**–**	**241**

[1] This category is mainly comprised of funds that track the following indices: MSCI World Equity Index, MSCI World Small Cap and MSCI Emerging Markets.
[2] This category mainly comprises diversified equity portfolios (including Swiss equities, global hedged equities, global equities and emerging market equities).
[3] This category primarily represents investment grade bonds and high-yield bonds.
[4] This category is mainly comprised of obligations in Swiss francs and other foreign currencies, most of which are managed passively.
[5] This category mainly includes cash, money market funds and mortgages.

The following weighted average assumptions were used in determining net periodic benefit cost for the year ended December 31:

in %	2024	2023
Discount rate	4.70	4.85
Rate of compensation increase	2.33	2.70
Rate of pension increase	1.75	1.98

The following table shows the expected benefit payments for the next 10 years:

for the fiscal years	€ in millions
2025	27
2026	29
2027	29
2028	31
2029	32
2030 to 2034	189
Total expected benefit payments	**337**

At December 31, 2024 and at December 31, 2023, the weighted average duration of the defined benefit obligation was 11 years.

The methods and inputs used to measure the fair value of plan assets are as follows:

Index funds are valued based on market quotes.

Other equity investments are valued at their market prices as of the date of the statement of financial position.

Government bonds are valued based on both market prices (Level 1) and market quotes (Level 2).

Corporate bonds and other bonds are valued based on market quotes as of the date of the statement of financial position.

Cash is stated at nominal value which equals the fair value.

Money market funds are valued at their market prices.

Defined contribution plans

Fresenius Group's total expense under defined contribution plans for 2024 was €451 million (2023: €433 million) including the employer's contributions to the statutory pension insurance scheme. Of this amount, €129 million related to contributions by the Fresenius Group to several public supplementary pension funds for employees of Fresenius Helios. This includes €29 million for contributions related to financing the deficit of past service costs.

In accordance with applicable collective bargaining agreements, the Fresenius Group pays contributions for a given number of employees of Fresenius Helios to the Rheinische Zusatzversorgungskasse (a supplementary pension fund) and to other public supplementary pension funds (together referred to as ZVK ÖD) to complement statutory retirement pensions. Given that employees from multiple participating entities are insured by these ZVK ÖDs, these plans are considered Multi-Employer plans.

ZVK ÖDs are defined benefit plans according to IAS 19 since employees are entitled to the statutory benefits regardless of the amounts contributed. The plan assets of the fund necessary to evaluate and calculate the funded status of the Group cannot be obtained from the supplementary pension funds and therefore due to the missing information about future payment obligations, the calculation of a pension liability in accordance with IAS 19 is not possible. Therefore, the obligation is accounted for as defined contribution plan in accordance with IAS 19.34a. The contributions are collected as part of a pay-as-you-go system and are based upon applying a fixed rate to given parts of the employees' gross remuneration.

Paid contributions are accounted for as personnel expenses within costs of revenue, selling expenses as well as general and administrative expenses and amounted to €129 million in 2024 (2023: €116 million). Thereof, €70 million (2023: €67 million) were payments to Rheinische Zusatzversorgungskasse, to Versorgungsanstalt des Bundes und der Länder and to Zusatzversorgungskasse Baden-Württemberg (supplementary pension funds). The Group expects to contribute €135 million (including payments relating to past service costs) in 2025.

30. NONCONTROLLING INTERESTS

As of December 31, noncontrolling interests in the Fresenius Group were as follows:

€ in millions	**2024**	2023
Noncontrolling interests in VAMED Aktiengesellschaft	–	-76
Noncontrolling interests in the business segments		
Fresenius Kabi	659	588
Fresenius Helios	89	120
Fresenius Vamed	0	20
Total noncontrolling interests	**748**	**652**

Accumulated other comprehensive income (loss) allocated to noncontrolling interests mainly relates to currency effects from the translation of financial statements denominated in foreign currencies. For changes in noncontrolling interests, please see the consolidated statement of changes in equity.

31. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

Subscribed Capital

DEVELOPMENT OF SUBSCRIBED CAPITAL

As of January 1, 2024, the subscribed capital of Fresenius SE & Co. KGaA consisted of 563,237,277 bearer ordinary shares.

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

Authorized Capital

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

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

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

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

Conditional Capital

In order to fulfill the subscription right under the current stock option plan 2013 of Fresenius SE & Co. KGaA, Conditional Capital IV exists (see note 39, Share-based compensation plans). Another Conditional Capital III exists for the authorization to issue option bearer bonds and/or convertible bonds.

This authorization from May 18, 2018 was revoked by resolution of the Annual General Meeting of Fresenius SE & Co. KGaA on May 13, 2022 and replaced by an identical new Conditional Capital III with a five-year term.

Accordingly, the general partner is authorized, with the approval of the Supervisory Board, until May 12, 2027, to issue option bearer bonds and/or convertible bearer bonds, once or several times, for a total nominal amount of up to €2.5 billion. To fulfill the granted subscription rights, the subscribed capital of Fresenius SE & Co. KGaA is increased conditionally by up to €48,971,202 through issuing of up to 48,971,202 new bearer ordinary shares. The conditional capital increase shall only be implemented to the extent that the holders of cash issued convertible bonds or of cash issued warrants from option bonds exercise their conversion or option rights and as long as no other forms of settlement are used. The new bearer ordinary shares shall participate in the profits from the start of the fiscal year in which they are issued.

The new Conditional Capital III became effective upon registration with the commercial register on July 5, 2022.

The Conditional Capital did not change in 2024. It was composed as follows as of December 31, 2024:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003 (expired)	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008 (expired)	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	22,824,857
Total Conditional Capital as of December 31, 2024	**79,984,079**

Capital reserves

Capital reserves are comprised of the premium paid on the issue of shares and the exercise of stock options (additional paid-in capital) as well as changes relating to transactions with noncontrolling interests without loss of control.

Other reserves

Other reserves are comprised of earnings generated by Group entities in prior years to the extent that they have not been distributed.

Dividends

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

As the Fresenius Group made use of the governmental compensation and reimbursement payments provided for in the relief package to compensate for additional costs caused by the increase in energy prices in fiscal year 2023, the general partner and the Supervisory Board did not propose a dividend distribution for fiscal year 2023 to the Annual General Meeting of Fresenius SE & Co. KGaA on May 17, 2024. Accordingly, no dividend was paid in fiscal year 2024.

32. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) is comprised of all amounts recognized directly in equity (net of tax) resulting from the currency translation of foreign subsidiaries' financial statements and the effects of measuring financial instruments at their fair value as well as the change in benefit obligation.

Changes in the components of other comprehensive income (loss) in 2024 and 2023 were as follows:

€ in millions	Amount before taxes	Tax effect	Amount after taxes
Positions which will be reclassified into net income in subsequent years			
Cash flow hedges	-11	3	-8
Change in unrealized gains/losses	-3	1	-2
Realized gains/losses due to reclassifications	-8	2	-6
FVOCI debt instruments	24	-4	20
Equity method investees - share of comprehensive income	-24	–	-24
Foreign currency translation	-231	1	-230
Positions which will not be reclassified into net income in subsequent years			
FVOCI equity investments	4	-1	3
Equity method investees - share of comprehensive income	-19	–	-19
Actuarial gains/losses on defined benefit pension plans	137	-38	99
Total changes 2023	**-120**	**-39**	**-159**
Positions which will be reclassified into net income in subsequent years			
Cash flow hedges	14	-4	10
Change in unrealized gains/losses	8	-3	5
Realized gains/losses due to reclassifications	6	-1	5
FVOCI debt instruments	–	–	–
Equity method investees - share of comprehensive income	177	–	177
Foreign currency translation	440	0	440
Positions which will not be reclassified into net income in subsequent years			
FVOCI equity investments	-2	0	-2
Equity method investees - share of comprehensive income	-4	–	-4
Actuarial gains/losses on defined benefit pension plans	16	-5	11
Total changes 2024	**641**	**-9**	**632**

The position "Equity method investees - share of comprehensive income" mainly includes foreign currency translation effects.

OTHER NOTES

33. COMMITMENTS AND CONTINGENCIES

As of December 31, 2024, future investment commitments existed in respect to acquired hospitals, which are projected to amount up to €13 million and relate to the year 2025.

As of December 31, 2023, future investment commitments existed in respect to acquired hospitals, which were projected to amount up to €7 million and related to the year 2024.

In addition to the contractual obligations mentioned above, there are other purchase obligations for services and materials that are used in the ordinary course of business.

Moreover, there are bank guarantees, mainly in connection with the ordinary course of business, particularly Vamed's project business, with a nominal amount in the higher three-digit million euro range.

Legal and regulatory matters

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

GENERAL RISKS

From time to time, the Fresenius Group 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 Fresenius Group's defenses and insurance coverage and, as necessary, provides accruals for probable liabilities for the eventual disposition of these matters.

The Fresenius Group, like other healthcare providers and suppliers, conducts its operations under intense government regulation and scrutiny. For example, the Fresenius Group 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, hospitals and other healthcare facilities, and environmental and occupational health and safety. In case of non-compliance, the Fresenius Group could be subject to significant adverse regulatory actions by the competent supervisory authorities. These regulatory actions could include warning letters or other enforcement notices from health authorities which may require the Fresenius Group to expend significant time and resources in order to implement appropriate corrective actions. If the Fresenius Group does not address matters raised in warning letters or other enforcement notices, these health authorities could take additional actions, primarily product recalls, injunctions against the distribution of products or operation of manufacturing plants, civil penalties, seizures of the Fresenius Group's products and/or criminal prosecution.

By virtue of this regulatory environment, the Fresenius Group'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 Fresenius Group's compliance with applicable laws and regulations. The Fresenius Group may not always be aware that an inquiry or action has begun, particularly in the case of whistleblower actions, which are initially filed under court seal.

The Fresenius Group operates many facilities and handles the personal data of its patients and beneficiaries throughout many parts of the world, and engages with other business associates to help it carry out its healthcare 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. Accordingly, it cannot be ruled out that the Fresenius Group or its business associates may experience breaches of data protection and data security regulations when there has been impermissible use, access, or disclosure of unsecured personal data or when the Fresenius Group 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 Fresenius Group must comply with applicable breach notification requirements.

The Fresenius Group 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 Fresenius Group may identify instances where employees or other agents recklessly or inadvertently contravene internal policies or violate legal regulations. Such conduct by employees can lead to liability on the part of the Fresenius Group or its subsidiaries.

Physicians, hospitals and other participants in the healthcare 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 Fresenius Group 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 Fresenius Group 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 Fresenius Group or one 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 Fresenius Group's reputation and business.

The Fresenius Group 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 Fresenius Group has, when appropriate, asserted its own claims, and claims for indemnification. A successful claim against the Fresenius Group 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 Fresenius Group's reputation and business.

34. LEASES

The Fresenius Group leases land, buildings and improvements, machinery and equipment, as well as IT- and office equipment under various lease agreements.

Leases in the consolidated statement of income

The following table shows the effects from lease agreements on the consolidated statements of income for 2024 and 2023:

€ in millions	2024	2023
Depreciation on right-of-use assets	187	194
Impairments on right-of-use assets	18	1
Expenses relating to short-term leases	28	26
Expenses relating to leases of low-value assets	26	27
Expenses relating to variable lease payments	13	15
Other expenses/income from lease agreements	2	1
Interest expenses on lease liabilities	47	48

Leases in the consolidated statement of financial position

At December 31, the acquisition costs and the accumulated depreciation of right-of-use assets consisted of the following:

ACQUISITION COSTS

€ in millions	As of January 1, 2024	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to "Assets held for sale"	**As of December 31, 2024**
Right-of-use assets: Land	96	0	0	3	0	-5	-28	66
Right-of-use assets: Buildings and improvements	2,326	2	-18	117	24	-103	-524	1,824
Right-of-use assets: Machinery and equipment	250	-1	0	66	4	-46	-31	242
Right-of-use assets	**2,672**	**1**	**-18**	**186**	**28**	**-154**	**-583**	**2,132**

DEPRECIATION

€ in millions	As of January 1, 2024	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to "Assets held for sale"	**As of December 31, 2024**
Right-of-use assets: Land	21	0	0	5	0	-4	-2	20
Right-of-use assets: Buildings and improvements	689	3	-19	158	24	-56	-151	648
Right-of-use assets: Machinery and equipment	144	-1	0	53	4	-39	-18	143
Right-of-use assets	**854**	**2**	**-19**	**216**	**28**	**-99**	**-171**	**811**

ACQUISITION COSTS

€ in millions	As of January 1, 2023	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to "Assets related to Fresenius Medical Care to be deconsoli-dated under IFRS 5"	Reclassifications to "Assets held for sale"	**As of December 31, 2023**
Right-of-use assets: Land	135	0	0	3	0	-4	-38	0	96
Right-of-use assets: Buildings and improvements	8,670	-128	-18	459	-13	-148	-6,407	-89	2,326
Right-of-use assets: Machinery and equipment	566	-7	0	90	-22	-63	-314	0	250
Right-of-use assets	**9,371**	**-135**	**-18**	**552**	**-35**	**-215**	**-6,759**	**-89**	**2,672**

In fiscal year 2023, reclassifications were mainly made to property, plant and equipment as the Fresenius Group purchased previously leased buildings and equipment from the landlords.

DEPRECIATION

€ in millions	As of January 1, 2023	Foreign currency translation	Changes in consolidation	Additions	Reclassifications	Disposals	Reclassifications to "Assets related to Fresenius Medical Care to be deconsoli-dated under IFRS 5"	Reclassifications to "Assets held for sale"	**As of December 31, 2023**
Right-of-use assets: Land	32	0	0	7	0	-2	-16	0	21
Right-of-use assets: Buildings and improvements	3,034	-53	-10	512	-17	-91	-2,666	-20	689
Right-of-use assets: Machinery and equipment	383	-5	0	75	-6	-54	-249	0	144
Right-of-use assets	**3,449**	**-58**	**-10**	**594**	**-23**	**-147**	**-2,931**	**-20**	**854**

CARRYING AMOUNTS

€ in millions	December 31, 2024	December 31, 2023
Right-of-use assets: Land	46	75
Right-of-use assets: Buildings and improvements	1,176	1,637
Right-of-use assets: Machinery and equipment	99	106
Right-of-use assets	**1,321**	**1,818**

Depreciation expense and impairments on right-of-use assets amounted to €216 million for the year ended December 31, 2024 (2023: €594 million) and include impairments in an amount of €18 million (2023: €12 million). Costs of revenue, selling, general and administrative and research and development expenses comprise depreciation expense and impairments of €205 million (2023: €195 million (restated for Fresenius Vamed)) depending upon the area in which the asset is used.

As of December 31, 2024, lease liabilities comprised a current portion of €172 million (2023: €206 million) and a non-current portion of €1,328 million (2023: €1,792 million). In 2024, approximately 75% of the lease liabilities related to Fresenius Helios and approximately 20% to Fresenius Kabi.

Leases in the consolidated statement of cash flows

Total cash outflows from leases were €284 million for the year ended December 31, 2024 (2023: €289 million restated for Fresenius Vamed).

In the consolidated statement of cash flows, the interest component of recognized leases is shown in net cash provided by/used in operating activities, the amortization component is shown in net cash provided by/used in financing activities.

The following potential future cash outflows were not reflected in the measurement of the lease liabilities:

€ in millions	2024	2023
Potential cash outflows from:		
extension options	172	204
purchase options	245	245
leases that the Fresenius Group entered into as a lessee that have not yet begun	35	1
variable lease payments	49	51
penalty payments from the exercise of termination options	10	7

Potential future cash outflows resulting from the exercise of options were not reflected in the measurement of the lease liabilities if the exercise of the respective option was not considered reasonably certain.

35. FINANCIAL INSTRUMENTS

Valuation of financial instruments

CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS

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

	December 31, 2024							
					Relating to no category			
€ in millions	Carrying amount	Amortized cost	Fair value through profit and loss[1]	Fair value through other comprehensive income[2]	Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities	Valuation of continuing involvement
Financial assets								
Cash and cash equivalents	2,282	2,055	227					
Trade accounts and other receivables, less allowances for expected credit losses	3,500	2,931	538	14			0	17
Other financial assets	1,847	1,804	12	10	21			
Financial assets	**7,629**	**6,790**	**777**	**24**	**21**	**–**		**17**
Financial liabilities								
Trade accounts payable	1,359	1,359						
Debt	2,486	2,486						
Lease liabilities	1,500						1,500	
Bonds	9,591	9,591						
Other financial liabilities	2,514	1,447	333		15	688		31
Financial liabilities	**17,450**	**14,883**	**333**	**–**	**15**	**688**	**1,500**	**31**

[1] All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.
[2] The option to measure equity instruments at fair value through other comprehensive income has been exercised. The option has been used for €10 million other investments (included in other financial assets).

In fiscal year 2024, no reclassifications were made between the categories.

	December 31, 2023						
					Relating to no category		
€ in millions	Carrying amount	Amortized cost	Fair value through profit and loss[1]	Fair value through other comprehensive income[2]	Derivatives designated as cash flow hedging instruments at fair value	Put option liabilities measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
Financial assets							
Cash and cash equivalents	2,562	2,512	50				
Trade accounts and other receivables, less allowances for expected credit losses	3,673	3,471	173	1			1
Other financial assets	1,864	1,763	71	16	14		
Financial assets	**8,099**	**7,746**	**294**	**17**	**14**	**–**	**1**
Financial liabilities							
Trade accounts payable	1,488	1,488					
Debt	3,277	3,277					
Lease liabilities	1,998						1,998
Bonds	10,056	10,056					
Convertible bonds	499	499					
Other financial liabilities	2,470	1,491	406		6	522	
Financial liabilities	**19,788**	**16,811**	**406**	**–**	**6**	**522**	**1,998**

[1] All included financial assets and liabilities are mandatorily measured at fair value through profit and loss according to IFRS 9.
[2] The option to measure equity instruments at fair value through other comprehensive income has been exercised. The option has been used for €16 million (included in other financial assets).

In fiscal year 2023, reclassifications between the categories were immaterial.

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	December 31, 2024				December 31, 2023			
		Fair value				Fair value		
€ in millions	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	Carrying amount	Level 1	Level 2	Level 3
Financial assets								
Cash and cash equivalents[1]	227	227			50	50		
Trade accounts and other receivables, less allowances for expected credit losses[1]	551		551		175		175	
Other financial assets[1]								
Equity investments	16		15	1	35		27	8
Derivatives designated as cash flow hedging instruments	21		21		14		14	
Derivatives not designated as hedging instruments	6		6		28		28	
Other financial assets					24			24
Financial liabilities								
Debt	2,486		2,456		3,277		3,252	
Bonds	9,591	9,363			10,056	9,591		
Convertible bonds	–	–			499	498		
Other financial liabilities[1]								
Put option liabilities	688			688	522			522
Accrued contingent payments outstanding for acquisitions	326			326	397			397
Derivatives designated as cash flow hedging instruments	15		15		6		6	
Derivatives not designated as hedging instruments	7		7		9		9	

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

The significant methods and assumptions used to estimate the fair values of financial instruments as well as classification of fair value measurements according to the three-tier fair value hierarchy are as follows:

Cash and cash equivalents include short-term financial investments that are measured at fair value through profit and loss. The fair value of these assets, which are quoted in an active market, is based on price quotations at the date of the consolidated financial statements (Level 1).

Trade accounts receivable from factoring contracts are measured on the basis of observable market information (Level 2).

Equity investments are not held for trading. At initial recognition, the Fresenius Group elected, on an instrument-by-instrument basis, to represent subsequent changes in the fair value of individual strategic investments in other comprehensive income (loss). All equity investments for which changes in fair value are recorded in other comprehensive income (loss) relate to purchases of publicly traded shares or percentage ownership of companies in the health sciences or adjacent fields and are made up of individually non-significant investments. At December 31, 2024, the Fresenius Group held 22 non-listed equity investments (December 31, 2023: 57) with a fair value of €10 million (December 31, 2023: €16 million). In 2024, the Fresenius Group recognized dividends of €394 thousand (2023: €1 million) from these equity investments.

During 2023, due to the deconsolidation of Fresenius Medical Care, gains of €3 million were reclassified from other comprehensive income to retained earnings.

The fair values of equity investments are based on observable market information (Level 2). In addition, other equity investments and other financial assets are classified as Level 3 of the fair value hierarchy. A discounted cash flow model is used for the valuation of these equity investments. The valuation models used to determine the fair value of rental deposit payments that are dependent on the proceeds from realization take into account the present value of the payments made, which are discounted using a risk-adjusted discount rate.

The fair values of major long-term financial instruments are calculated on the basis of market information. Liabilities for which market quotes are available are measured with the market quotes at the reporting date (Level 1). The fair values of the other long-term financial liabilities are calculated at the present value of respective future cash flows. To determine these present values, the prevailing interest rates and credit spreads for the Fresenius Group as of the date of the statement of financial position are used (Level 2).

The valuation of the put option liabilities is determined using significant unobservable inputs (Level 3). The method for calculating the fair value is described in note 1.III.r, Financial instruments. For the purpose of analyzing the impact of changes in unobservable inputs on the fair value measurement of put option liabilities, the Fresenius Group assumes an increase on earnings of 10% compared to the actual estimation as of the balance sheet date. The corresponding increase in fair value of €93 million is then compared to the total liabilities and the shareholder's equity of the Fresenius Group. This analysis shows that an increase of 10% in the relevant earnings would have an effect of less than 1% on the total liabilities and on the shareholder's equity of the Fresenius Group. At December 31, 2024, 97% of the put option liabilities related to Fresenius Kabi (December 31, 2023: 93%).

Contingent 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 Fresenius Group's expectation of these factors (Level 3). The Fresenius Group assesses the likelihood and timing of achieving the relevant objectives. The underlying assumptions are reviewed regularly.

The following table shows the changes of the fair values of financial instruments classified as Level 3 in fiscal years 2024 and 2023:

€ in millions	Equity investments and other financial assets	Accrued contingent payments outstanding for acquisitions	Put option liabilities
As of January 1, 2023	**85**	**633**	**2,005**
Additions	29	30	25
Disposals	–	-196	-36
Gain/loss recognized in profit or loss	-35	-29	0
Gain/loss recognized in equity	–	–	9
Currency effects and other changes	0	-4	-27
Reclassifications to "Assets/liabilities related to Fresenius Medical Care to be deconsolidated under IFRS 5"	-47	-36	-1,409
Reclassifications to „Liabilities directly associated with the assets held for sale“	–	-1	-45
As of December 31, 2023	**32**	**397**	**522**
Additions	26	1	–
Disposals	-3	-79	-21
Gain/loss recognized in profit or loss	-30	0	1
Gain/loss recognized in equity	–	–	186
Currency effects and other changes	1	7	–
Reclassifications to „Liabilities directly associated with the assets held for sale“	-25	–	–
As of December 31, 2024	**1**	**326**	**688**

The existing derivatives are valued as follows: To determine the fair value of foreign exchange forward contracts, the contracted forward rate is compared to the current forward rate for the remaining term of the contract as of the date of the statement of financial position. To determine the fair value of the cross currency swap, the contracted future cash flows are also compared with the expected future cash flows based on the market data prevailing on the measurement date. The corresponding results are then discounted on the basis of the market interest rates prevailing at the date of the statement of financial position for the respective currency.

Fresenius Group's own credit risk is incorporated in the fair value estimation of derivatives that are liabilities. Counterparty credit risk adjustments are factored into the valuation of derivatives that are assets. The Fresenius Group monitors and analyzes the credit risk from derivative financial instruments on a regular basis. For the valuation of derivative financial instruments, the credit risk is considered in the fair value of every individual instrument. The basis for the default probability are Credit Default Swap Spreads of each counterparty appropriate for the duration. The calculation of the credit risk considered in the valuation is done by multiplying the default probability appropriate for the duration with the expected discounted cash flows of the derivative financial instrument.

For the calculation of the fair value of derivative financial instruments, the Fresenius Group uses market quoted input parameters. Therefore, these are classified as Level 2 in accordance with the defined fair value hierarchy levels.

Derivative financial instruments are marked to market each reporting period, resulting in carrying amounts equal to fair values at the reporting date.

TRANSFERS OF FINANCIAL ASSETS

In connection with Fresenius Helios hospitals, factoring agreements have been concluded with banks since 2022 for the sale of receivables from the provision of healthcare services, the outstanding volume of which amounted to €487 million as of December 31, 2024.

The assessment of the risks arising from the receivables sold is based on the credit risk (default risk) and the risk of late payment (late payment risk). The credit risk is transferred in full to the buyers. The late payment risk remains fully with the Fresenius Group. Substantial risks and rewards were allocated between the Fresenius Group and the buyers. The Fresenius Group continues to account for the receivables transferred at the amount of its continuing involvement, i.e. the maximum amount for which it remains liable for the late payment risk inherent in the receivables sold, and recognizes a corresponding associated liability reported as liabilities to credit institutions. The carrying amount of the continuing involvement from the receivables sold as of the reporting date is €17 million (December 31, 2023: €27 million). The carrying amount of the associated liability is €31 million (December 31, 2023: €45 million) and the fair value of the associated liability expensed is €14 million (December 31, 2023: €18 million). The Fresenius Group continues to perform collection (servicing) for the transferred receivables without being remunerated for this service. Since existing structures within the Fresenius Group are used for this service and the expense attributable to the program is immaterial, no separate servicing liability was recognized.

In addition, the Fresenius Group has other programs for the sale of trade accounts receivable and receivables from the provision of healthcare services under which substantially all risks and rewards are transferred to the buyers of the receivables.

FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

€ in millions	**December 31, 2024**		December 31, 2023	
	Assets	**Liabilities**	Assets	Liabilities
Interest rate contracts (current)	–	2	–	–
Foreign exchange contracts (current)	7	13	5	6
Foreign exchange contracts (non-current)	14	0	9	–
Derivatives in cash flow hedging relationships	**21**	**15**	**14**	**6**
Foreign exchange contracts (current)	6	6	28	9
Foreign exchange contracts (non-current)	0	1	0	0
Derivatives not designated as hedging instruments	**6**	**7**	**28**	**9**

Derivatives not designated as hedging instruments, which are derivatives that do not qualify for hedge accounting, are also solely entered into to hedge economic business transactions and not for speculative purposes.

The current portion of derivatives indicated as assets in the preceding table is recognized under current assets within other financial assets in the consolidated statement of financial position, while the current portion of those indicated as liabilities is included in other financial liabilities under short-term liabilities. The non-current portions indicated as assets or liabilities are recognized under non-current assets within other financial assets or under long-term liabilities within other financial liabilities, respectively.

To reduce the credit risk arising from derivatives, the Fresenius Group concluded master netting agreements with banks. Through such agreements, positive and negative fair values of the derivative contracts could be offset against one another if a partner becomes insolvent. This offsetting is valid for transactions where the aggregate amount of obligations owed to and receivable from are not equal. If insolvency occurs, the party which owes the larger amount is obliged to pay the other party the difference between the amounts owed in the form of one net payment.

These master netting agreements do not provide a basis for offsetting the fair values of derivative financial instruments in the consolidated statement of financial position as the offsetting criteria under International Financial Reporting Standards are not satisfied.

At December 31, 2024 and December 31, 2023, the Fresenius Group had €25 million and €39 million of derivative financial assets subject to netting arrangements and €19 million and €14 million of derivative financial liabilities subject to netting arrangements. Offsetting these derivative financial instruments would have resulted in net assets of €19 million and €32 million as well as net liabilities of €13 million and €7 million at December 31, 2024 and December 31, 2023, respectively.

EFFECTS OF FINANCIAL INSTRUMENTS RECORDED IN THE CONSOLIDATED STATEMENT OF INCOME

In 2024, the net gains and losses from financial instruments consisted of allowances for expected credit losses (including recoveries) in an amount of €2 million (2023: €41 million) and expenses from foreign currency transactions of €60 million (2023: €59 million). In 2024, interest income of €115 million resulted mainly from interest income on receivables, while in 2023, interest income of €121 million resulted mainly from interest income on receivables and from discounting effects. In 2024 and in 2023, interest expense of €547 million and €519 million, respectively, resulted mainly from Fresenius Group's financial liabilities, which are recognized at amortized cost, from interest expenses in connection with the addition of interest accruals on tax positions and from accrued contingent payments outstanding for acquisitions. Moreover, €47 million (2023: €48 million) related to lease liabilities.

During 2024, the Fresenius Group recognized net losses of €5 million (2023: net losses of €32 million) from changes in the fair value of equity investments, debt instruments and other financial assets that are measured at fair value through profit and loss within other operating income and expenses and net interest. In 2024, income of €30 million (2023: €29 million) resulted from operating leases. In 2023, income of €29 million resulted from the valuation of accrued contingent payments outstanding for acquisitions.

Income and expense from financial instruments recorded in other comprehensive income (loss) related to derivatives in cash flow hedging relationships and to equity investments and debt instruments measured at fair value through other comprehensive income.

The changes of cash flow hedges in accumulated other comprehensive income (loss) before tax for the years 2024 and 2023 are as follows:

EFFECT OF DERIVATIVES ON THE ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	2024				
	Cash Flow Hedge Reserve		Costs of Hedging Reserve		
€ in millions	Changes of the unrealized gains/losses in other comprehensive income (loss)	Reclassifications from other comprehensive income (loss)[1]	Changes of the unrealized gains/losses in other comprehensive income (loss)	Reclassifications from other comprehensive income (loss)[1]	Affected line item in the consolidated statement of income/consolidated statement of financial position
Interest rate contracts	-2	–	n.a.	n.a.	Interest income/expense
Foreign exchange contracts	9	3	1	3	
thereof		–		0	Revenue
		-2		–	Costs of revenue
		0		–	General and administrative expenses
		5		1	Other operating income/expenses
		–		2	Interest income/expenses
Derivatives in cash flow hedging relationships	**7**	**3**	**1**	**3**	

	2023				
	Cash Flow Hedge Reserve		Costs of Hedging Reserve		
€ in millions	Changes of the unrealized gains/losses in other comprehensive income (loss)	Reclassifications from other comprehensive income (loss)[1]	Changes of the unrealized gains/losses in other comprehensive income (loss)	Reclassifications from other comprehensive income (loss)[1]	Affected line item in the consolidated statement of income/consolidated statement of financial position
Foreign exchange contracts	-1	-10	-2	2	
thereof		–		0	Revenue
		0		–	Costs of revenue
		0		0	General and administrative expenses
		-17		2	Other operating income/expenses
		–		0	Interest income/expenses
		7		–	Net income from deconsolidated Fresenius Medical Care operations
Derivatives in cash flow hedging relationships	**-1**	**-10**	**-2**	**2**	

[1] In the consolidated statement of income, no gains or losses from ineffectiveness and only immaterial gains/losses from a hedged underlying transaction, that is no longer expected to occur, are recognized. Gains are shown with a negative sign and losses with a positive sign.

The Fresenius Group solely designates the spot element of the foreign exchange forward contracts as hedging instrument in cash flow hedges. Changes of the fair value of derivative financial instruments that are designated as cash flow hedges are recorded and accumulated within other comprehensive income (loss).

The effective portion of changes in fair value of the spot element of the hedging instruments is accumulated in a cash flow hedge reserve within other comprehensive income (loss). The forward points of the foreign exchange forward contract is accounted for as costs of hedging reserve within other comprehensive income (loss).

For all cash flow hedges, except for foreign currency risk associated with forecasted purchases of non-financial assets, the amounts accumulated in the cash flow hedge reserve are reclassified to profit or loss as a reclassification adjustment in the same period as the hedged forecasted cash flows affect profit or loss. For cash flow hedges of foreign currency risk associated with forecasted purchases of non-financial assets, the amounts accumulated in the cash flow hedge reserve are instead included directly in the initial cost of the asset when it is recognized. The same approach applies to the amounts accumulated in the costs of hedging reserve.

EFFECT OF DERIVATIVES ON THE CONSOLIDATED STATEMENT OF INCOME

€ in millions	Gain or loss recognized in the consolidated statement of income		Affected line item in the consolidated statement of income
	2024	2023	
Foreign exchange contracts	5	16	Other operating income/expense
Foreign exchange contracts	-4	-4	Interest income/expense
Derivatives not designated as hedging instruments	**1**	**12**	

In fiscal years 2024 and 2023, gains from foreign exchange contracts not designated as hedging instruments recognized in the consolidated statement of income are faced by losses from the underlying transactions in the corresponding amount.

Market risk

The Fresenius Group is exposed to effects related to foreign exchange fluctuations in connection with its international business activities that are denominated in various currencies. In order to finance its business operations, the Fresenius Group issues bonds and commercial papers and enters into long-term credit agreements and Schuldschein Loans with banks. Due to these financing activities, the Fresenius Group is exposed to interest risk caused by changes in variable interest rates and the risk of changes in the fair value of statement of financial position items bearing fixed interest rates.

In order to manage the risk of interest rate and foreign exchange rate fluctuations, the Fresenius Group enters into certain hedging transactions with financial institutions within the limits approved by the Management Board, which are set depending on the counterparty's rating. The counterparties generally have an investment grade rating. Derivative financial instruments are not entered into for trading purposes.

The Fresenius Group makes sure that hedge accounting relationships are aligned with its Group risk management objectives and strategy and that a qualitative and forward-looking approach is used for assessing hedge effectiveness.

In general, the Fresenius Group conducts its derivative financial instrument activities under the control of a single centralized department. The Fresenius Group has established guidelines derived from best practice standards in the banking industry for risk assessment procedures and supervision concerning the use of financial derivatives.

These guidelines require amongst other things a clear segregation of duties in the areas of execution, administration, accounting and controlling. Risk limits are continuously monitored and, where appropriate, the use of hedging instruments is adjusted to that extent.

The Fresenius Group defines benchmarks for individual exposures in order to quantify interest and foreign exchange risks. The benchmarks are derived from achievable and sustainable market rates. Depending on the individual benchmarks, hedging strategies are determined and implemented.

The Fresenius Group makes sure there is an economic relationship between the hedged item and the hedging instrument and ensures reasonable hedge ratios of the designated hedged items with interest and currency risks. This is achieved by matching to a large extent the critical terms of the interest and foreign exchange derivatives with the critical terms of the underlying exposures. Therefore, the earnings of the Fresenius Group were not materially affected by hedge ineffectiveness in the reporting period. In principle, sources of inefficiency are risk of credit default and time lags of underlying exposures.

FOREIGN EXCHANGE RISK MANAGEMENT

The Fresenius Group has determined the euro as its financial reporting currency. Therefore, foreign exchange translation risks resulting from the fluctuation of exchange rates between the euro and the local currencies, in which the financial statements of the foreign subsidiaries are prepared, have an impact on results of operations and financial positions reported in the consolidated financial statements.

On October 24, 2024, the Fresenius Group has designated a net investment hedge with the net assets of a subsidiary with CHF as functional currency (hedged item) and the CHF bond issued in 2024 with a notional volume of CHF225 million (€239 million) (hedging instrument). As of December 31, 2024, the carrying amount of the bond was €236 million and the remaining term to maturity 58 months. Ineffectiveness is unlikely if the nominal amount of the hedge does not exceed that of the hedged item, as both the hedged item and the hedging instrument are revaluated based on the spot rate. The nominal amount of the hedged item is reviewed continuously. If it falls below the nominal amount of the hedge, the effects from the portion of the hedge that exceeds the underlying transaction are prospectively recognized as ineffectiveness in the consolidated statement of income. As of December 31, 2024, gains from foreign currency translation of the bond of €1 million (net of tax) were recognized in accumulated other comprehensive income (loss) under foreign currency translation. These effects are offset within other comprehensive income by the foreign currency translation effects of the net assets.

Besides translation risks, foreign exchange transaction risks exist. These mainly relate to transactions denominated in foreign currencies, such as purchases and sales, projects and services as well as intragroup sales of products to other Fresenius Group entities in different currency areas. Therefore, the subsidiaries are affected by changes of foreign exchange rates between the invoicing currencies and the local currencies in which they conduct their businesses. Solely for the purpose of hedging existing and foreseeable foreign exchange transaction exposures, the Fresenius Group applies appropriate financial instruments.

In connection with the issuance of the CHF bond in October 2023 and the resulting cash-effective foreign exchange risks, the foreign exchange risks were hedged by concluding a cross currency swap simultaneously. As of December 31, 2024, the notional volume of the cross currency swap was CHF275 million (€292 million) (December 31, 2023: CHF275 million (€297 million)), its fair value amounted to €12 million (December 31, 2023: €8 million) with a remaining term to maturity of 46 months.

For loans in foreign currencies, the Fresenius Group enters into foreign exchange swap contracts. The Fresenius Group solely designates the spot element of the foreign exchange forward contract as hedging instrument in cash flow hedges and uses a hedge ratio for designated risks of 1 : 1. The fair value of foreign exchange contracts designated as cash flow hedges used to hedge operating transaction risks was -€7 million (December 31, 2023: -€1 million) and in relation with loans in foreign currencies €2 million (December 31, 2023: €1 million).

As of December 31, 2024, the notional amounts of foreign exchange contracts totaled €1,640 million (December 31, 2023: €2,121 million). Thereof €1,581 million (December 31, 2023: €2,080 million) were due in less than 12 months. As of December 31, 2024, the Fresenius Group was party to foreign exchange contracts with a maximum remaining term to maturity of 46 months. The Fresenius

Group uses a Cash-Flow-at-Risk (CFaR) model in order to estimate and quantify such transaction risks from foreign currencies. The basis for the analysis of the currency risks are the foreign currency cash flows that are reasonably expected to arise within the following 12 months, less any hedges. Under the CFaR approach, the potential currency fluctuations of these net exposures are shown as probability distributions based on historical volatilities and correlations, using the values of the last 50 exchange rates with an interval of 21 trading days. The calculation is made assuming a confidence level of 95% and a holding period of up to one year.

The aggregation of currency risks has risk-mitigating effects due to correlations between the transactions concerned, i. e. the overall portfolio's risk exposure is generally less than the sum total of the underlying individual risks. As of December 31, 2024, the Fresenius Group's cash flow at risk amounted to €31 million based on a net exposure of €1,018 million. This means, with a probability of 95%, a potential loss in relation to the forecasted foreign exchange cash flows of the next 12 months will be not higher than €31 million.

The following table shows the average hedging rates and nominal amounts of foreign exchange contracts for material currency pairs at December 31, 2024.

	Nominal amount in € millions	Average hedging rate
Euro/U.S. dollar	377	1.0790
Euro/Swedish krona	365	11.4426
Euro/Pound sterling	181	0.8383

INTEREST RATE RISK MANAGEMENT

Fresenius Group's interest rate risks mainly arise from money market and capital market transactions of the Group for financing its business activities.

The Fresenius Group applies appropriate financial instruments in order to protect against the risk of rising interest rates. These interest rate derivatives are exclusively designated as cash flow hedges and have been entered into in order to convert payments based on variable interest rates into payments at a fixed interest rate. As of December 31, 2024, the euro denominated interest rate swaps had a notional volume of €400 million. The fair value was -€2 million. The euro interest rate swaps will expire in 2025 and bear interest rates of 2.779% and 2.7885%. As of December 31, 2023, the Fresenius Group had not entered into any interest rate derivatives.

For purposes of analyzing the impact of changes in the relevant reference interest rates on Fresenius Group's results of operations, the Group calculates the portion of financial debt which bears variable interest rates and which has not been hedged by means of interest rate swaps or options against rising interest rates. For this particular part of its liabilities, the Fresenius Group assumes an increase in the reference rates of 0.5% compared to the actual rates as of the date of the statement of financial position. The corresponding additional annual interest expense is then compared to the net income attributable to shareholders of Fresenius SE & Co. KGaA. This analysis shows that an increase of 0.5% in the relevant reference rates would have an effect of approximately 0.5% on the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA and an effect of less than 0.1% on Fresenius SE & Co. KGaA shareholders' equity.

Credit risk

The Fresenius Group is exposed to potential losses regarding financial instruments in the event of non-performance by counterparties. With respect to derivative financial instruments, it is not expected that any counterparty will fail to meet its obligations as the counterparties are highly rated financial institutions (generally investment grade). The maximum credit exposure of derivatives is represented by the fair value of those contracts with a positive fair value amounting to €15 million (December 31, 2023: €34 million) for foreign exchange derivatives. The maximum credit risk resulting from the use of non-derivative financial instruments is defined as the total amount of all receivables. In order to control this credit risk, the Management of the Fresenius Group performs an aging analysis of trade accounts receivable. For details on trade accounts receivable and on the allowances for expected credit losses, please see note 16, Trade accounts and other receivables.

Liquidity risk

The liquidity risk is defined as the risk that a company is potentially unable to meet its financial obligations. The Management of the Fresenius Group manages the liquidity of the Group by means of effective working capital and cash management as well as an anticipatory evaluation of refinancing alternatives. The Management of the Fresenius Group believes that existing credit facilities as well as the cash generated by operating activities and additional short-term and long-term borrowings are sufficient to meet the company's foreseeable demand for liquidity (see note 26, Debt).

The following table shows the future undiscounted contractual cash flows (including interests) resulting from recognized financial liabilities and derivative financial instruments:

	2024				2023			
€ in millions	up to 1 year	1 to 3 years	3 to 5 years	more than 5 years	up to 1 year	1 to 3 years	3 to 5 years	more than 5 years
Non-derivative financial instruments								
Debt[1]	812	1,173	535	145	1,154	1,497	702	246
Lease liabilities	187	301	214	873	233	408	327	1,210
Bonds	1,955	2,790	3,014	2,668	912	3,129	3,266	3,773
Convertible bonds	–	–	–	–	500	–	–	–
Trade accounts payable	1,359	–	–	–	1,488	–	–	–
Other financial liabilities	1,505	4	–	0	1,499	5	1	0
Contingent payments outstanding for acquisitions	41	118	142	59	88	92	171	94
Put option liabilities	14	670	–	7	14	484	18	11
Total non-derivative financial instruments	**5,873**	**5,056**	**3,905**	**3,752**	**5,888**	**5,615**	**4,485**	**5,334**
Derivative financial instruments								
Derivatives designated as cash flow hedging instruments								
Inflow	-374	-18	–	–	-287	-17	-315	–
Outflow	392	18	–	–	299	27	312	–
Net derivatives designated as cash flow hedging instruments	**18**	**–**	**–**	**–**	**12**	**10**	**-3**	**–**
Derivatives not designated as hedging instruments								
Inflow	-558	-18	–	–	-613	-12	–	–
Outflow	564	21	–	–	622	14	–	–
Net derivatives not designated as hedging instruments	**6**	**3**	**–**	**–**	**9**	**2**	**–**	**–**
Total derivative financial instruments	**24**	**3**	**–**	**–**	**21**	**12**	**-3**	**–**
Total non-derivative and derivative financial instruments	**5,897**	**5,059**	**3,905**	**3,752**	**5,909**	**5,627**	**4,482**	**5,334**

[1] Future interest payments for financial liabilities with variable interest rates were calculated using the latest interest rates fixed prior to December 31, 2024.

36. INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. Capital management includes both equity and debt. Principal objectives of Fresenius Group's capital management are to ensure financial flexibility, to maintain the investment grade rating, to limit refinancing risks and to optimize the weighted average cost of capital. Further, it is sought to achieve a balanced mix of equity and debt.

Due to the company's diversification within the health-care sector and the strong market positions of the business segments in global, growing and non-cyclical markets, predictable and sustainable cash flows are generated. They allow a reasonable proportion of debt. Moreover, Fresenius Group's customers are generally of high credit quality.

Measures to strengthen the equity base may also be considered in exceptional cases to ensure long-term growth.

Shareholders' equity and debt have developed as follows:

SHAREHOLDERS' EQUITY

€ in millions	December 31, 2024	December 31, 2023
Shareholders' equity	20,290	19,651
Total assets	43,550	45,284
Equity ratio	46.6%	43.4%

Fresenius SE & Co. KGaA is not subject to any capital requirements provided for in its articles of association. Fresenius SE & Co. KGaA has obligations to issue shares out of the Conditional Capital relating to the exercise of stock options on the basis of the existing 2013 Stock Option Plan (see note 39, Share-based compensation plans).

DEBT

€ in millions	December 31, 2024	December 31, 2023
Debt	13,577	15,830
Total assets	43,550	45,284
Debt ratio	31.2%	35.0%

Assuring financial flexibility is the top priority in the Group's financing strategy. This flexibility is achieved through a broad spread of maturities, a wide range of financing instruments, the investment grade rating and a high degree of diversification of investors and banks. Fresenius Group's maturity profile displays a broad spread of maturities with a high proportion of medium- and long-term financing. In the choice of financing instruments, market capacity, investor diversification, capital cost, and the existing maturity profile are taken into account.

The leverage ratio on the basis of net debt/EBITDA is a key financial figure for the Fresenius Group. As of December 31, 2024, the leverage ratio, calculated on the basis of year-end exchange rates, before special items was 3.0 (December 31, 2023: 3.8).

Fresenius Group's financing strategy is reflected in its investment grade rating. The Fresenius Group is covered by the rating agencies Moody's, Standard & Poor's and Fitch.

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

RATING OF FRESENIUS SE & CO. KGAA

	December 31, 2024	December 31, 2023
Standard & Poor's		
Corporate credit rating	BBB	BBB
Outlook	stable	negative
Moody's		
Corporate credit rating	Baa3	Baa3
Outlook	stable	stable
Fitch		
Corporate credit rating	BBB-	BBB-
Outlook	stable	stable

On June 18, 2024, Standard & Poor's revised the outlook from negative to stable. The corporate credit rating was affirmed at BBB.

On May 16, 2024, Moody's affirmed the corporate credit rating at Baa3 and the outlook at stable.

On August 25, 2023, Fitch revised the outlook from negative to stable. The corporate credit rating was affirmed at BBB-.

On February 27, 2023, Moody's affirmed the Baa3 corporate credit rating and the stable outlook.

On February 24, 2023, Standard & Poor's confirmed Fresenius SE & Co. KGaA's BBB corporate credit rating, the outlook was changed from stable to negative.

37. SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash funds reported in the consolidated statement of cash flows and in the consolidated statement of financial position are comprised of cash on hand, checks, securities and cash at bank which are readily convertible within three months and are subject to insignificant risk of changes in value.

In 2024, Fresenius Helios has used subsidies for investments in property, plant and equipment in the amount of €57 million (2023: €46 million), that were offset in the consolidated statement of cash flows in the item purchases of property, plant and equipment.

Cash paid for acquisitions consisted of the following:

€ in millions	2024	2023
Assets acquired	83	209
Liabilities assumed	-6	–
Noncontrolling interests	–	–
Debt assumed	6	24
Cash paid	**83**	**233**
Cash acquired	-3	–
Total cash paid for acquisitions and investments and purchases of intangible assets	**80**	**233**

As part of the deconsolidation of Fresenius Medical Care, cash and cash equivalents in an amount of €1,303 million were derecognized in 2023.

Proceeds from the sale of subsidiaries were €394 million in 2024 (2023: €1 million) and mainly related to the sale of the Eugin Group and the rehabilitation business of Fresenius Vamed.

The following table shows a reconciliation of debt to cash flow from financing activities in 2024 and 2023:

			Non-cash changes							
€ in millions	January 1, 2024	Cash flow	Assumed as part of acquisitions	Foreign currency translation	Amortization of debt issuance costs	New lease contracts	Interest liabilities	Other[1]	Reclassifications to "Liabilities directly associated with the assets held for sale"	**December 31, 2024**
Debt	3,277	-993	12	9	3	–	138	75	-35	2,486
Lease liabilities	1,998	-181	0	-1	–	186	–	-66	-436	1,500
Bonds	10,056	-667	–	-6	11	–	197	–	–	9,591
Convertible bonds	499	-500	–	–	1	–	–	–	–	–

[1] Under the effective interest method, non-cash changes result from the compounding interest on lease liabilities in the amount of €47 million.

			Non-cash changes								
€ in millions	January 1, 2023	Cash flow	Assumed as part of acquisitions	Foreign currency translation	Amortization of debt issuance costs	New lease contracts	Interest liabilities	Other[1]	Reclassifications to "Liabilities related to Fresenius Medical Care to be deconsolidated under IFRS 5"	Reclassifications to "Liabilities directly associated with the assets held for sale"	**December 31, 2023**
Debt	3,702	657	-40	-24	56	–	144	64	-1,274	-8	3,277
Lease liabilities	6,592	-602	-12	-84	–	553	–	-65	-4,312	-72	1,998
Bonds	16,978	118	–	-51	-52	–	250	203	-7,390	0	10,056
Convertible bonds	491	–	–	–	8	–	–	–	0	0	499

[1] Under the effective interest method, non-cash changes result from the compounding interest on lease liabilities in the amount of €48 million.

Interest payments are included in the consolidated statement of cash flows under net cash provided by operating activities. In fiscal year 2024, cash payments related to interest amounted to €408 million (2023: €370 million).

38. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

General

The Fresenius Group has identified the business segments Fresenius Kabi and Fresenius Helios, which corresponds to the internal organizational and reporting structures (Management Approach) at December 31, 2024.

Due to the exit from Fresenius Vamed, Vamed is no longer a business segment in the internal reporting and is therefore no longer shown in the consolidated segment reporting. The investment in Fresenius Medical care was deconsolidated as of November 30, 2023 and has been accounted for using the equity method since then. Accordingly, the prior year figures in the consolidated statement of income and the consolidated statement of cash flows have been restated and key figures adjusted.

The key data disclosed in conjunction with the consolidated segment reporting correspond to the key data of the internal reporting system of the Fresenius Group. Internal and external reporting and accounting correspond to each other; the same key data and definitions are used.

Sales and proceeds between the segments are indicative of the actual sales and proceeds agreed with third parties. Administrative services are billed in accordance with service level agreements.

The business segments were identified in accordance with IFRS 8, Operating Segments, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions.

The business segments of the Fresenius Group are as follows:

- Fresenius Kabi
- Fresenius Helios

Details on the business segments are shown in note 1. I., Group Structure.

The column Corporate/Other is comprised of the holding functions of Fresenius SE & Co. KGaA and Fresenius Digital Technology GmbH, which provides services in the field of information technology, as well as the former Vamed High-End Services (HES) business unit, which provides services for Fresenius Helios and other hospitals. Furthermore, Corporate/Other includes intersegment consolidation adjustments, all special items (see note 3, Special items) and in net income the at equity results of Fresenius Medical Care and the 30% stake in the rehabilitation business of Fresenius Vamed.

Revenue, EBIT and net income of the business segment Corporate/Other were composed as follows:

€ in millions	2024	2023
Revenue Corporate/Other	**680**	**1,106**
Special items	307	760
Group functions/eliminations	-61	-72
Other business activities	434	418
EBIT Corporate/Other	**-825**	**-1,152**
Special items	-707	-1,083
Group functions/eliminations	-113	-89
Other business activities	-5	20
Net income Corporate/Other	**-1,154**	**-2,047**
Special items	-1,278	-2,137
Group functions/eliminations	-112	-75
Other business activities	-52	-78
Income from investments accounted for using the equity method before special items	288	243

Notes on the business segments

The key figures used by the Management Board to assess segment performance have been selected in such a way that they include all items of income and expenses which fall under the area of responsibility of the business segments. The Management Board is convinced that the most suitable performance indicator is the operating income (EBIT). The Management Board believes that, in addition to the operating income, the figure for earnings before interest, taxes and depreciation/amortization (EBITDA) can also help investors to assess the ability of the Fresenius Group to generate cash flows and to meet its financial obligations.

Depreciation and amortization is presented for property, plant and equipment and intangible assets with definite useful lives of the respective business segment.

Net interest is comprised of interest expenses and interest income.

Net income attributable to shareholders of Fresenius SE & Co. KGaA is defined as earnings after income taxes and noncontrolling interests.

The operating cash flow is the cash provided by/used in operating activities.

The cash flow before acquisitions and dividends is the operating cash flow less net capital expenditure.

Debt is comprised of bank loans, bonds, convertible bonds, lease liabilities, liabilities relating to outstanding payments for acquisitions as well as intercompany liabilities.

Other operating liabilities include the sum of short-term and long-term liabilities, less debt and less liabilities for deferred taxes.

Capital expenditure mainly contains additions to property, plant and equipment, including non-cash effective items.

Acquisitions refer to the purchase of shares in legally independent companies and the acquisition of business divisions and intangible assets (e. g. licenses). The key figures shown with regard to acquisitions present the contractual purchase prices comprising amounts paid in cash (less cash acquired), debt assumed and the issuance of shares, whereas for the purposes of the statement of cash flows, only cash purchase price components less acquired cash and cash equivalents are reported.

The EBITDA margin is calculated as a ratio of EBITDA to revenue.

The EBIT margin is calculated as a ratio of EBIT to revenue.

The return on invested capital (ROIC) is defined as the ratio of EBIT less taxes to the average invested capital. Invested capital is calculated from total assets less deferred tax assets, cash and cash equivalents, trade accounts payable, provisions, other non-interest-bearing liabilities and the carrying amount of the investment in Fresenius Medical Care.

In addition, the key indicators "depreciation and amortization in % of revenue" and "operating cash flow in % of revenue" are also disclosed.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS FROM CONTINUING OPERATIONS

€ in millions	**2024**	2023
Total EBIT of reporting segments	2,607	2,335
Special items	-707	-1,083
General corporate expenses Corporate (EBIT)	-118	-69
Group EBIT	**1,782**	**1,183**
Income from investments accounted for using the equity method	38	-12
Interest expenses	-547	-519
Interest income	115	121
Income before income taxes	**1,388**	**773**

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	**Dec. 31, 2024**	Dec. 31, 2023
Debt	2,486	3,277
Lease liabilities	1,500	1,998
Bonds	9,591	10,056
Convertible bonds	–	499
Debt	**13,577**	**15,830**
less cash and cash equivalents	2,282	2,562
Net debt	**11,295**	**13,268**

Net debt excluding lease liabilities amounted to €9,795 million at December 31, 2024 (December 31, 2023: €11,270 million).

The following table shows the long-lived assets by geographical region:

€ in millions	Dec. 31, 2024	Dec. 31, 2023
Germany	13,316	13,574
Spain	7,611	7,755
Europe (excluding Germany and Spain)	1,144	1,616
North America	7,678	7,551
Asia-Pacific	794	788
Latin America	688	725
Africa	36	35
Total long-lived assets[1]	**31,267**	**32,044**

[1] The aggregate amount of long-lived assets is the sum of non-current assets less deferred tax assets and less other non-current financial assets.

In 2024, the Fresenius Group generated revenue of €8,569 million (2023: €8,109 million) in Germany. Revenue in Spain was €4,761 million (2023: €4,423 million).

In 2024, the segment Fresenius Kabi generated other revenue in the amount of €5 million (2023: €5 million) and Fresenius Helios €23 million (2023: €50 million). All other revenue is revenue from contracts with customers.

39. SHARE-BASED COMPENSATION PLANS

Compensation cost in connection with the share-based compensation plans of the Fresenius Group

The expenses related to cash-settled share-based payment transactions are determined based upon the fair value at measurement date and the number of performance shares or stock awards granted which will be recognized over the vesting period. In 2024, the Fresenius Group recognized expenses of €51 million (2023: €18 million) in connection with cash-settled share-based payment transactions. At December 31, 2024, the Fresenius Group has accrued €71 million (December 31, 2023: €20 million) for its share-based compensation plans.

Share-based compensation plans of Fresenius SE & Co. KGaA

DESCRIPTION OF THE FRESENIUS SE & CO. KGAA SHARE-BASED COMPENSATION PLANS IN PLACE

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

Fresenius Performance Plan 2023 – 2026 (LTIP 2023)

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

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

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

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

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

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

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

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

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

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

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

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

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

For the performance target **reduction of CO2 emissions** defined as **ESG target** for the 2024 and the 2023 grant, 100% target achievement is given if the actual reduction of CO_2 emissions in t CO_2 equivalents achieved in the relevant fiscal year of the performance period compared to the previous year (actual CO_2 reduction) corresponds to a reduction of CO_2 emissions in the amount of the defined percentage of CO_2 emissions in the relevant base year (planned CO_2 reduction). For the 2024 and the 2023 grant, 2020 is the base year. In addition to the planned CO_2 reduction, the Supervisory Board (for the Management Board Plan Participants) and the Management Board (for the Executive Plan Participants) shall each set values that lead to a target achievement of 50% and 250%. If the actual CO_2 reduction is less than the value of the CO_2 emissions in the base year specified for the target achievement of 50%, the target achievement is 0%.

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

LTIP 2018

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

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

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

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

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

For the performance target **Net Income Growth Rate** a level of target achievement of 100% is reached when the same is at least 8% over the four-year performance period. If the growth rate falls below or corresponds to only 5%, the level of target achievement is 0%. If the growth rate is between 5% and 8%, the level of target achievement is between 0% and 100%, while, where the growth rate is between 8% and 20%, the level of target achievement will be between 100% and 200%. Intermediate values are calculated through linear interpolation. The net income is the consolidated net income attributable to shareholders of Fresenius SE & Co. KGaA reported in the consolidated financial statements of Fresenius SE & Co. KGaA prepared in accordance with IFRS, adjusted for extraordinary effects.

The determination of the adjusted net income (adjusted for currency effects) and the change in comparison with the adjusted net income (not adjusted for currency effects) of the previous Fresenius Group fiscal year will be verified in a binding manner by the auditors of Fresenius SE & Co. KGaA on the basis of the audited consolidated financial statements. For the ascertainment of the currency translation effects, all line items of the income statements of the companies that are included in the consolidated financial statements and which have a functional currency other than the reporting currency (euro) of the Fresenius Group are translated with the average exchange rates of the Fresenius Group fiscal year of the consolidated financial statements that are the basis for the comparison.

For the **Total Shareholder Return** performance target, a target achievement of 100% is met when the Total Shareholder Return of Fresenius SE & Co. KGaA in comparison with the Total Shareholder Return of the other companies of the STOXX® Europe 600 Health Care Index achieves an average ranking within the benchmark companies, i. e. exactly in the middle (50th percentile), over the four-year performance period. If the ranking corresponds to the 25th percentile or less, the level of target achievement is 0%. Where the ranking is between the 25th percentile and the 50th percentile, the level of target achievement is between 0% and 100%; and, for a ranking between the 50th percentile and the 75th percentile, between 100% and 200%. Intermediate values will also be calculated through linear interpolation. Total Shareholder Return denotes the percentage change in the stock market price within the performance period including reinvested dividends and all capital measures, whereby capital measures are to be calculated through rounding down to the fourth decimal place.

The ranking values are determined using the composition of STOXX® Europe 600 Health Care on the grant date. For equalization purposes, the relevant market price is the average market price in the period of 60 stock exchange trading days prior to the beginning and end of a performance period; the relevant currency is that of the main stock exchange of a company, which was listed in STOXX® Europe 600 Health Care on the grant date.

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

To calculate the level of overall target achievement, the level of target achievement of the two performance targets is given equal weighting. The total number of performance shares vested on each plan participant is calculated through multiplying the number of performance shares granted by the overall target achievement. The performance targets for the 2018, the 2019 and the 2020 grant were not achieved. Therefore, the performance shares granted in 2018, 2019 and 2020 forfeited.

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

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

LTIP 2013

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

TRANSACTIONS DURING 2024 AND 2023

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

On January 1, 2023, Fresenius SE & Co. KGaA awarded 1,437,322 stock awards under the LTIP 2023, the total fair value at the grant date being €37 million, including 246,336 stock awards valued at €6 million to the members of the Management Board of Fresenius Management SE. The fair value per stock award at the grant date was €25.98.

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

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

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

Stock option transactions are summarized as follows:

Ordinary shares December 31	Number of options	Weighted average exercise price in €	Number of options exercisable
Balance 2022	**3,583,234**	**64.84**	**3,583,234**
exercised	–		
forfeited	156,733	65.35	
expired	1,469,165	60.73	
Balance 2023	**1,957,336**	**67.87**	**1,957,336**
exercised	–		
forfeited	166,895	68.61	
expired	1,425,613	66.03	
Balance 2024	**364,828**	**74.75**	**364,828**

The following table provides a summary of outstanding and exercisable options for ordinary shares at December 31:

Range of exercise prices in €	**December 31, 2024** Number of options	Weighted average remaining contractual life in years	Weighted average exercise price in €	December 31, 2023 Number of options	Weighted average remaining contractual life in years	Weighted average exercise price in €
60.01 – 65.00	749	0.92	64.69	749	1.92	64.69
65.01 – 70.00	–			1,543,138	0.58	66.03
70.01 – 75.00	364,079	0.58	74.77	413,449	1.58	74.77
	364,828	**0.58**	**74.75**	**1,957,336**	**0.79**	**67.87**

At December 31, 2024, the aggregate intrinsic value of exercisable options for ordinary shares was -€15 million (December 31, 2023: -€78 million).

40. RELATED PARTY TRANSACTIONS

Related parties are associated and non-consolidated companies as well as natural and legal persons who can exert a significant influence on the Fresenius Group. These include in particular Fresenius Management SE, the Else Kröner-Fresenius-Stiftung, the members of the Management Board and Supervisory Board and their close family members. Fresenius Management SE is the general partner of Fresenius SE & Co. KGaA and prepares its own consolidated financial statements. The Else Kröner-Fresenius-Stiftung is the sole shareholder of Fresenius Management SE. The shareholder representatives elect the Supervisory Board of Fresenius Management SE during Fresenius Management SE's Annual General Meeting. Commercial relationships exist mainly with the associated companies of Fresenius Medical Care.

In 2024, €20 million (2023: €17 million) were paid to Fresenius Management SE as compensation for the Management Board and the Supervisory Board, general partners' fees and other reimbursements of out-of pocket expenses. At December 31, 2024, there were outstanding liabilities payable to Fresenius Management SE in the amount of €63 million (December 31, 2023: €55 million), consisting mainly of pension obligations and Management Board compensation.

The aforementioned payments are net amounts. In addition, VAT was paid.

As the Fresenius Group made use of the governmental compensation and reimbursement payments provided for in the relief package to compensate for additional costs caused by the increase in energy prices in fiscal year 2023, no dividend was paid to the shareholders of Fresenius SE & Co. KGaA in 2024. In 2023, the Else Kröner-Fresenius-Stiftung was paid the dividends which it is entitled to as a shareholder in the ordinary share capital of Fresenius SE & Co. KGaA.

Relationships with associated companies

After deconsolidation at the end of November 2023, the investment in Fresenius Medical Care has been accounted for using the equity method. As a result, relationships with the former subsidiary and its affiliated companies must be reported as related party transactions.

Fresenius has entered into certain arrangements for services and products as well as leases with Fresenius Medical Care AG or its subsidiaries as described below. Fresenius' terms related to the receivables or payables for these services and products are generally consistent with the normal terms of Fresenius' ordinary course of business transactions with unrelated parties and Fresenius believes that these arrangements reflect fair market terms. Fresenius utilizes various methods to verify the commercial reasonableness of its related party arrangements. Financing arrangements as described 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.

Fresenius has service agreements with companies of the Fresenius Medical Care Group. They include administrative services and IT services. The above-mentioned agreements generally have a term of one to five years.

Fresenius sells products to the Fresenius Medical Care Group and purchases products from Fresenius Medical Care.

Companies of the Fresenius Medical Care Group have rental agreements for real estate with Fresenius, which primarily include premises in Bad Homburg v. d. H. (Germany) and the production sites in Schweinfurt and St. Wendel (Germany). The rental agreements run until the end of 2032.

The effects of these transactions are as follows:

SERVICE AGREEMENTS, PRODUCTS AND OTHER INCOME WITH FRESENIUS MEDICAL CARE

€ in millions	2024	2023
Sales of goods and services	23	26
Other income	122	179
Purchases of goods and services	76	77
Accounts receivable	32	32
Accounts payable	30	44

Fresenius Medical Care received short-term loans from Fresenius and granted short-term loans to Fresenius until February 2023. In February 2023, Fresenius Medical Care discontinued its participation in Fresenius' cash management system, which was previously used to offset certain intercompany receivables and payables with subsidiaries and other related parties. In March 2023, Fresenius Medical Care introduced its own cash management system.

Fresenius SE & Co. KGaA and Fresenius Medical Care AG & Co. KGaA have terminated the unconfirmed revolving credit facility under which Fresenius Medical Care AG & Co. KGaA could draw up to €600 million on a revolving basis as of the date of deconsolidation and change of legal form on November 30, 2023.

When the change of legal form took effect on November 30, 2023, the unsecured loan of €3 million was repaid by the former general partner of Fresenius Medical Care AG & Co. KGaA.

Following the sale of 70% of Fresenius Vamed's rehabilitation business, the 30% investment in the holding company Aceso Topco 1 S.à r.l. is accounted for using the equity method. As a result, relationships with the former subsidiary and its affiliated companies must be reported as related party transactions. Aceso Topco 1 S.à r.l. received a loan of €100 million maturing on September 30, 2036.

41. SUBSEQUENT EVENTS

On February 3, 2025, the Fresenius Group announced that it entered an agreement with Worldwide Hospital Group (WWH), a healthcare company based in Germany, to fully divest Vamed's international project business (Health Tech Engineering, HTE). Closing is expected mid-2025 and subject to the fulfillment of certain closing conditions. The transaction involves the transfer of liquidity and is expected to result in a negative special item amounting up to a low three-digit million euro amount.

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

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

42. COMPENSATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

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

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

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

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

The cash compensation paid to the Management Board for the performance of its responsibilities was €11,374 thousand (2023: €7,939 thousand). Thereof, €5,626 thousand (2023: €7,939 thousand) was not performance-based. The performance-based compensation in fiscal year 2024 amounted to €5,748 thousand. As already described above, the performance-based compensation was not paid out in fiscal year 2023. The short-term performance-based compensation depends on the achievement of targets relating to the net income and the revenue of the Fresenius Group and the business segments as well as on the achievement of sustainability criteria. As a long-term incentive component, the members of the Management Board received 257,773 stock awards of Fresenius SE & Co. KGaA (2023: 242,486) in the equivalent value of €7,282 thousand (2023: €6,300 thousand).

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

In fiscal year 2024, the Fresenius Group recognized expense under continuing operations, according to IFRS, from share-based compensation plans for the Management Board of €5,394 thousand (2023: €3,117 thousand), expenses for pension commitments within the framework of a defined contribution plan for the members of the Management Board of €1,344 thousand (2023: €1,484 thousand) and in fiscal year 2023 expenses for early termination of service agreements of €8,572 thousand. In accordance with IFRS, the total compensation expense for the Management Board recognized in the statement of income under continuing operations amounted to €18,129 thousand (2023: €19,565 thousand). In addition, there were outstanding balances of €7,823 thousand (2023: €2,402 thousand) for members of the Management Board at the end of the fiscal year, mainly for performance-based compensation. Terms and conditions of long-term variable compensation are detailed under note 39, Share-based compensation plans.

The total compensation paid to the Supervisory Board of Fresenius SE & Co. KGaA and its committees was €2,445 thousand in 2024 (2023: €2,446 thousand). The total compensation paid to the Supervisory Board of Fresenius Management SE and its committees was €1,295 thousand in 2024 (2023: €1,295 thousand).

The members of the Supervisory Board receive a fixed compensation, fringe benefits (consisting of reimbursement of expenses and insurance coverage) and, if they perform any duties on the Audit Committee of the Supervisory Board, compensation for this committee activity. At the end of the fiscal year, there were outstanding balances for the compensation of the members of the supervisory boards amounting to €3,740 thousand (2023: €3,741 thousand). In addition, the employee representatives on the Supervisory Board receive a regular salary from their respective employment contracts.

In 2024, based on pension commitments to former members of the Management Board, €1,522 thousand (2023: €13,386 thousand) was paid. The pension obligation according to IFRS for these persons amounted to €49,705 thousand in 2024 (2023: €50,078 thousand).

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

43. AUDITOR'S FEES

In 2024 and 2023, fees for the auditor PricewaterhouseCoopers GmbH, Frankfurt am Main (PwC), and its affiliates were expensed as follows:

€ in millions	2024 Total	2024 Germany	2023 Total	2023 Germany
Audit fees	16	8	28	10
Audit-related fees	4	4	6	4
Tax consulting fees	0	–	0	–
Other fees	0	0	0	–
Total auditor's fees	**20**	**12**	**34**	**14**

Of the total auditor's fees of €34 million in fiscal year 2023, €15 million related to services rendered for Fresenius Medical Care until the deconsolidation on November 30, 2023. Thereof, €4 million related to services provided by PwC in Germany.

The leading auditor has been responsible for the audit of the consolidated financial statements since 2020.

In fiscal years 2024 and 2023, both worldwide and in Germany, audit-related fees and other fees mainly related to the review of non-financial reports, as well as to audit services for the German hospitals of the Fresenius Group.

44. CORPORATE GOVERNANCE

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

45. PROPOSAL FOR THE DISTRIBUTION OF EARNINGS

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

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

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

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

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

The Management Board

M. Sen | P. Antonelli | S. Hennicken

R. Möller | Dr. M. Moser

RESPONSIBILITY STATEMENT

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

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

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

The Management Board

M. Sen | P. Antonelli | S. Hennicken

R. Möller | Dr. M. Moser

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

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

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Fresenius SE & Co. KGaA for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the group management report components named in the "Other information" section.

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

BASIS FOR THE AUDIT OPINIONS

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

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

In our view, the matters of most significance in our audit were as follows:

I. Recognition and measurement of goodwill
II. Financial statement impacts from the discontinuation of the Fresenius Vamed segment

Our presentation of these key audit matters has been structured in each case as follows:

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

Hereinafter we present the key audit matters:

I. Recognition and measurement of goodwill

1. Goodwill totalling €15,085 million (34.6% of the balance sheet total or 74.3% of equity) is reported under the balance sheet item "Goodwill" in the company's consolidated financial statements. Goodwill is subject to an impairment test by the company once a year or on an ad hoc basis in order to determine a possible need for impairment. The impairment test is carried out at the level of the cash-generating units to which the respective goodwill, including additions in the financial year, is allocated individually or as a group. As part of the impairment test, the carrying amount of the respective cash-generating units, including goodwill, is compared with the corresponding recoverable amount. The recoverable amount is generally determined on the basis of the value in use. The measurement is regularly based on the present value of future cash flows of the respective cash-generating units. The present values are determined using discounted cash flow models. The approved budgets for the next three years and projections for years four to ten of the respective cash-generating units form the starting point, which are then extrapolated using assumptions about long-term growth rates. Expectations regarding future market developments and the effects of changes in macroeconomic conditions, including mitigating measures, are also taken into account. Discounting is carried out using the weighted average cost of capital of the respective cash-generating units. No need for impairment was identified as a result of the impairment test.

   The result of this valuation is highly dependent on the executive directors' assessment with regard to the future cash flows of the respective cash-generating units, the discount rate used, the growth rate and other assumptions and is therefore subject to considerable uncertainty, also in light of the changed macroeconomic conditions, including the mitigating measures. Against this background and due to the complexity of the valuation, this matter was of particular significance in the context of our audit.

2. As part of our audit, with the support of our internal valuation specialists, we, among other things, analysed the methodology used to perform the impairment test. In doing so, we also assessed the admissibility of projections beyond the budget period. In addition, we reconciled the future cash flows used in the calculation with the approved budgets for the next three years and with the projections for years four to ten of the respective cash-generating units. We also assessed the appropriateness of the calculation, including the growth rates applied, in particular by reconciling it with the underlying documentation, the expected growth rates of the respective markets and with general and industry-specific market expectations. In this context, we also evaluated the executive directors' assessment of the effects of the changed macroeconomic environment, including the mitigating measures, and analysed their consideration in the respective budgets of the respective cash-generating units and in the corresponding estimates of future cash flows. We also assessed the appropriate consideration of the costs of Group functions. With the knowledge that even relatively small changes in the discount rate used and the growth rates applied can have a significant impact on the amount of the company value determined in this way, we intensively analysed the parameters used to determine the discount rate and the growth rates applied and verified the calculation methods. In order to take account of the existing forecast uncertainties, we reviewed the sensitivity analyses prepared by the company for cash-generating units with low excess cover, performed our own sensitivity analyses and satisfied ourselves that the required disclosures were made in the notes.

   Overall, the estimates made by the executive directors and the measurement parameters and assumptions applied are in line with our expectations and are also within the ranges that we consider to be reasonable.

3. The company's disclosures on the balance sheet item "Goodwill" are contained in section 1. III. o), section 1. IV. a) and section 21 of the notes to the consolidated financial statements.

II. Financial statement impacts from the discontinuation of the Fresenius Vamed segment

1. In the year under review, the Fresenius Group decided on and implemented an single coordinated plan for the gradual, structured exit from the former Fresenius Vamed segment. The rehabilitation and care facilities (rehabilitation business) and the Vamed activities in Austria were sold, the former project business (HTE) will be gradually and orderly wound down and the former high-end services business (HES business) will be transferred to Fresenius. On the basis of this plan, the rehabilitation business and the Vamed activities in Austria were measured in accordance with IFRS 5 and recognised accordingly as discontinued operations, adjusting the previous year's figures in the consolidated income statement. The result from discontinued operations reduces the Group result by €430 million. This is due to the agreed purchase prices for the two business segments. In addition, the Vamed project business had a negative impact of €398 million on the net income attributed to shareholders of Fresenius SE & Co. KGaA. This was due in particular to impairments of goodwill, contract assets, receivables, inventories, loans and investments as well as the recognition of restructuring expenses in consideration of the exit from this business

segment. On February 3, 2025, the Fresenius Group announced the sale of the HTE division to a third party; the transaction is expected to be completed in mid-2025. As a result of the initiated exit, Fresenius Vamed will no longer be reported as a separate reporting segment in the Group segment reporting from the 2024 reporting year. The HES business will initially be reported in the 'Corporate' segment.

Due to the complexity and the far-reaching effects on the assets, liabilities and financial performance of the Fresenius Group as a whole as well as the complex measurement of assets and liabilities, this matter was of particular significance for our audit.

2. As part of our audit, we gained a comprehensive understanding of the plan adopted and initiated and assessed the applicability of the relevant accounting standards. We assessed the appropriate application of the provisions of IFRS 5 with regard to measurement and presentation for the business segments sold. In particular, we verified the measurement of the assets and liabilities of the respective business segments on the basis of the contracts concluded and the accounts submitted. For the HTE division to be wound down, we verified and assessed the valuations performed on the basis of the evidence provided with the close involvement of our component auditors. In particular, we verified the underlying project calculations and the respective underlying estimates of project risks for the value adjustments recognised. With regard to the restructuring provisions recognised, we assessed the existence of the recognition criteria and the appropriate measurement. We assessed the appropriate presentation of the sale of the HTE division announced in February 2025 as a subsequent event using the criteria set out in IFRS 5.12.

   We were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the financial statement impacts of the discontinuation of the Fresenius Vamed segment are sufficiently documented and substantiated.

3. The Company's disclosures are contained in Section 1. I., Section 2 and Section 3 of the notes to the consolidated financial statements.

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises as an unaudited part of the group management report:

- the non-financial group report to fulfil Sections 315b to 315c HGB contained in the "Sustainability statement" section of the group management report
- the information contained in the section "Statement of the Management Board on the appropriateness and effectiveness of the RMS and ICS" of the group management report, which is labelled as unaudited

The other information comprises further

- the corporate governance declaration in accordance with Section 289f HGB and Section 315d HGB
- the remuneration report in accordance with Section 162 AktG, for which the Supervisory Board is also responsible
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

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

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

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

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

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

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

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

ASSURANCE OPINION

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

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

BASIS FOR THE ASSURANCE OPINION

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

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

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

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

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

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

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

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

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

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

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

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

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

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

Frankfurt am Main, February 25, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft
(Original German Version signed by:)

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

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON AN ASSURANCE ENGAGEMENT TO OBTAIN LIMITED AND REASONABLE ASSURANCE IN RELATION TO THE GROUP SUSTAINABILITY REPORT

To Fresenius SE & Co. KGaA, Bad Homburg

Assurance Conclusions

We have conducted a limited assurance engagement on the group sustainability report of Fresenius SE & Co. KGaA, Bad Homburg, (hereinafter the "Company") taking into account, as set forth the subsequent paragraph, the reasonable assurance engagement on indicators marked by footnote in the group sustainability report included in section "Sustainability Statement" of the group management report for the financial year from 1 January to 31 December 2024 (hereinafter the "Group Sustainability Report"). The Group Sustainability Report has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] to prepare a group non-financial statement.

Based on the particular engagement, we have conducted a reasonable assurance engagement on the indicators

- Total Scope 1 and Scope 2 CO_2 emissions (market-based approach) in tons of CO_2 equivalents (Fresenius Group),
- Employee Engagement Index (EEI) (Fresenius Group),
- Medical Quality:
  - Audit & Inspection Score (Fresenius Kabi) and
  - Inpatient Quality Indicators (Fresenius Helios).

marked as "assured with reasonable assurance" by a footnote (together hereinafter the "Indicators marked by Footnote") in the Group Sustainability Report. A reasonable assurance engagement on these disclosures fulfils the requirements for a limited assurance engagement and, in accordance with Recital 60 to the CSRD, thereby complies with the requirements of the CSRD relating to assurance of the Group Sustainability Report.

Based on the procedures performed and the evidence obtained as part of our limited assurance engagement, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Report, taking into account the Indicators in the Group Sustainability Report marked by Footnote and subject to a reasonable assurance engagement, is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a group non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Report (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "Our materiality analysis" of the Group Sustainability Report, or
- that the disclosures set out in section "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (EU-Taxonomy Regulation)" of the Group Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

In our opinion, on the basis of our reasonable assurance engagement, the Indicators marked by Footnote in the Group Sustainability Report were prepared, in all material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the executive directors of the Company.

BASIS FOR THE ASSURANCE CONCLUSIONS

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Report

The executive directors are responsible for the preparation of the Group Sustainability Report in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Report in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Report) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Report, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Report.

INHERENT LIMITATIONS IN THE PREPARATION OF THE GROUP SUSTAINABILITY REPORT

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Report.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report

Our objectives are

- a) to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Report, taking into account the Indicators in the Group Sustainability Report marked by Footnote and subject to a reasonable assurance engagement, has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Report, taking into account the Indicators in the Group Sustainability Report marked by Footnote and subject to a reasonable assurance engagement.

- b) to express a reasonable assurance opinion, based on the assurance engagement we have conducted on whether the Indicators marked by Footnote in the Group Sustainability Report are prepared, in all material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the executive directors of the Company.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

a) for the limited assurance engagement
- obtain an understanding of the process to prepare the Group Sustainability Report, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Report.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

b) for the reasonable assurance engagement
- perform risk assessment procedures, including obtaining an understanding of the internal controls that are relevant to the assurance engagement on the Indicators marked by Footnote in the Group Sustainability Statement in order to identify and assess the risks of material misstatement at the assertion level due to fraud or error, but not for the purpose of expressing an assurance opinion on the effectiveness of these internal controls of the Company. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources in the value chain not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- evaluate the appropriate derivation of the forward-looking information from the significant assumptions and the appropriateness of these assumptions. We do not express a separate assurance opinion either on the forward-looking information nor on the assumptions on which they are based. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

An assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

a) In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Report.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Report about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Report, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Report.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Report.
- considered the presentation of the information in the Group Sustainability Report.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Report.

b) In conducting our reasonable assurance engagement, we have performed the audit procedures listed under a) to a greater extent and, amongst other things:

- evaluated the preparation process and the internal controls relating to this process.
- tested the operating effectiveness of selected internal controls.
- performed test of details on selected disclosures in the Group Sustainability Report on a sample basis.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Frankfurt am Main, 25 February 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Prof. Dr. Bernd Roese
Wirtschaftsprüfer
[German public auditor]

sgd. Nicolette Behncke
Wirtschaftsprüfer
[German public auditor]