

Q3 2020

QUARTERLY FINANCIAL REPORT

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FRESENIUS GROUP FIGURES AT A GLANCE

Fresenius is a global health care group providing products and services for dialysis, hospitals, and outpatient medical care. In addition, Fresenius focuses on hospital operations. We also manage projects and provide services for hospitals and other health care facilities. In 2019, Group sales were €35.4 billion. As of September 30, 2020, more than 309,000 employees have dedicated themselves to the service of health in about 100 countries worldwide.

SALES, EARNINGS, AND CASH FLOW

€ in millions	Q3/2020	Q3/2019	Growth	Growth in constant currency	Q1-3/2020	Q1-3/2019	Growth	Growth in constant currency
Sales	8,918	8,842	1%	5%	26,973	26,098	3%	5%
EBIT before special items	1,113	1,153	-3%	1%	3,361	3,401	-1%	0%
Net income reported ¹	427	444	-4%	1%	1,297	1,368	-5%	-4%
Net income before special items ¹	427	445	-4%	1%	1,302	1,373	-5%	-4%
Earnings per share in € reported ¹	0.77	0.80	-4%	0%	2.33	2.46	-5%	-4%
Earnings per share in € before special items ¹	0.77	0.80	-4%	0%	2.34	2.47	-5%	-4%
Operating cash flow	1,199	1,483	-19%	--	5,159	2,977	73%	--

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

BALANCE SHEET AND INVESTMENTS

€ in millions	September 30, 2020	December 31, 2019	Change
Total assets	68,321	67,006	2%
Non-current assets	51,488	51,742	0%
Equity	26,201	26,580	-1%
Net debt	24,513	25,604	-4%
Investments and acquisitions (Q1-3 2020/Q1-3 2019)	2,193	3,884	-44%

RATIOS

	Q3/2020	Q3/2019	Q1-3/2020	Q1-3/2019
EBITDA margin ¹	19.4%	19.9%	19.4%	19.8%
EBIT margin ¹	12.5%	13.0%	12.5%	13.0%
Depreciation and amortization in % of sales ¹	6.9%	6.9%	7.0%	6.8%
Operating cash flow in % of sales	13.4%	16.8%	19.1%	11.4%
Equity ratio (September 30/December 31)			38.3%	39.7%
Net debt/EBITDA ^{1, 2} (September 30/December 31)			3.45	3.61

¹ Before special items

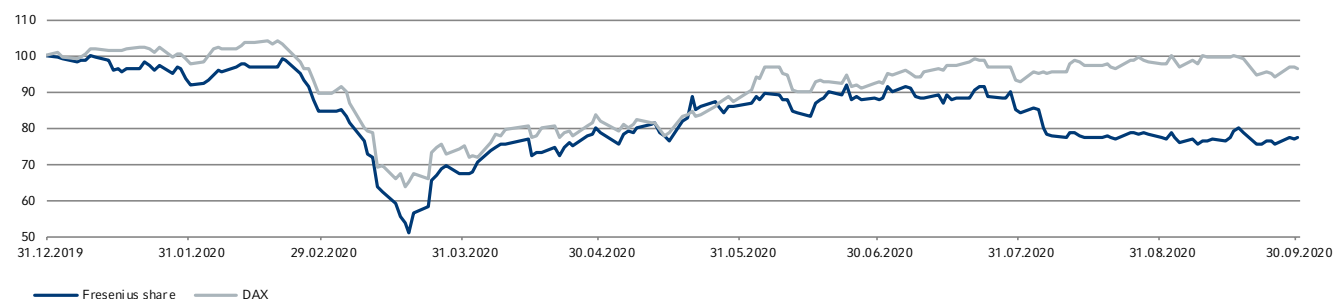
² At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures

FRESENIUS-SHARE

The Fresenius share closed the third quarter of the year at a price of €38.83 after a volatile price performance.

RELATIVE SHARE PRICE PERFORMANCE VS. DAX

31.12.2019 = 100



KEY DATA OF THE FRESENIUS SHARE

	Q1-3/2020	2019	Growth
Number of shares (September 30/December 31)	557,468,584	557,379,979	0%
Stock exchange quotation ¹ in €			
High	50.32	52.42	-4%
Low	25.66	40.74	-37%
Period-end quotation closing price in €	38.83	50.18	-23%
Ø Trading volume (number of shares per trading day)	2,185,357	1,693,849	29%
Market capitalization ² in million € (September 30/December 31)	21,647	27,969.000	-23%
Earnings per share in € ³	2.34	3.37	--

¹ Xetra closing price on the Frankfurt Stock Exchange

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

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

FIRST TO THIRD QUARTER 2020

The global economy marked by the COVID-pandemic in the first nine months of 2020, leading to a sharp decline in economic activity. Despite many uncertainties about the further development of the COVID-19 pandemic, the capital markets were largely able to recover from their lows in March due to economic stimulus measures taken by governments. Economic activity and employment have picked up in recent months but remain well below their levels from the beginning of the year.

According to the ECB's current forecast, the economy in the euro zone will contract by 8.0% this year. The ECB left its key interest rate unchanged at 0.00% during its September meeting.

The Federal Reserve's latest forecast projects the U.S. economy to contract by 3.7% in 2020. The U.S. Federal Reserve did not change the existing interest rates corridor of 0% to 0.25% at its September meeting.

Within this economic environment, the DAX decreased by 4% in the first nine months of 2020 to 12,761 points. The Fresenius share closed at €38.83 on September 30, 2020. This represents a decrease of 23% over the same period.

MANAGEMENT REPORT

Fresenius continues to demonstrate resilience amid the COVID-19 pandemic:
FY / 20 guidance confirmed given accelerated earnings growth in Q3

- ▶ **Fresenius Medical Care with continued strong earnings growth in constant currency**
- ▶ **Fresenius Kabi showed a recovery in Europe and return to growth in China whilst headwinds weigh on North American business**
- ▶ **Helios Germany with sales growth in Q3 due to recovery of elective procedures; Helios Spain with significant growth based on catch-up effects**
- ▶ **Fresenius Vamed continues to be heavily impacted by COVID-19 related project delays, high-end technical service remained robust**

HEALTH CARE INDUSTRY

The health care sector is one of the world's largest industries. It is relatively insensitive to economic fluctuations compared to other sectors and has posted above-average growth over the past years.

The main growth factors are rising medical needs deriving from aging populations, the growing number of chronically ill and multimorbid patients, stronger demand for innovative products and therapies, advances in medical technology and the growing health consciousness, which increases the demand for health care services and facilities.

In the emerging countries, drivers are the expanding availability and correspondingly greater demand for basic health care and increasing national incomes and hence higher spending on health care.

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

Overall treatment costs shall be reduced through improved quality standards. In addition, ever-greater importance is being placed on disease prevention and innovative reimbursement models linked to treatment quality standards.

RESULTS OF OPERATIONS, FINANCIAL POSITION, ASSETS AND LIABILITIES

SALES

Group sales increased by 1% (5% in constant currency) to €8,918 million (Q3/19: €8,842 million). Organic sales growth was 3%. Acquisitions/divestitures contributed net 2% to growth. Currency translation had a negative impact on sales growth of 4%. Excluding estimated COVID-19 effects¹, Group sales growth would have been 6% to 7% in constant currency. In Q1-3/20, Group sales increased by 3% (5% in constant currency) to €26,973 million (Q1-3/19: €26,098 million). Organic sales growth was 3%. Acquisitions/divestitures contributed net 2% to growth. Currency translation had a negative impact on sales growth of 2%. Excluding estimated COVID-19 effects¹, Group sales growth would have been 7% to 8% in constant currency.

GROUP KEY FIGURES

€ in millions	Q3/2020	Growth	Growth in constant currency	Q1-3/2020	Growth	Growth in constant currency
Sales	8,918	1%	5%	26,973	3%	5%
EBIT ²	1,113	-3%	1%	3,361	-1%	0%
Net income ^{2,3}	427	-4%	1%	1,302	-5%	-4%

SALES BY REGION

€ in millions	Q1-3/2020	Q1-3/2019	Change	Organic sales growth	Currency translation effects	Acquisitions/divestitures	% of total sales
North America	11,283	10,780	5%	3%	0%	2%	42%
Europe	11,608	11,251	3%	3%	-1%	1%	43%
Asia-Pacific	2,647	2,668	-1%	0%	-1%	0%	10%
Latin America	1,161	1,113	4%	14%	-22%	12%	4%
Africa	274	286	-4%	2%	-6%	0%	1%
Total	26,973	26,098	3%	3%	-2%	2%	100%

SALES BY BUSINESS SEGMENT

€ in millions	Q1-3/2020	Q1-3/2019	Change	Organic sales growth	Currency translation effects	Acquisitions/Divestitures	% of total sales
Fresenius Medical Care	13,459	12,897	4%	4%	-2%	2%	50%
Fresenius Kabi	5,161	5,153	0%	3%	-3%	0%	19%
Fresenius Helios	7,181	6,890	4%	3%	-1%	2%	26%
Fresenius Vamed	1,491	1,469	1%	-1%	0%	2%	5%
Total	26,973	26,098	3%	3%	-2%	2%	100%

¹ For estimated COVID-19 effects in Q3/20 and Q1-3/20 please see table on page 24.

² Before special items

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

EARNINGS

Group EBITDA decreased by 2% (increased by 2% in constant currency) to €1,729 million (Q3/19¹: €1,763 million). In Q1-3/20, Group EBITDA increased by 2% (2% in constant currency) to €5,246 million (Q1-3/19¹: €5,167 million).

Group EBIT decreased by 3% (increased by 1% in constant currency) to €1,113 million (Q3/19¹: €1,153 million). The missing contribution from elective procedures, volume headwinds leading to underutilized production capacities, COVID-19 related project delays at Fresenius Vamed as well as Group-wide COVID-19 related expenses weighed on EBIT. The EBIT margin was 12.5% (Q3/19¹: 13.0%). In Q1-3/20, Group EBIT decreased by 1% (0% in constant currency) to €3,361 million (Q1-3/19¹: €3,401 million). The EBIT margin was 12.5% (Q1-3/19¹: 13.0%). Following higher levels of investments in recent years, Fresenius sees higher levels of depreciation and amortization in 2020.

Group net interest before special items improved to -€154 million (Q3/19: -€171 million) mainly due to successful refinancing activities, lower interest rates as well as currency translation effects. Reported Group net interest improved to -€154 million (Q3/19: -€172 million). In Q1-3/20, Group net interest before special items improved to -€495 million (Q1-3/19: -€532 million) while reported Group net interest improved to -€503 million (Q1-3/19: -€535 million).

The Group tax rate before special items (Q3/19: 23.1%) and the reported Group tax rate (Q3/19: 21.2%) were 22.0%. In Q1-3/20, the Group tax rate before special items (Q1-3/19: 23.1%) and the reported Group tax rate (Q1-3/19: 22.4%) were 22.7%.

EARNINGS

€ in millions	Q3/2020	Q3/2019	Q1-3/2020	Q1-3/2019
EBIT ¹	1,113	1,153	3,361	3,401
Net income ²	427	444	1,297	1,368
Net income (before special items) ²	427	445	1,302	1,373
Earnings per share in € ²	0.77	0.80	2.33	2.46
Earnings per share (before special items) in € ²	0.77	0.80	2.34	2.47

INVESTMENTS/ACQUISITIONS BY BUSINESS SEGMENT

€ in millions	Q1-3/2020	Q1-3/2019	Thereof property, plant and equipment	Thereof acquisitions	Growth	% of total
Fresenius Medical Care	992	2,856	746	246	-65%	45%
Fresenius Kabi	477	558	460	17	-15%	22%
Fresenius Helios	640	382	257	383	68%	29%
Fresenius Vamed	70	35	64	6	100%	3%
Corporate/Other	14	53	15	-1	-74%	1%
Total	2,193	3,884	1,542	651	-44%	100%

CASH FLOW STATEMENT (Summary)

€ in millions	Q1-3/2020	Q1-3/2019	Growth
Net income	2,210	2,194	1%
Depreciation and amortization	1,885	1,784	6%
Change working capital	1,064	-1,001	--
Operating Cash flow	5,159	2,977	73%
Capital expenditure, net	-1,566	-1,589	1%
Cash flow before acquisitions and dividends	3,593	1,388	159%
Cash used for acquisitions, net	-443	-2,142	79%
Dividends paid	-1,001	-880	-14%
Free cash flow after acquisitions and dividends	2,149	-1,634	--
Cash provided by/used for financing activities	-987	457	--
Effect of exchange rates on change in cash and cash equivalents	-158	67	--
Net change in cash and cash equivalents	1,004	-1,110	190%

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

Noncontrolling interests before special items and reported noncontrolling interests were €321 million (Q3/19: both €310 million), of which 97% were attributable to the noncontrolling interests in Fresenius Medical Care. In Q1-3/20, noncontrolling interests before special items and reported were €913 million (Q1-3/19 before special items: €834 million; reported €826 million).

Group net income¹ before special items decreased by 4% (increased by 1% in constant currency) to €427 million (Q3/19: €445 million). Excluding estimated COVID-19 effects², net income before special items and in constant currency would have grown 1% to 5%. Reported Group net income¹ was €427 million (Q3/19: €444 million). In Q1-3/20, Group net income¹ before special items decreased by 5% (-4% in constant currency) to €1,302 million (Q1-3/19: €1,373 million). Excluding estimated COVID-19 effects², net income before special items and in constant currency would have grown 2% to 6%. Reported Group net income¹ was €1,297 million (Q1-3/19: €1,368 million).

Earnings per share¹ before special items decreased by 4% (0% in constant currency) to €0.77 (Q3/19: €0.80). Reported earnings per share¹ were €0.77 (Q3/19: €0.80). In Q1-3/20, earnings per share¹ before special items decreased by 5% (-4% in constant currency) to €2.34 (Q1-3/19: €2.47). Reported earnings per share¹ were €2.33 (Q1-3/19: €2.46).

RECONCILIATION

Consolidated results for Q3/20 and Q1-3/20 include special items. The special items shown in the reconciliations are shown in the Corporate/Other segment. For a detailed overview of special items and adjustments please see the reconciliation tables on pages 23 to 25.

INVESTMENTS

Spending on property, plant and equipment was €521 million corresponding to 6% of sales (Q3/19: €586 million; 7% of sales). These investments served primarily for the modernization and expansion of dialysis clinics, production facilities as well as hospitals, and day clinics. Despite the COVID-19 pandemic, Fresenius has been largely able to continue its investment programs, although there remains some uncertainty on the timing of projects for the remainder of the year. In Q1-3/20, spending on property, plant and equipment was €1,542 million corresponding to 6% of sales (Q1-3/19: €1,592 million; 6% of sales).

Total acquisition spending was €142 million (Q3/19: €135 million). In Q1-3/20, total acquisition spending was €651 million, mainly for the acquisition of three hospitals in Colombia by Fresenius Helios (Q1-3/19: €2,292 million, mainly for the acquisition of NxStage by Fresenius Medical Care).

CASH FLOW

Group operating cash flow was €1,199 million (Q3/19: €1,483 million) with a margin of 13.4% (Q3/19: 16.8%). Free cash flow before acquisitions and dividends was €682 million (Q3/19: €907 million). Given dividend payment in Q3/20 versus Q2/19, Free cash flow after acquisitions and dividends was -€185 million (Q3/19: €732 million).

In Q1-3/20, Group operating cash flow increased to €5,159 million (Q1-3/19: €2,977 million) with a margin of 19.1% (Q1-3/19: 11.4%). The increase was largely driven by Fresenius Medical Care due to the U.S. federal relief funding and advanced payments under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) as well as by the shorter payment periods of the COVID-19 governmental compensation and reimbursement scheme for Helios Germany. Free cash flow before acquisitions and dividends was €3,593 million (Q1-3/19: €1,388 million). Free cash flow after acquisitions and dividends was €2,149 million (Q1-3/19: -€1,634 million, driven by the acquisition of NxStage by Fresenius Medical Care).

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

² For estimated COVID-19 effects in Q3/20 and Q1-3/20 please see table on page 24.

ASSET AND LIABILITY STRUCTURE

Group total assets increased by 2% (5% in constant currency) to €68,321 million (Dec. 31, 2019: €67,006 million). Current assets increased by 10% (15% in constant currency) to €16,833 million (Dec. 31, 2019: €15,264 million), mainly driven by the increase of cash and cash equivalents. Non-current assets remained nearly unchanged (2% in constant currency) at €51,488 million (Dec. 31, 2019: €51,742 million).

Total shareholders' equity decreased by 1% (increased by 4% in constant currency) to €26,201 million (Dec. 31, 2019: €26,580 million). The equity ratio was 38.3% (Dec. 31, 2019: 39.7%).

Group debt remained nearly unchanged (increased by 1% in constant currency) at €27,171 million (Dec. 31, 2019: €27,258 million). Group net debt decreased by 4% (-3% in constant currency) to €24,513 million (Dec. 31, 2019: €25,604 million), driven by the exceptional cash flow development.

As of September 30, 2020, the net debt/EBITDA ratio improved to 3.45x^{1,2} (Dec. 31, 2019: 3.61x^{1,2}) driven by the exceptional cash flow development, despite COVID-19 effects weighing on EBITDA.

VIRTUAL ANNUAL GENERAL MEETING

The virtual Annual General Meeting 2020 of Fresenius SE & Co. KGaA took place on August 28, 2020.

Shareholders approved with a large majority of 99.99% the proposal of the General Partner and the Supervisory Board to increase the dividend for the 27th consecutive time. It was raised by 5%, to €0.84 per share.

Shareholder majorities of 99.68% and 85.14%, respectively, approved the actions of the Management and Supervisory Boards in 2019.

At the virtual Annual General Meeting, 73% of the subscribed capital was represented.

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

² Before special items

BUSINESS SEGMENTS

FRESENIUS MEDICAL CARE

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases. As of September 30, 2020, Fresenius Medical Care was treating 349,167 patients in 4,073 dialysis clinics. Along with its core business, the company provides related medical services in the field of Care Coordination.

€ in millions	Q3/2020	Q3/2019 ¹	Growth	Growth in constant currency	Q1-3/2020	Q1-3/2019 ¹	Growth	Growth in constant currency
Sales	4,414	4,419	0%	6%	13,459	12,897	4%	6%
EBITDA	1,025	1,012	1%	6%	3,047	2,834	8%	8%
EBIT	632	620	2%	7%	1,843	1,693	9%	9%
Net income ²	354	332	7%	11%	987	868	14%	14%
Employees (Sep. 30/Dec. 31)					134,550	128,300	5%	

- **Solid sales and strong earnings growth at constant currency continues in Q3**
- **Q3 development impacted by currency headwinds and expected lower reimbursement from calcimimetics**
- **Guidance for FY/20 confirmed**

Sales of Fresenius Medical Care remained on prior year's level (increased by 6% in constant currency) at €4,414 million (Q3/19: €4,419 million). Organic sales growth was 3%. Acquisitions/divestitures contributed net 3% to growth. In Q1-3/20, Fresenius Medical Care increased sales by 4% (6% in constant currency) to €13,459 million (Q1-3/19: €12,897 million). Organic sales growth was 4%.

There were no adjustments to reported EBIT in Q3/20 and Q1-3/20. Reported EBIT increased by 6% (11% in constant currency) to €632 million (Q3/19: €595 million). The reported EBIT margin was 14.3% (Q3/19: 13.5%). The increase in margin was driven by negative prior year earnings effects, an increase in commercial revenue and favorable cost management of pharmaceuticals, offsetting the lower reimbursement for calcimimetics, all in the North America region. EBIT on an adjusted basis increased by 2% (7% in constant currency) to €632 million (Q3/19: €620 million). The EBIT margin on an adjusted basis was 14.3% (Q3/19: 14.0%).

In Q1-3/20, reported EBIT increased by 11% (12% in constant currency) to €1,843 million (Q1-3/19: €1,653 million). The reported EBIT margin was 13.7% (Q1-3/19: 12.8%). EBIT on an adjusted basis increased by 9% (9% in constant currency) to €1,843 million (Q1-3/19: €1,693 million). The EBIT margin on an adjusted basis was 13.7% (Q1-3/19: 13.1%).

¹ Before special items

² Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

For a detailed overview of special items please see the reconciliation tables on pages 23 to 25.

There were no adjustments to reported net income in Q3/20 and Q1-3/20. Reported net income¹ grew by 6% (11% in constant currency) to €354 million (Q3/19: €333 million) and increased on an adjusted basis by 7% (11% in constant currency) to €354 million (Q3/19: €332 million). In Q1-3/20, reported net income¹ grew by 15% (15% in constant currency) to €987 million (Q1-3/19: €857 million) and increased on an adjusted basis by 14% (14% in constant currency) to €987 million (Q1-3/19: €868 million).

Operating cash flow was €746 million (Q3/19: €868 million) with a margin of 16.9% (Q3/19: 19.7%). In Q1-3/20, operating cash flow was €3,649 million (Q1-3/19: €1,796 million) with a margin of 27.1% (Q1-3/19: 13.9%). The increase was largely driven by the U.S. federal relief funding and advanced payments under the CARES Act and other COVID-19 relief, as well as working capital improvements driven by cash collections.

Fresenius Medical Care continues to expect both revenue² and net income^{1,3} to grow at a mid to high single digit rate in 2020. These targets are inclusive of anticipated COVID-19 effects, in constant currency and exclude special items⁴. They are based on the adjusted results 2019, including the effects of the operations of the NxStage acquisition and the IFRS 16 implementation.

For further information, please see Fresenius Medical Care's press release at www.freseniusmedicalcare.com.

¹ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

² FY/19 base: €17,477 million

³ FY/19 base: €1,236 million (FY/20: before special items)

⁴ Special items are effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance

For a detailed overview of special items please see the reconciliation tables on pages 23 to 25.

FRESENIUS KABI

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

€ in millions	Q3/2020	Q3/2019	Growth	Growth in constant currency	Q1-3/2020	Q1-3/2019	Growth	Growth in constant currency
Sales	1,694	1,761	-4%	2%	5,161	5,153	0%	3%
EBITDA ¹	368	398	-8%	-2%	1,146	1,178	-3%	-1%
EBIT ¹	278	307	-9%	-4%	859	920	-7%	-5%
Net income ^{1,2}	189	203	-7%	-1%	582	614	-5%	-3%
Employees (Sep. 30/Dec. 31)					40,786	39,627	3%	

- In North America decreased demand given fewer elective treatments and some supply constraints due to temporary manufacturing issues outweighed extra demand for COVID-19 related products
- China recovery accelerates with elective treatments rebounding nearly to pre-pandemic levels
- Strong EBIT growth in Europe and positive development in China only partially compensates EBIT decrease in North America
- FY/20 guidance confirmed

Sales decreased by 4% (increased by 2% in constant currency) to €1,694 million (Q3/19: €1,761 million). Organic sales growth was 2%. Negative currency translation effects of 6% were mainly related to weakness of the US dollar, the Brazilian real and the Argentinian peso. Estimated COVID-19 effects had a slight negative impact on sales growth. In Q1-3/20, sales remained on prior year's level (increased by 3% in constant currency) at €5,161 million (Q1-3/19: €5,153 million). Organic sales growth was 3%. Negative currency translation effects of 3% were mainly related to weakness of the Brazilian real and the

Argentinian peso. Estimated COVID-19 effects had a slight negative impact on sales growth in Q1-3/20.

Sales in North America decreased by 10% (organic growth: -5%) to €558 million (Q3/19: €619 million). The decrease was driven by fewer elective treatments and supply constraints for certain products due to temporary manufacturing issues, which outweighed extra demand for COVID-19 related products. In Q1-3/20, sales in North America increased by 1% (organic growth: 1%) to €1,827 million (Q1-3/19: €1,815 million). Sales in Europe increased by 3% (organic growth: 5%) to €581 million

(Q3/19: €564 million). In Q1-3/20, sales in Europe increased by 4% (organic growth: 5%) to €1,778 million (Q1-3/19: €1,709 million). Sales in Asia-Pacific decreased by 2% (organic growth: increased by 1%) to €399 million (Q3/19: €406 million). While China saw a solid recovery based on increasing elective procedures, other Asian markets are lagging behind. In Q1-3/20, sales in Asia-Pacific decreased by 5% (organic growth: -3%) to €1,069 million (Q1-3/19: €1,121 million).

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

For a detailed overview of special items please see the reconciliation tables on pages 23 to 25.

Sales in Latin America/Africa decreased by 9% (organic growth increased by 17%) to €156 million (Q3/19: €172 million). In Q1-3/20, sales in Latin America/Africa decreased by 4% (organic growth increased by 17%) to €487 million (Q1-3/19: €508 million).

EBIT before special items decreased by 9% (-4% in constant currency) to €278 million (Q3/19¹: €307 million) with an EBIT margin of 16.4% (Q3/19¹: 17.4%). The decline is driven by headwinds leading to some underutilized production capacities in the US, coupled with selective supply constraints due to temporary manufacturing issues, incremental COVID-19 related expenses as well as a negative effect related to a write down of a receivable. Estimated COVID-19 effects, primarily lower share based remuneration costs given the capital markets situation, but also lower corporate costs due to travel restrictions and phasing of projects, had a moderate positive impact on EBIT growth. In Q1-3/20, EBIT before special items decreased by 7% (-5% in constant currency) to €859 million (Q1-3/19¹: €920 million) with an EBIT margin of 16.6% (Q1-3/19¹: 17.9%). Estimated COVID-19 effects had a slight positive impact on EBIT growth in Q1-3/20.

Net income^{1,2} decreased by 7% (-1% in constant currency) to €189 million (Q3/19: €203 million). In Q1-3/20, net income^{1,2} decreased by 5% (-3% in constant currency) to €582 million (Q1-3/19: €614 million).

Operating cash flow decreased to €225 million (Q3/19: €377 million) with a margin of 13.3% (Q3/19: 21.4%). After an excellent operating cash flow in Q2/20 that was marked by early cash receipts and tax payment holidays, Fresenius Kabi saw the respective reversal in Q3/20. In Q1-3/20, operating cash flow increased by 13% to €836 million (Q1-3/19: €737 million) with a margin of 16.2% (Q1-3/19: 14.3%).

Fresenius Kabi confirms its outlook including estimated COVID-19 effects and projects organic sales³ growth of 2% to 5% and an EBIT⁴ development of -6% to -3% in constant currency.

¹ Before special items

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ FY/19 base: €6,919 million

⁴ FY/19 base: €1,205 million, before special items, FY/20: before special items

For a detailed overview of special items please see the reconciliation tables on pages 23 to 25.

FRESENIUS HELIOS

Fresenius Helios is Europe's leading private hospital operator. The company comprises Helios Germany and Helios Spain (Quirónsalud). Helios Germany operates 86 hospitals, ~125 outpatient centers and 6 prevention centers. Quirónsalud operates 46 hospitals, 70 outpatient centers and around 300 occupational risk prevention centers. In addition, the company is active in Latin America with 7 hospitals and as a provider of medical diagnostics.

€ in millions	Q3/2020	Q3/2019	Growth	Growth in constant currency	Q1-3/2020	Q1-3/2019	Growth	Growth in constant currency
Sales	2,400	2,230	8%	8%	7,181	6,890	4%	5%
EBITDA	336	293	15%	15%	1,027	1,043	-2%	-2%
EBIT	225	187	20%	20%	697	731	-5%	-5%
Net income ¹	142	112	27%	29%	441	467	-6%	-6%
Employees (Sep. 30/Dec. 31)					113,125	106,377	6%	

- Recovery of elective procedures in Germany and Spain
- Helios Spain with significant growth based on catch-up effects; momentum accelerated by dynamic growth of outpatient treatments
- FY/20 guidance confirmed

Sales increased by 8% (8% in constant currency) to €2,400 million (Q3/19: €2,230 million). Organic growth was 6%. Acquisitions contributed 2% to sales growth. COVID-19 effects had an insignificant effect on organic sales growth. In Q1-3/20, Fresenius Helios increased sales by 4% (5% in constant currency) to €7,181 million (Q1-3/19: €6,890 million). Organic growth was 3%. Acquisitions contributed 2% to sales growth. COVID-19 effects had a moderate negative impact on organic sales growth in Q1-3/20. Fresenius sees a gradual recovery of elective procedures in Germany and Spain since May.

Sales of Helios Germany increased by 4% (organic growth: 4%) to €1,529 million (Q3/19: €1,474 million). In Q1-3/20, Sales of Helios Germany increased by 5% (organic growth: 5%) to €4,703 million (Q1-3/19: €4,465 million). Due to the law to ease the financial burden on hospitals, COVID-19 effects had only a slight negative impact on organic sales growth in both, Q3/20 and in Q1-3/20.

Sales of Helios Spain increased by 15% (17% in constant currency) to €870 million (Q3/19: €757 million). Organic growth of 10% was driven by a strong recovery of elective procedures and additionally fueled by increased outpatient

treatments. Thus COVID-19 effects had a slight positive impact on organic sales growth. The hospital acquisitions in Colombia contributed 7% to sales growth. In Q1-3/20, sales of Helios Spain increased by 2% (3% in constant currency) to €2,476 million (Q1-3/19: €2,425 million). Organic growth was -2%. Acquisitions contributed 5% to sales growth. COVID-19 effects had a significant negative impact on organic sales growth in Q1-3/20.

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

EBIT of Fresenius Helios increased by 20% (20% in constant currency) to €225 million (Q3/19: €187 million) with an EBIT margin of 9.4% (Q3/19: 8.4%). COVID-19 effects had a significant positive impact on EBIT growth. In Q1-3/20, EBIT of Fresenius Helios decreased by 5% (-5% in constant currency) to €697 million (Q1-3/19: €731 million) with an EBIT margin of 9.7% (Q1-3/19: 10.6%). COVID-19 effects had a significant negative impact on EBIT growth in Q1-3/20.

EBIT of Helios Germany increased by 2% to €133 million (Q3/19: €131 million) with an EBIT margin of 8.7% (Q3/19: 8.9%). In Q1-3/20, EBIT of Helios Germany increased by 3% to €445 million (Q1-3/19: €434 million) with an EBIT margin of 9.5% (Q1-3/19: 9.7%). Due to the law to ease the financial burden on hospitals, COVID-19 effects had only a slight negative impact on EBIT growth in both Q3/20 and Q1-3/20.

EBIT of Helios Spain increased by 61% (63% in constant currency) to €95 million (Q3/19: €59 million) with an EBIT margin of 10.9% (Q3/19: 7.8%). The growth is driven by a recovery of elective procedures following the government-ordered postponement of planned surgical procedures in Q2, where medically justifiable. Thus, COVID-19 effects had a very significant positive effect on EBIT growth in Q3/20. In Q1-3/20, EBIT of Helios Spain decreased by 15% (-15% in constant currency) to €261 million (Q1-3/19: €307 million) with an EBIT margin of 10.5% (Q1-3/19: 12.7%). COVID-19 effects had a significant negative impact on EBIT growth in Q1-3/20 with missing or delayed elective procedures and higher expenses amidst the comprehensive efforts to combat the pandemic.

Net income¹ increased by 27% to €142 million (Q3/19: €112 million). In Q1-3/20, net income¹ decreased by 6% to €441 million (Q1-3/19: €467 million).

Operating cash flow increased to €275 million (Q3/19: €196 million) with a margin of 11.5% (Q3/19: 8.8%), driven by phasing of payments under the German law to ease the financial burden on hospitals. In Q1-3/20, operating cash flow increased to €715 million (Q1-3/19: €507 million) with a margin of 10.0% (Q1-3/19: 7.4%).

Fresenius Helios confirms its outlook including estimated COVID-19 effects and expects organic sales² growth of 1% to 4% and EBIT³ broadly stable over FY/19 in constant currency.

¹ Net income attributable to shareholders of Fresenius SE & Co. KG

² FY/19 base: €9,234 million

³ FY/19 base: €1,025 million

FRESENIUS VAMED

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

€ in millions	Q3/2020	Q3/2019	Growth	Growth in constant currency	Q1-3/2020	Q1-3/2019	Growth	Growth in constant currency
Sales	517	562	-8%	-8%	1,491	1,469	1%	1%
EBITDA	10	51	-80%	-82%	51	119	-57%	-58%
EBIT	-11	33	-133%	-133%	-10	67	-115%	-115%
Net income ¹	-15	21	-171%	-171%	-23	39	-159%	-159%
Employees (Sep. 30/Dec. 31)					19,391	18,592	4%	

- Significant negative COVID-19 impact continued through Q3
- Projects and project order intake continued to be marked by delays, cancellations and global supply chain restraints due to COVID-19
- Lower capacities in the post-acute-care business due to health authority induced capacity restrictions and postponements of elective surgeries; less demand for rehabilitation treatments; high-end technical service remained robust
- FY/20 EBIT guidance revised

Sales of Fresenius Vamed decreased by 8% (-8% in constant currency) to €517 million (Q3/19: €562 million). Organic sales growth was -10%. Acquisitions contributed 2% to growth. Estimated COVID-19 effects had a significant negative impact on growth in Q3/20. In Q1-3/20, Fresenius Vamed increased sales by 1% (1% in constant currency) to €1,491 million (Q1-3/19: €1,469 million). Organic sales growth was -1%. Acquisitions contributed 2% to growth. Estimated COVID-19 effects had a significant negative impact on sales growth in Q1-3/20. Sales in the service business increased by 8% to €377 million (Q3/19: €349 million).

Sales in the project business decreased by 34% to €140 million (Q3/19: €213 million), driven by postponements and cancellations of projects. In Q1-3/20, sales in the service business grew by 4% to €1,063 million (Q1-3/19: €1,025 million). Sales in the project business decreased by 4% to €428 million (Q1-3/19: €444 million).

EBIT decreased by 133% (-133% in constant currency) to -€11 million (Q3/19: €33 million) with an EBIT margin of -2.1% (Q3/19: 5.9%). Estimated COVID-19 effects had a very significant negative impact on EBIT. Capacities in the post-acute care clinics were left empty given a generally lower intake of elective surgery patients from acute-care hospitals as well as authority-instigated restrictions or even

closures of individual facilities. In the project business, project delays triggered incremental expenses. In Q1-3/20, EBIT decreased by 115% (-115% in constant currency) to -€10 million (Q1-3/19: €67 million) with an EBIT margin of -0.7% (Q1-3/19: 4.6%). Estimated COVID-19 effects had a very significant negative impact on EBIT in Q1-3/20.

¹ Net income attributable to shareholders of VAMED AG

Net income¹ decreased to -€15 million (Q3/19: €21 million). In Q1-3/20, net income¹ decreased to -€23 million (Q1-3/19: €39 million).

Order intake was €188 million in Q3/20 (Q3/19: €240 million) and €362 million in Q1-3/20 (Q1-3/19: €738 million). As of September 30, 2020, order backlog was at €2,786 million (December 31, 2019: €2,865 million). Order intake and order backlog were marked by COVID-19 related cancellations and project delays.

Operating cash flow decreased to -€4 million (Q3/19: €33 million) with a margin of -0.8% (Q3/19: 5.9%), driven by delayed payments in the project business, partially offset by minor compensation payments from governmental authorities related to the post-acute care business. In Q1-3/20, operating cash flow increased to €4 million (Q1-3/19: -€17 million) with a margin of 0.3% (Q1-3/19: -1.2%).

Fresenius Vamed confirms its sales outlook for FY/20 and expects an organic sales² decline of ~10%. Ongoing significant negative COVID-19 effects are expected to weigh on EBIT in Q4/20. While Fresenius Vamed continues to project a positive EBIT³ amount for FY/20, the constant currency decline versus FY/19 is now expected to exceed the former outlook of ~50%. Both sales and EBIT outlook include estimated COVID-19 effects.

¹ Net income attributable to shareholders of VAMED AG

² FY/19 base: €2,206 million

³ FY/19 base: €134 million

EMPLOYEES

As of September 30, 2020, the number of employees was 309,114 (Dec. 31, 2019: 294,134).

NUMBER OF EMPLOYEES

Number of employees	Sept. 30, 2020	Dec. 31, 2019	Growth
Fresenius Medical Care	134,550	128,300	5%
Fresenius Kabi	40,786	39,627	3%
Fresenius Helios	113,125	106,377	6%
Fresenius Vamed	19,391	18,592	4%
Corporate/Other	1,262	1,238	2%
Total	309,114	294,134	5%

RESEARCH AND DEVELOPMENT

Product and process development as well as the improvement of therapies are at the core of our growth strategy.

Fresenius focuses its R & D efforts on its core competencies in the following areas:

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

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

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS SEGMENT

€ in millions	Q1-3/ 2020	Q1-3/ 2019	Growth
Fresenius Medical Care	141	119	19%
Fresenius Kabi ¹	407	353	15%
Fresenius Helios	1	2	-50%
Fresenius Vamed	0	0	--
Corporate/Other	–	0	--
Total¹	549	474	16%

¹ Before revaluations of biosimilars contingent purchase price liabilities

OPPORTUNITIES AND RISK REPORT

Compared to the presentation in the consolidated financial statements and the management report as of December 31, 2019 applying Section 315e HGB in accordance with IFRS, there has been the following important development in Fresenius' overall opportunities and risk situation until October 30, 2020.

The rapid global spread of the COVID-19 pandemic has resulted in a material deterioration of the conditions for the global economy and financial markets have been materially affected. This development also adversely affected our business and result of operations in the first nine months of 2020. We expect further adverse effects on our business and result of operations for the last quarter of 2020. The further development of the worldwide situation in the fourth quarter remains uncertain and may have additional adverse effects on our financial results and our ability to achieve our Guidance. The COVID-19 pandemic may also have adverse effects on our financial condition, liquidity and valuation of assets including Goodwill. The pandemic still entails material risks to our supply chains, our production, the sales of our products and the delivery of our services.

These negative effects on our business could for example be caused by restrictions on business activities of our suppliers, customers and ourselves, including our personnel, imposed by public authorities on a regional, national or international level, by unavailability of critical workforce, increased costs and by a material redirection of public health funds from our products and services to address the COVID-19 pandemic. These effects will be exacerbated the longer the COVID-19 pandemic lasts.

Fresenius suffered a deliberate cyber attack in the second quarter of 2020. Cybercriminals succeeded in infecting some of Fresenius' IT systems with malware and encrypting data stored on these systems. This incident led to temporary interruptions in our IT infrastructure and IT-supported internal processes. This situation was brought under control within a few days and major disruptions could be prevented.

In connection with this attack, patient data was stolen from some of Fresenius Medical Care's dialysis centers and made public without authorization. The company immediately filed criminal charges against the unknown perpetrators and reported the data privacy violation to the responsible data protection authorities. The company fully cooperates with these authorities. In addition, Fresenius Medical Care informed the patients that were and could be affected by the data theft and its illegal publication.

Internal and external specialists work continuously to prevent further potential attacks, data theft or illegal publication of data.

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

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

We report on legal proceedings on pages 51 to 53 in the Notes of this report.

SUBSEQUENT EVENTS

October was characterized by a regionally varying development of the COVID-19 pandemic with rising infection numbers worldwide, especially in Europe and the United States. For example, the Spanish Government has again declared a State of Alarm empowering local authorities to legally enforce controlling measures. In Germany, large-scale constraints of public and private life will be enacted again in November in order to curtail the spread of COVID-19. The further development of the worldwide situation and its impact on Fresenius remain uncertain.

Beyond that, there have been no significant changes in the industry environment. Furthermore, there have been no other events with a significant impact on the net assets, financial position and results of operations since the end of the third quarter of 2020.

RATING

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

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

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

OUTLOOK 2020

FRESENIUS GROUP

Based on the Group's solid business development in Q1-3/20, Fresenius confirms its sales and net income guidance for 2020 including estimated COVID-19 effects. Fresenius projects sales growth¹ of 3% to 6% in constant currency. Net income^{1,2,3} is expected to develop in a range of -4% to +1%.

Fresenius projects net debt/EBITDA⁴ to be around the top-end of the self-imposed target corridor of 3.0x to 3.5x by the end of FY/20 including estimated COVID-19 effects.

COVID-19 will continue to impact Fresenius' operations in Q4/20. Fresenius recognizes the increasing COVID-19

case numbers, and the associated various containment measures being enacted in many of the Company's relevant markets. Thus, the Group's FY/20 guidance assumes no containment measures that have a significant and direct impact on the health care sector that are not appropriately compensated.

FRESENIUS MEDICAL CARE

Fresenius Medical Care continues to expect both revenue¹ and net income^{1,3,5} to grow at a mid to high single digit rate in 2020. These targets are inclusive of anticipated COVID-19 effects, in constant currency and exclude special items⁶. They are based on the adjusted results 2019, including the effects of the operations of the NxStage acquisition and the IFRS 16 implementation.

FRESENIUS KABI

Fresenius Kabi confirms its outlook including estimated COVID-19 effects and projects organic sales¹ growth of 2% to 5% and an EBIT^{1,3} development of -6% to -3% in constant currency.

FRESENIUS HELIOS

Fresenius Helios confirms its outlook including estimated COVID-19 effects and expects organic sales¹ growth of 1% to 4% and EBIT¹ broadly stable over FY/19 in constant currency.

¹ FY/19 base: see table on page 22

² Net income attributable to shareholders of Fresenius SE & Co. KGaA

³ Before special items

⁴ At LTM average exchange rates for both net debt and EBITDA; pro forma closed acquisitions/divestitures; excluding further potential acquisitions; before special items

⁵ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

⁶ Special items are effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance.

FRESENIUS VAMED

Fresenius Vamed confirms its sales outlook for FY/20 and expects an organic sales¹ decline of ~10%. Ongoing significant negative COVID-19 effects are expected to weigh on EBIT in Q4/20. While Fresenius Vamed continues to project a positive EBIT¹ amount for FY/20, the constant currency decline versus FY/19 is now expected to exceed the former outlook of ~50%. Both sales and EBIT outlook include estimated COVID-19 effects.

INVESTMENTS

In 2020, we expect to invest about 6% to 7% of sales in property, plant and equipment. Subject to duration and magnitude of the COVID-19 pandemic, Fresenius may face delays of investment projects planned for 2020.

GROUP FINANCIAL OUTLOOK 2020

	Fiscal year 2019 ¹	Targets 2020 ²	Guidance ²
Sales growth (in constant currency)	€35,409 m	+ 3% to + 6%	confirmed
Net income ³ growth (in constant currency)	€1,879 m	- 4% to + 1%	confirmed

¹ Before special items, including IFRS 16 effect, including operating results of NxStage

² Before special items, including estimated COVID-19 effects

³ Net income attributable to shareholders of Fresenius SE & Co. KGaA

OUTLOOK 2020 BY BUSINESS SEGMENT

	Fiscal year 2019 ¹	Targets 2020 ²	Guidance ²
Fresenius Medical Care			
Sales growth (in constant currency)	€17,477 m	mid to high single digit %-range	confirmed
Net income ^{3,4} growth (in constant currency)	€1,236 m	mid to high single digit %-range	confirmed
Fresenius Kabi			
Sales growth (organic)	€6,919 m	+ 2% to + 5%	confirmed
EBIT growth (in constant currency)	€1,205 m	- 6% to - 3%	confirmed
Fresenius Helios			
Sales growth (organic)	€9,234 m	+ 1% to + 4%	confirmed
EBIT growth (in constant currency)	€1,025 m	broadly stable	confirmed
Fresenius Vamed			
Sales growth (organic)	€2,206 m	~ - 10%	confirmed
EBIT growth (in constant currency)	€134 m	~ - 50%	positive EBIT

¹ Before special items, including IFRS 16 effect, including operating results of NxStage

² Before special items, including estimated COVID-19 effects

³ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

⁴ Special items are effects that are unusual in nature and have not been foreseeable or not foreseeable in size or impact at the time of giving guidance

¹ FY/19 base: see table on this page

For a detailed overview of special items please see the reconciliation tables on pages 23 to 25.

RECONCILIATION FRESENIUS GROUP Q3 AND Q1-3

€ in millions	Q3/2020	Q3/2019	Growth rate	Growth rate in constant currency	Q1-3/2020	Q1-3/2019	Growth rate	Growth rate in constant currency
Sales reported	8,918	8,842	1%	5%	26,973	26,098	3%	5%
EBIT reported (after special items)	1,113	1,129	-1%	3%	3,361	3,362	0%	1%
Transaction costs Akorn	-	0			-	3		
Revaluations of biosimilars contingent purchase price liabilities	0	0			0	-4		
Gain related to divestitures of Care Coordination activities	-	-3			-	-14		
Transaction costs NxStage	-	2			-	22		
Expenses associated with the cost optimization program at FMC	-	25			-	32		
EBIT (before special items)	1,113	1,153	-3%	1%	3,361	3,401	-1%	0%
Net interest reported (after special items)	-154	-172	10%	7%	-503	-535	6%	5%
Revaluations of biosimilars contingent purchase price liabilities	0	1			8	3		
Net interest (before special items)	-154	-171	10%	6%	-495	-532	7%	6%

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

RECONCILIATION FRESENIUS GROUP Q3 AND Q1-3

€ in millions	Q3/2020	Q3/2019	Growth rate	Growth rate in constant currency	Q1-3/2020	Q1-3/2019	Growth rate	Growth rate in constant currency
Income taxes reported (after special items)	-211	-203	-4%	-7%	-648	-633	-2%	-3%
Transaction costs Akorn	-	0			-	0		
Revaluations of biosimilars contingent purchase price liabilities	-	-			-3	0		
Gain related to divestitures of Care Coordination activities	-	-17			-	-15		
Transaction costs NxStage	-	-1			-	-6		
Expenses associated with the cost optimization program at FMC	-	-6			-	-8		
Income taxes (before special items)	-211	-227	7%	4%	-651	-662	2%	1%
Noncontrolling interest reported (after special items)	-321	-310	-4%	-8%	913	-826	-11%	-11%
Gain related to divestitures of Care Coordination activities	-	14			-	20		
Transaction costs NxStage	-	-			-	-11		
Expenses associated with the cost optimization program at FMC	-	-14			-	-17		
Noncontrolling interest (before special items)	-321	-310	-4%	-8%	913	-834	-9%	-10%
Net income reported (after special items)¹	427	444	-4%	1%	1,297	1,368	-5%	-4%
Transaction costs Akorn	-	0			-	3		
Revaluations of biosimilars contingent purchase price liabilities	-	1			5	-1		
Gain related to divestitures of Care Coordination activities	-	-6			-	-9		
Transaction costs NxStage	-	1			-	5		
Expenses associated with the cost optimization program at FMC	-	5			-	7		
Net income (before special items)¹	427	445	-4%	1%	1,302	1,373	-5%	-4%

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

ESTIMATED COVID-19 EFFECTS Q3/ Q1-3 2020

€ in millions	Reported Growth rate in constant currency inclusive COVID-19-effects		Estimated COVID-19 impact in constant currency	
	Q3/2020	Q1-3/2020	Q3/2020	Q1-3/2020
Sales	5%	5%	- 1 to - 2%	- 2 to -3%
Net income (before special items)¹	1%	- 4%	0 to - 4%	- 6% to - 10%

¹ Net income attributable to shareholders of Fresenius SE & Co. KGaA

RECONCILIATION BUSINESS SEGMENTS Q3 AND Q1-3

FRESENIUS MEDICAL CARE

€ in millions	Q3/2020	Q3/2019	Growth rate	Growth rate in constant currency	Q1-3/2020	Q1-3/2019	Growth rate	Growth rate in constant currency
Sales reported	4,414	4,419	0%	6%	13,459	12,897	4%	6%
EBIT reported (after special items)	632	595	6%	11%	1,843	1,653	11%	12%
Gain related to divestitures of Care Coordination activities	-	-2			-	-14		
Transaction costs NxStage	-	2			-	22		
Expenses associated with the cost optimization program	-	25			-	32		
EBIT (before special items)	632	620	2%	7%	1,843	1,693	9%	9%
Net income reported (after special items)¹	354	333	6%	11%	987	857	15%	15%
Gain related to divestitures of Care Coordination activities	-	-20			-	-29		
Transaction costs NxStage	-	1			-	16		
Expenses associated with the cost optimization program	-	18			-	24		
Net income (before special items)¹	354	332	7%	11%	987	868	14%	14%

FRESENIUS KABI

€ in millions	Q3/2020	Q3/2019	Growth rate	Growth rate in constant currency	Q1-3/2020	Q1-3/2019	Growth rate	Growth rate in constant currency
Sales reported	1,694	1,761	-4%	2%	5,161	5,153	0%	3%
Transaction costs Akorn	-	0			-	3		
Revaluations of biosimilars contingent purchase price liabilities	0	0			0	-4		
EBIT (before special items)	278	307	-9%	-4%	859	920	-7%	-5%

¹ Net income attributable to shareholders of Fresenius Medical Care AG & Co. KGaA

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

€ in millions

	Q3/2020	Q3/2019	Q1-3/2020	Q1-3/2019
Sales	8,918	8,842	26,973	26,098
Cost of sales	-6,414	-6,275	-19,260	-18,469
Gross profit	2,504	2,567	7,713	7,629
Selling, general and administrative expenses	-1,229	-1,258	-3,835	-3,806
Gain related to divestitures of Care Coordination activities	3	3	32	14
Research and development expenses	-165	-183	-549	-475
Operating income (EBIT)	1,113	1,129	3,361	3,362
Net interest	-154	-172	-503	-535
Income before income taxes	959	957	2,858	2,827
Income taxes	-211	-203	-648	-633
Net income	748	754	2,210	2,194
Noncontrolling interests	321	310	913	826
Net income attributable to shareholders of Fresenius SE & Co. KGaA	427	444	1,297	1,368
Earnings per share in €	0.77	0.80	2.33	2.46
Fully diluted earnings per share in €	0.77	0.79	2.33	2.45

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

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

€ in millions	Q3/2020	Q3/2019	Q1-3/2020	Q1-3/2019
Net income	748	754	2,210	2,194
Other comprehensive income (loss)				
Positions which will be reclassified into net income in subsequent years				
Foreign currency translation	-898	752	-1,272	920
Cash flow hedges	-2	1	10	-21
Fair value changes of debt instruments	0	0	31	0
Income taxes on positions which will be reclassified	-2	3	-10	9
Positions which will not be reclassified into net income in subsequent years				
Actuarial losses on defined benefit pension plans	-65	0	-19	0
Share of other comprehensive income from at equity investments	2	0	53	0
Fair value changes of equity investments	-13	0	6	0
Income taxes on positions which will not be reclassified	20	0	3	0
Other comprehensive income (loss), net	-958	756	-1,198	908
Total comprehensive income (loss)	-210	1,510	1,012	3,102
Comprehensive income (loss) attributable to noncontrolling interests	-130	686	288	1,251
Comprehensive income (loss) attributable to shareholders of Fresenius SE & Co. KGaA	-80	824	724	1,851

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

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

ASSETS

€ in millions	September 30, 2020	December 31, 2019
Cash and cash equivalents	2,658	1,654
Trade accounts and other receivables, less allowances for expected credit losses	7,198	7,176
Accounts receivable from and loans to related parties	106	100
Inventories	4,032	3,633
Other current assets	2,839	2,701
I. Total current assets	16,833	15,264
Property, plant and equipment	11,608	11,307
Right-of-use assets	5,819	5,959
Goodwill	27,342	27,737
Other intangible assets	3,769	3,869
Other non-current assets	1,999	2,031
Deferred taxes	951	839
II. Total non-current assets	51,488	51,742
Total assets	68,321	67,006

LIABILITIES

€ in millions	September 30, 2020	December 31, 2019
Trade accounts payable	1,690	1,905
Short-term accounts payable to related parties	70	46
Short-term provisions and other short-term liabilities	7,874	6,245
Short-term debt	684	2,475
Short-term debt from related parties	7	3
Current portion of long-term debt	778	892
Current portion of long-term lease liabilities	875	793
Current portion of bonds	1,560	945
Current portion of convertible bonds	0	400
Short-term accruals for income taxes	317	232
A. Total short-term liabilities	13,855	13,936
Long-term debt, less current portion	4,913	6,117
Long-term lease liabilities, less current portion	5,445	5,646
Bonds, less current portion	12,437	9,522
Convertible bonds, less current portion	472	465
Long-term provisions and other long-term liabilities	1,656	1,560
Pension liabilities	1,598	1,520
Long-term accruals for income taxes	276	242
Deferred taxes	1,468	1,418
B. Total long-term liabilities	28,265	26,490
I. Total liabilities	42,120	40,426
A. Noncontrolling interest	9,300	9,802
Subscribed capital	557	557
Capital reserve	3,989	3,989
Other reserves	13,118	12,422
Accumulated other comprehensive loss	-763	-190
B. Total Fresenius SE & Co. KGaA shareholders' equity	16,901	16,778
II. Total shareholders' equity	26,201	26,580
Total liabilities and shareholders' equity	68,321	67,006

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

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	Q1-3/2020	Q1-3/2019
Operating activities		
Net income	2,210	2,194
Adjustments to reconcile net income to cash and cash equivalents provided by operating activities		
Depreciation and amortization	1,885	1,784
Gain on sale of investments and divestitures	-46	-101
Change in deferred taxes	-44	28
Gain on sale of fixed assets	-	-4
Changes in assets and liabilities, net of amounts from businesses acquired or disposed of		
Trade accounts and other receivables	-200	-537
Inventories	-577	-342
Other current and non-current assets	-108	-362
Accounts receivable from/payable to related parties	21	155
Trade accounts payable, provisions and other short-term and long-term liabilities	1,873	102
Accruals for income taxes	145	60
Net cash provided by operating activities	5,159	2,977
Investing activities		
Purchase of property, plant and equipment	-1,578	-1,609
Proceeds from sales of property, plant and equipment	12	20
Acquisitions and investments, net of cash acquired and purchases of intangible assets	-485	-2,199
Proceeds from sale of investments and divestitures	42	57
Net cash used in investing activities	-2,009	-3,731

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

€ in millions	Q1-3/2020	Q1-3/2019
Financing activities		
Proceeds from short-term debt	251	898
Repayments of short-term debt	-2,061	-338
Proceeds from long-term debt	47	2,130
Repayments of long-term debt	-1,005	-1,016
Repayments of lease liabilities	-721	-607
Proceeds from the issuance of bonds	4,577	1,433
Repayments of liabilities from bonds	-937	-1,767
Repayments of convertible bonds	-400	-500
Payments for the share buy-back program of Fresenius Medical Care	-366	-464
Payments for/Proceeds from the accounts receivable facility of Fresenius Medical Care	-379	649
Proceeds from the exercise of stock options	13	38
Dividends paid	-1,001	-880
Change in noncontrolling interests	-6	1
Net cash used in financing activities	-1,988	-423
Effect of exchange rate changes on cash and cash equivalents	-158	67
Net increase/decrease in cash and cash equivalents	1,004	-1,110
Cash and cash equivalents at the beginning of the reporting period	1,654	2,709
Cash and cash equivalents at the end of the reporting period	2,658	1,599

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

€ in millions	Q1-3/2020	Q1-3/2019
Received interest	43	40
Paid interest	-482	-553
Income taxes paid	-453	-637

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

FRESENIUS SE & CO. KGAA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Subscribed Capital			Reserves	
	Number of ordinary shares in thousand	Amount € in thousands	Amount € in millions	Capital reserve € in millions	Other reserves € in millions
As of December 31, 2018	556,225	556,225	556	3,933	11,252
Adjustment due to the initial application of IFRS 16	0	0	0	0	-46
As of January 1, 2019, adjusted	556,225	556,225	556	3,933	11,206
Proceeds from the exercise of stock options	976	976	1	29	
Compensation expense related to stock options				16	
Dividends paid					-445
Purchase of noncontrolling interests					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-146
Noncontrolling interests subject to put provisions					-1
Comprehensive income (loss)					
Net income					1,368
Other comprehensive income (loss)					
Cash flow hedges					
Foreign currency translation					
Actuarial gains on defined benefit pension plans					
Comprehensive income (loss)					1,368
As of September 30, 2019	557,201	557,201	557	3,978	11,982
As of December 31, 2019	557,380	557,380	557	3,989	12,422
Proceeds from the exercise of stock options	89	89		6	
Compensation expense related to stock options				-6	
Dividends paid					-468
Purchase of noncontrolling interests					
Share buy-back program of Fresenius Medical Care AG & Co. KGaA					-118
Noncontrolling interests subject to put provisions					-15
Comprehensive income (loss)					
Net income					1,297
Other Comprehensive Income (Loss)					
Cash flow hedges					
Change of fair value of equity investments					
Foreign currency translation					
Actuarial losses on defined benefit pension plans					
Fair value changes					
Comprehensive income (loss)					1,297
As of September 30, 2020	557,469	557,469	557	3,989	13,118

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

	Accumulated other comprehensive income (loss)					Total Fresenius SE & Co. KGaA shareholders' equity € in millions	Non- controlling interests € in millions	Total shareholders' equity € in millions
	Foreign currency translation € in millions	Cash flow hedges € in millions	Pensions € in millions	Equity investments € in millions	Fair value changes € in millions			
As of December 31, 2018	38	-61	-311	4		15,411	9,597	25,008
Adjustment due to the initial application of IFRS 16	0	0	0	0		-46	-98	-144
As of January 1, 2019, adjusted	38	-61	-311	4		15,365	9,499	24,864
Proceeds from the exercise of stock options						30	8	38
Compensation expense related to stock options						16	2	18
Dividends paid						-445	-435	-880
Purchase of noncontrolling interests						0	21	21
Share buy-back program of Fresenius Medical Care AG & Co. KGaA						-146	-318	-464
Noncontrolling interests subject to put provisions						-1	-2	-3
Comprehensive income (loss)								
Net income						1,368	826	2,194
Other comprehensive income (loss)								
Cash flow hedges		-8				-8	-7	-15
Foreign currency translation	500		-9			491	432	923
Actuarial gains on defined benefit pension plans			-			-	0	-
Comprehensive income (loss)	500	-8	-9			1,851	1,251	3,102
As of September 30, 2019	538	-69	-320	4		16,670	10,026	26,696
As of December 31, 2019	294	-65	-429	10		16,778	9,802	26,580
Proceeds from the exercise of stock options						6	7	13
Compensation expense related to stock options						-6	-	-6
Dividends paid						-468	-533	-1,001
Purchase of noncontrolling interests						0	16	16
Share buy-back program of Fresenius Medical Care AG & Co. KGaA						-118	-248	-366
Noncontrolling interests subject to put provisions						-15	-32	-47
Comprehensive income (loss)								
Net income						1,297	913	2,210
Other Comprehensive Income (Loss)								
Cash flow hedges		5				5	3	8
Fair value changes of equity investments						0	4	4
Foreign currency translation	-603		3	1		-599	-676	-1,275
Actuarial losses on defined benefit pension plans			-4			-4	-10	-14
Fair value changes					25	25	54	79
Comprehensive income (loss)	-603	5	-1	1	25	724	288	1,012
As of September 30, 2020	-309	-60	-430	11	25	16,901	9,300	26,201

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

FRESENIUS SE & CO. KGAA CONSOLIDATED SEGMENT REPORTING FIRST THREE QUARTERS (UNAUDITED)

by business segment, € in millions	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
	2020	2019 ²	Growth	2020 ³	2019 ⁴	Growth	2020	2019	Growth	2020	2019	Growth	2020 ⁵	2019 ⁶	Growth	2020	2019	Growth
Sales	13,459	12,897	4%	5,161	5,153	0%	7,181	6,890	4%	1,491	1,469	1%	-319	-311	-3%	26,973	26,098	3%
thereof contribution to consolidated sales	13,428	12,865	4%	5,119	5,114	0%	7,167	6,878	4%	1,258	1,241	1%	1	0		26,973	26,098	3%
thereof intercompany sales	31	32	-3%	42	39	8%	14	12	17%	233	228	2%	-320	-311	-3%	0	0	
contribution to consolidated sales	50%	49%		19%	20%		26%	26%		5%	5%		0%	0%		100%	100%	
EBITDA	3,047	2,834	8%	1,146	1,178	-3%	1,027	1,043	-2%	51	119	-57%	-25	-28	11%	5,246	5,146	2%
Depreciation and amortization	1,204	1,141	6%	287	258	11%	330	312	6%	61	52	17%	3	21	-86%	1,885	1,784	6%
EBIT	1,843	1,693	9%	859	920	-7%	697	731	-5%	-10	67	-115%	-28	-49	43%	3,361	3,362	0%
Net interest	-284	-327	13%	-63	-62	-2%	-137	-130	-5%	-14	-13	-8%	-5	-3	-67%	-503	-535	6%
Income taxes	-362	-321	-13%	-183	-206	11%	-114	-124	8%	3	-14	121%	8	32	-75%	-648	-633	-2%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	987	868	14%	582	614	-5%	441	467	-6%	-23	39	-159%	-690	-620	-11%	1,297	1,368	-5%
Operating cash flow	3,649	1,796	103%	836	737	13%	715	507	41%	4	-17	124%	-45	-46	2%	5,159	2,977	73%
Cash flow before acquisitions and dividends	2,913	1,019	186%	340	253	34%	460	253	82%	-59	-38	-55%	-61	-99	38%	3,593	1,388	159%
Total assets ¹	33,049	32,935	0%	13,827	13,797	0%	18,974	18,164	4%	2,729	2,721	0%	-258	-611	58%	68,321	67,006	2%
Debt ¹	13,053	13,782	-5%	4,383	4,375	0%	7,350	7,457	-1%	1,054	908	16%	1,331	736	81%	27,171	27,258	0%
Other operating liabilities ¹	6,546	5,185	26%	3,252	3,207	1%	2,458	2,084	18%	953	1,034	-8%	272	240	13%	13,481	11,750	15%
Capital expenditure, gross	746	788	-5%	460	473	-3%	257	255	1%	64	23	178%	15	53	-72%	1,542	1,592	-3%
Acquisitions, gross/investments	246	2,068	-88%	17	85	-80%	383	127	--	6	12	-50%	-1	0		651	2,292	-72%
Research and development expenses	141	119	19%	407	353	15%	1	2	-50%	0	0		0	1	-100%	549	475	16%
Employees (per capita on balance sheet date) ¹	134,550	128,300	5%	40,786	39,627	3%	113,125	106,377	6%	19,391	18,592	4%	1,262	1,238	2%	309,114	294,134	5%
Key figures																		
EBITDA margin	22.6%	22.0%		22.2%	22.9%		14.3%	15.1%		3.4%	8.1%					19.4% ³	19.8% ⁷	
EBIT margin	13.7%	13.1%		16.6%	17.9%		9.7%	10.6%		-0.7%	4.6%					12.5% ³	13.0% ⁷	
Depreciation and amortization in % of sales	8.9%	8.8%		5.6%	5.0%		4.6%	4.5%		4.1%	3.5%					7.0%	6.8%	
Operating cash flow in % of sales	27.1%	13.9%		16.2%	14.3%		10.0%	7.4%		0.3%	-1.2%					19.1%	11.4%	
ROOA ¹	7.8%	7.6%		9.5%	10.5%		5.7%	6.1%		2.7%	7.0%					7.3% ⁸	7.6% ⁹	

¹ 2019: December 31² Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program³ Before revaluations of biosimilars contingent purchase price liabilities⁴ Before transaction-related expenses and revaluations of biosimilars contingent purchase price liabilities⁵ After revaluations of biosimilars contingent purchase price liabilities⁶ After transaction-related expenses, revaluations of biosimilars contingent purchase price liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC⁷ Before transaction-related expenses, revaluations of biosimilars contingent purchase price liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC⁸ The underlying pro forma EBIT does not include revaluations of biosimilars contingent liabilities.⁹ The underlying pro forma EBIT does not include transaction-related expenses, revaluations of biosimilars contingent liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC.

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

FRESENIUS SE & CO. KGAA

CONSOLIDATED SEGMENT REPORTING THIRD QUARTER (UNAUDITED)

	Fresenius Medical Care			Fresenius Kabi			Fresenius Helios			Fresenius Vamed			Corporate/Other			Fresenius Group		
by business segment, € in millions	2020	2019 ¹	Growth	2020 ²	2019 ³	Growth	2020	2019	Growth	2020	2019	Growth	2020 ⁴	2019 ⁵	Growth	2020	2019	Growth
Sales	4,414	4,419	0%	1,694	1,761	-4%	2,400	2,230	8%	517	562	-8%	-107	-130	18%	8,918	8,842	1%
thereof contribution to consolidated sales	4,404	4,406	0%	1,681	1,747	-4%	2,395	2,225	8%	437	465	-6%	1	-1	200%	8,918	8,842	1%
thereof intercompany sales	10	13	-23%	13	14	-7%	5	5	0%	80	97	-18%	-108	-129	16%	0	0	
contribution to consolidated sales	49%	50%		19%	20%		27%	25%		5%	5%		0%	0%		100%	100%	
EBITDA	1,025	1,011	1%	368	398	-8%	336	293	15%	10	51	-80%	-10	4	--	1,729	1,757	-2%
Depreciation and amortization	393	392	0%	90	91	-1%	111	106	5%	21	18	17%	1	21	-95%	616	628	-2%
EBIT	632	619	2%	278	307	-9%	225	187	20%	-11	33	-133%	-11	-17	35%	1,113	1,129	-1%
Net interest	-88	-105	16%	-19	-20	5%	-45	-44	-2%	-4	-4	0%	2	1	100%	-154	-172	10%
Income taxes	-125	-123	0%	-56	-69	19%	-35	-28	-25%	2	-8	125%	3	25	-88%	-211	-203	-4%
Net income attributable to shareholders of Fresenius SE & Co. KGaA	353	332	7%	189	203	-7%	142	112	27%	-15	21	-171%	-242	-224	-8%	427	444	-4%
Operating cash flow	746	868	-14%	225	377	-40%	275	196	40%	-4	33	-112%	-43	9	--	1,199	1,483	-19%
Cash flow before acquisitions and dividends	506	584	-13%	68	198	-66%	178	106	68%	-22	23	-196%	-48	-4	--	682	907	-25%
Capital expenditure, gross	246	291	-16%	154	183	-16%	98	91	8%	18	10	80%	5	11	-55%	521	586	-11%
Acquisitions, gross/investments	97	103	-6%	5	6	-17%	41	25	64%	0	0		-1	1	-200%	142	135	5%
Research and development expenses	45	42	6%	120	140	-14%	–	1	-100%	0	0		0	0		165	183	-10%
EBITDA margin	23.2%	22.9%		21.7%	22.6%		14.0%	13.1%		1.9%	9.1%					19.4% ²	19.9% ⁶	
EBIT margin	14.3%	14.0%		16.4%	17.4%		9.4%	8.4%		-2.1%	5.9%					12.5% ²	13.0% ⁶	
Depreciation and amortization in % of sales	8.9%	8.9%		5.3%	5.2%		4.6%	4.8%		4.1%	3.2%					6.9%	7.1%	
Operating cash flow in % of sales	16.9%	19.7%		13.3%	21.4%		11.5%	8.8%		-0.8%	5.9%					13.4%	16.8%	

¹ Before transaction-related expenses, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program

² Before revaluations of biosimilars contingent purchase price liabilities

³ Before transaction-related expenses and revaluations of biosimilars contingent purchase price liabilities

⁴ After revaluations of biosimilars contingent purchase price liabilities

⁵ After transaction-related expenses, revaluations of biosimilars contingent purchase price liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

⁶ Before transaction-related expenses, revaluations of biosimilars contingent purchase price liabilities, gain related to divestitures of Care Coordination activities and expenses associated with the cost optimization program at FMC

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

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GENERAL NOTES

1. PRINCIPLES

I. GROUP STRUCTURE

Fresenius is a global health care group with products and services for dialysis, hospitals and outpatient medical care. In addition, the Fresenius Group focuses on hospital operations and also manages projects and provides services for hospitals and other health care facilities worldwide. Besides the activities of the parent company Fresenius SE & Co. KGaA, Bad Homburg v. d. H., the operating activities are organized amongst the following legally independent business segments as of September 30, 2020:

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

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

II. BASIS OF PRESENTATION

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

The consolidated interim financial statements and accompanying condensed notes are prepared in accordance with the International Accounting Standard (IAS) 34. They have been prepared in accordance with the IFRS in effect on the reporting date and endorsed by the European Union.

The interim financial statements have been prepared in accordance with the same general accounting policies applied in the preparation of the consolidated financial statements as of December 31, 2019.

III. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The condensed consolidated financial statements and management report for the first three quarters and the third quarter ended September 30, 2020 have not been audited nor reviewed and should be read in conjunction with the notes included and published in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS as adopted by the EU.

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

The consolidated financial statements for the first three quarters and the third quarter ended September 30, 2020 include all adjustments that, in the opinion of the Management Board, are of a normal and recurring nature and are necessary to provide a fair presentation of the assets and liabilities, financial position and results of operations of the Fresenius Group.

The results of operations for the first three quarters and the third quarter ended September 30, 2020 are not necessarily indicative of the results of operations for the fiscal year 2020.

Classifications

Certain items in the consolidated financial statements for the first three quarters of 2019 and for the year 2019 have been reclassified to conform with the current year's presentation.

Government grants and impacts of COVID-19 pandemic

The financial statements of the Fresenius Group have been impacted by COVID-19, mostly in the form of lost revenue and additional costs incurred to protect its patients and employees, to safeguard its production activities and clinical operations and additional freight and logistic costs. Across the Fresenius Global footprint, various governments in regions have provided economic assistance programs to address the consequences of the pandemic on companies and support health care providers and patients. The related reimbursement payments and funding received by Fresenius have been accounted for in accordance with terms and regulations set forth in by the local laws and regulations.

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

In Germany, the hospitals of the Fresenius Group have received reimbursements in the amount of €588 million under the COVID-19 Hospital Relief Act ("Gesetz zum Ausgleich COVID-19 bedingter finanzieller Belastungen der Krankenhäuser und weiterer Gesundheitseinrichtungen"). The COVID-19 Hospital Relief Act mainly compensates hospitals for their increase in capacity and related patient services through the postponement of elective treatments and provision of additional intensive care beds for the treatment of potential COVID-19 patients. As these additional reimbursements for hospital services are paid by the partly state funded health care fund, such revenues are recognized in accordance with the Fresenius Group's existing revenue recognition policies for hospital services (IFRS 15, Revenue from Contracts with Customers). The COVID-19 Hospital Relief Act expired as of September 30, 2020. Possible follow-up regulations which apply from October 1, 2020 onwards are currently being discussed.

In the United States, Fresenius Medical Care North America received payments under the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) of €246 million and has thereof €224 million recognized primarily against the respective cost of revenue line item and the rest against

the selling, general and administrative expense line item in the consolidated statement of income in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Amounts that are yet to be reconciled with costs incurred in relation to COVID-19 for the three and nine months ended September 30, 2020 are recorded as a liability on the Fresenius Group's consolidated balance sheet within short-term provisions and other short-term liabilities as of September 30, 2020. Additionally, the Fresenius Group received in the United States advance payments under the CMS Accelerated and Advance Payment program which are recorded in accordance with IFRS 15 as a contract liability upon receipt and recognized as revenue when the respective services are provided. The Fresenius Group recorded a respective contract liability within short-term provisions and other short-term liabilities in the amount of €897 million as of September 30, 2020.

In addition to the programs above, the Fresenius Group also received grants under various other programs from multiple governments around the world in the amount of €36 million. In some countries, for example Spain, potential government schemes are still under discussion. The outcome of these discussions cannot be predicted.

All funds received from grants comply with the respective conditions. The Fresenius Group is obliged and committed to fulfilling all the requirements as set out in the grant funding arrangements.

In addition to the aforementioned additional reimbursements and compensated costs incurred in various countries, the Fresenius Group was affected by impacts COVID-19 had on the global economy and financial markets as well as effects related to lockdowns. At the same time the Fresenius Group was affected by lower cost in certain areas, for example for incentive plans and travel.

In a dynamic environment, with direct, but also many indirect operational, practical and wider financial consequences of COVID-19, it is impossible to provide a precise financial impact on the reported consolidated statement of income. This is specifically valid for the impact of lost revenues and related margin loss. Therefore, management has made the following estimates:

Negative net impact to revenue growth is estimated to -2% to -3% for the first three quarters and -1% to -2% for the third quarter of 2020. Negative net impact to net income growth is estimated to -6% to -10% for the first three quarters and 0% to -4% for the third quarter of 2020.

The Fresenius Group is well positioned to meet its ongoing financial obligations and has sufficient liquidity to support its normal business activities.

Recoverability of goodwill and intangible assets with indefinite useful lives

In the second quarter of 2020, the Fresenius Group performed impairment tests of goodwill and non-amortizable intangible assets due to adverse changes in Fresenius Medical Care's and Fresenius Kabi's Latin America Cash Generation Unit's (CGU's) economic environment. This was in part exacerbated by COVID-19, specifically in relation to a negative impact from country-specific risk rates increasing the weighted average cost of capital in the Latin America CGUs which the Fresenius Group determined to be a triggering event in accordance with IAS 36, Impairment of Assets. At that time, a further increase of the WACC (after tax) of the CGU Fresenius Medical Care Latin America by 0.15 percentage points would have led to the fair value being equal to the carrying amount. A further increase of the WACC (after tax) of the CGU Fresenius Kabi Latin America by 1 percentage point would not have led to the recognition of an impairment loss. A further increase by 2.16 percentage points would have led to the fair value being equal to the carrying amount.

At September 30, 2020, the Fresenius Group did not identify any further triggering event which would result in an additional impairment test of goodwill for the Latin America CGUs (carrying amount of goodwill as of September 30, 2020: €192 million for Fresenius Medical Care and €122 million for Fresenius Kabi). For the Fresenius Medical Care Latin America CGU any adverse developments in future periods would likely lead to impairment charges.

Use of estimates

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

IV. RECENT PRONOUNCEMENTS, APPLIED

The Fresenius Group has prepared its consolidated financial statements at September 30, 2020 in conformity with IFRS, as adopted by the EU, that must be applied for the interim periods starting on or after January 1, 2020.

In the first three quarters of 2020, the Fresenius Group did not apply any new standard relevant for its business for the first time.

V. RECENT PRONOUNCEMENTS, NOT YET APPLIED

The International Accounting Standards Board (IASB) issued the following new standards relevant for the Fresenius Group's business:

In January 2020, the IASB issued **Amendments to IAS 1, Classification of Liabilities as Current and Non-current**. The amendments clarify under which circumstances debt and other liabilities with an uncertain settlement date should be classified as current or non-current. Among others, the amendments state that liabilities shall be classified depending on rights that exist at the end of the reporting period and define under which conditions liabilities might be settled by cash, other economic resources or equity. On July 15, 2020, the IASB deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from the amendments. The amendments to IAS 1 are now effective for fiscal years beginning on or after January 1, 2023. Earlier adoption is permitted. The Fresenius Group is currently evaluating the impact of the amendments to IAS 1 on the consolidated financial statements.

In May 2017, the IASB issued **IFRS 17, Insurance Contracts**. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure related to the issuance of insurance contracts. IFRS 17 replaces IFRS 4, Insurance Contracts, which was brought in as an interim

standard in 2004. IFRS 4 permitted the use of national accounting standards for the accounting of insurance contracts under IFRS. As a result of the varied application for insurance contracts, there was a lack of comparability among peer groups. IFRS 17 eliminates this diversity in practice by requiring all insurance contracts to be accounted for using current values. The frequent updates to the insurance values are expected to provide more useful information to users of financial statements. On June 25, 2020, the IASB issued amendments to IFRS 17, which among others, defer the effective date to fiscal years beginning on or after January 1, 2023. Earlier adoption is permitted for entities that have also adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers. The Fresenius Group is currently evaluating the impact of IFRS 17 on the consolidated financial statements.

The EU Commission's endorsement of IFRS 17 and of the amendments to IAS 1 are still outstanding.

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

2. ACQUISITIONS, DIVESTITURES AND INVESTMENTS

The Fresenius Group made acquisitions, investments and purchases of intangible assets of €651 million and €2,292 million in the first three quarters of 2020 and 2019, respectively. Of this amount, €485 million was paid in cash and €166 million was assumed obligations in the first three quarters of 2020. There were no individually material transactions which have occurred during the first three quarters of 2020.

FRESENIUS MEDICAL CARE

In the first three quarters of 2020, Fresenius Medical Care spent €246 million on acquisitions, mainly on the purchase of dialysis clinics.

FRESENIUS KABI

In the first three quarters of 2020, Fresenius Kabi spent €17 million on acquisitions, mainly for already planned acquisition related milestone payments relating to the acquisition of the biosimilars business.

FRESENIUS HELIOS

In the first three quarters of 2020, Fresenius Helios spent €383 million on acquisitions, mainly for the purchase of Centro Médico Imbanaco S.A. in Colombia. Furthermore, Clínica del Prado S.A., Clínica de la Mujer S.A.S. in Colombia, and Digitale Gesundheits Gruppe GmbH, Germany, were acquired.

NOTES ON THE CONSOLIDATED STATEMENT OF INCOME

3. SPECIAL ITEMS

Net income attributable to shareholders of Fresenius SE & Co. KGaA for the first three quarters of 2020 in the amount of €1,297 million includes special items relating to the revaluation of biosimilars contingent purchase price liabilities.

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

€ in millions	EBIT	Interest expenses	Net income attributable to shareholders of Fresenius SE & Co. KGaA
Earnings Q1-3/2020, before special items	3,361	-495	1,302
Revaluations of biosimilars contingent purchase price liabilities	0	-8	-5
Earnings Q1-3/2020 according to IFRS	3,361	-503	1,297

4. SALES

Sales by activity were as follows:

€ in millions	Q1-3/2020	Q1-3/2019
Sales from contracts with customers	26,656	25,802
thereof sales of services	18,550	17,825
thereof sales of products and related services	7,696	7,560
thereof sales from longterm production contracts	396	410
thereof further sales from contracts with customers	14	7
Other sales	317	296
Sales	26,973	26,098

Other sales include sales from insurance and lease contracts.

5. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of €549 million (Q1-3/2019: €475 million) included expenditures for research and non-capitalizable development costs as well as regular depreciation and amortization expenses relating to capitalized development costs of €15 million (Q1-3/2019: €13 million). Furthermore, in the first three quarters of 2020, research and development expenses included reversals of write-downs on capitalized development expenses of €7 million (Q1-3/2019: €16 million). The expenses for the further development of the biosimilars business included in the research and development expenses amounted to €122 million in the first three quarters of 2020 (Q1-3/2019: €75 million).

6. TAXES

During the first three quarters of 2020, there were no material changes relating to accruals for income taxes as well as recognized and accrued payments for interest and penalties. Further information can be found in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

7. EARNINGS PER SHARE

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

	Q1-3/2020	Q1-3/2019
Numerators, € in millions		
Net income attributable to shareholders of Fresenius SE & Co. KGaA	1,297	1,368
less effect from dilution due to Fresenius Medical Care shares	–	–
Income available to all ordinary shares	1,297	1,368
Denominators in number of shares		
Weighted-average number of ordinary shares outstanding	557,431,698	556,665,454
Potentially dilutive ordinary shares	365,938	639,211
Weighted-average number of ordinary shares outstanding assuming dilution	557,797,636	557,304,665
Basic earnings per share in €	2.33	2.46
Fully diluted earnings per share in €	2.33	2.45

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

8. TRADE ACCOUNTS AND OTHER RECEIVABLES

As of September 30, 2020 and December 31, 2019, trade accounts and other receivables were as follows:

€ in millions	September 30, 2020		December 31, 2019	
		thereof credit impaired		thereof credit impaired
Trade accounts and other receivables	7,569	841	7,527	710
less allowances for expected credit losses	371	299	351	274
Trade accounts and other receivables, net	7,198	542	7,176	436

Within trade accounts and other receivables (before allowances) as of September 30, 2020, €7,463 million relate to revenue from contracts with customers as defined by IFRS 15. This amount includes €370 million of allowances for expected credit losses. Further trade accounts and other receivables, net, relate to other sales.

9. INVENTORIES

As of September 30, 2020 and December 31, 2019, inventories consisted of the following:

€ in millions	Sept. 30, 2020	Dec. 31, 2019
Raw materials and purchased components	914	835
Work in process	399	370
Finished goods	2,834	2,559
less reserves	115	131
Inventories, net	4,032	3,633

10. OTHER CURRENT AND NON-CURRENT ASSETS

At equity investments as of September 30, 2020 in the amount of €708 million (December 31, 2019: €697 million) mainly related to the equity method investee named Vifor Fresenius Medical Care Renal Pharma Ltd. between Fresenius Medical Care and Galenica Ltd. In the first three quarters of 2020, income of €48 million (Q1-3/2019: €63 million) from this equity investment was included in selling, general and administrative expenses in the consolidated statement of income.

11. GOODWILL

The carrying amount of goodwill has developed as follows:

€ in millions	Fresenius Medical Care	Fresenius Kabi	Fresenius Helios	Fresenius Vamed	Corporate/ Other	Fresenius Group
Carrying amount as of January 1, 2019	12,210	5,355	7,857	285	6	25,713
Additions	1,589	0	134	9	0	1,732
Disposals	0	0	-3	0	0	-3
Foreign currency translation	218	76	0	1	0	295
Carrying amount as of December 31, 2019	14,017	5,431	7,988	295	6	27,737
Additions	169	0	229	3	0	401
Disposals	0	0	0	-	0	-
Foreign currency translation	-597	-198	0	-1	0	-796
Carrying amount as of September 30, 2020	13,589	5,233	8,217	297	6	27,342

12. DEBT

SHORT-TERM DEBT

As of September 30, 2020 and December 31, 2019, short-term debt consisted of the following:

€ in millions	Book value	
	September 30, 2020	December 31, 2019
Fresenius SE & Co. KGaA Commercial Paper	248	953
Fresenius Medical Care AG & Co. KGaA Commercial Paper	261	1,000
Other short-term debt	0	522
Short-term debt	509	2,475

LONG-TERM DEBT

As of September 30, 2020 and December 31, 2019, long-term debt net of debt issuance costs consisted of the following:

€ in millions	Book value	
	September 30, 2020	December 31, 2019
Fresenius Medical Care Credit Agreement	1,238	1,901
Fresenius Credit Agreement	1,848	1,976
Schuldschein Loans	2,059	2,180
Accounts Receivable Facility of Fresenius Medical Care	0	380
Other	545	572
Subtotal	5,690	7,009
less current portion	778	892
Long-term debt, less current portion	4,912	6,117

Fresenius Medical Care Credit Agreement

Fresenius Medical Care AG & Co. KGaA (FMC-AG & Co. KGaA) originally entered into a syndicated credit facility (Fresenius Medical Care 2012 Credit Agreement) of US\$3,850 million and a 5-year tenor on October 30, 2012.

In the years 2014 and 2017, various amendments of the Fresenius Medical Care Credit Agreement were made. These related to the amount and structure of the available tranches, among other items. In addition, the terms have been extended.

The following tables show the available and outstanding amounts under the Fresenius Medical Care Credit Agreement at September 30, 2020 and at December 31, 2019:

September 30, 2020				
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	768	US\$0 million	0
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€0 million	0
Term Loan (in US\$) 2017/2022	US\$1,140 million	974	US\$1,140 million	974
Term Loan (in €) 2017/2020	€0 million	0	€0 million	0
Term Loan (in €) 2017/2022	€266 million	266	€266 million	266
Total		2,608		1,240
less financing cost				2
Total				1,238

December 31, 2019				
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in US\$) 2017/2022	US\$900 million	801	US\$139 million	123
Revolving Credit Facility (in €) 2017/2022	€600 million	600	€0 million	0
Term Loan (in US\$) 2017/2022	US\$1,230 million	1,095	US\$1,230 million	1,095
Term Loan (in €) 2017/2020	€400 million	400	€400 million	400
Term Loan (in €) 2017/2022	€287 million	287	€287 million	287
Total		3,183		1,905
less financing cost				4
Total				1,901

The Term Loan of FMC-AG & Co. KGaA in the amount of €400 million originally due on July 30, 2020, was prematurely redeemed on May 29, 2020.

As of September 30, 2020, FMC-AG & Co. KGaA and its subsidiaries were in compliance with all covenants under the Fresenius Medical Care Credit Agreement.

Fresenius Credit Agreement

On December 20, 2012, Fresenius SE & Co. KGaA and various subsidiaries entered into a delayed draw syndicated credit agreement (2013 Credit Agreement) in the original amount of US\$1,300 million and €1,250 million. Since the initial funding of the Credit Agreement in June 2013, additional tranches were added. Furthermore, scheduled amortization payments as well as voluntary repayments have been made. In August 2017, the Credit Agreement was refinanced and replaced by new tranches with a total amount of approximately €3,800 million.

The following tables show the available and outstanding amounts under the Fresenius Credit Agreement at September 30, 2020 and at December 31, 2019:

September 30, 2020				
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,100 million	1,100	€0 million	0
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	427	US\$0 million	0
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€700 million	700	€700 million	700
Term Loan (in US\$) 2017/2022	US\$470 million	401	US\$470 million	401
Total		3,378		1,851
less financing cost				3
Total				1,848

December 31, 2019				
	Maximum amount available		Balance outstanding	
		€ in millions		€ in millions
Revolving Credit Facility (in €) 2017/2022	€1,100 million	1,100	€0 million	0
Revolving Credit Facility (in US\$) 2017/2022	US\$500 million	446	US\$0 million	0
Term Loan (in €) 2017/2021	€750 million	750	€750 million	750
Term Loan (in €) 2017/2022	€775 million	775	€775 million	775
Term Loan (in US\$) 2017/2022	US\$515 million	458	US\$515 million	458
Total		3,529		1,983
less financing cost				7
Total				1,976

As of September 30, 2020, the Fresenius Group was in compliance with all covenants under the Fresenius Credit Agreement.

Schuldschein Loans

As of September 30, 2020 and December 31, 2019, Schuldschein Loans of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate fixed/variable	Book value € in millions	
				Sept. 30, 2020	Dec. 31, 2019
Fresenius SE & Co. KGaA 2014/2020	€106 million	April 2, 2020	2.67%	0	106
Fresenius SE & Co. KGaA 2017/2022	€372 million	Jan. 31, 2022	0.93% / variable	371	371
Fresenius SE & Co. KGaA 2015/2022	€21 million	April 7, 2022	1.61%	21	21
Fresenius SE & Co. KGaA 2019/2023	€378 million	Sept. 25, 2023	0.55% / variable	377	377
Fresenius SE & Co. KGaA 2017/2024	€421 million	Jan. 31, 2024	1.40% / variable	420	420
Fresenius SE & Co. KGaA 2019/2026	€238 million	Sept. 23, 2026	0.85% / variable	238	238
Fresenius SE & Co. KGaA 2017/2027	€207 million	Jan. 29, 2027	1.96% / variable	207	207
Fresenius SE & Co. KGaA 2019/2029	€84 million	Sept. 24, 2029	1.10%	84	84
Fresenius US Finance II, Inc. 2016/2021	US\$342 million	March 10, 2021	2.66% / variable	291	304
Fresenius US Finance II, Inc. 2016/2023	US\$58 million	March 10, 2023	3.12% / variable	50	52
Schuldschein Loans				2,059	2,180

As of September 30, 2020, the Schuldschein Loans of Fresenius US Finance II, Inc. in the amount of €342 million due on March 10, 2021, are shown as current portion of long-term debt in the consolidated statement of financial position. The Schuldschein Loans of Fresenius SE & Co. KGaA

with fixed interest rates in the amount of €106 million which were due on April 2, 2020 were redeemed at maturity.

As of September 30, 2020, the Fresenius Group was in compliance with all of its covenants under the Schuldschein Loans.

CREDIT LINES

In addition to the financial liabilities described before, the Fresenius Group maintains additional credit facilities which have not been utilized, or have only been utilized in part, as of the reporting date. At September 30, 2020, the additional financial cushion resulting from unutilized credit facilities was approximately €5.7 billion. Thereof approximately €2.9 billion accounted for syndicated credit facilities.

13. BONDS

As of September 30, 2020 and December 31, 2019, bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Interest rate	Book value € in millions	
				September 30, 2020	December 31, 2019
Fresenius Finance Ireland PLC 2017/2022	€700 million	Jan. 31, 2022	0.875%	698	698
Fresenius Finance Ireland PLC 2017/2024	€700 million	Jan. 30, 2024	1.50%	698	697
Fresenius Finance Ireland PLC 2017/2027	€700 million	Feb. 1, 2027	2.125%	694	693
Fresenius Finance Ireland PLC 2017/2032	€500 million	Jan. 30, 2032	3.00%	495	495
Fresenius SE & Co. KGaA 2013/2020	€500 million	July 15, 2020	2.875%	0	500
Fresenius SE & Co. KGaA 2014/2021	€450 million	Feb. 1, 2021	3.00%	450	448
Fresenius SE & Co. KGaA 2014/2024	€450 million	Feb. 1, 2024	4.00%	450	449
Fresenius SE & Co. KGaA 2019/2025	€500 million	Feb. 15, 2025	1.875%	495	495
Fresenius SE & Co. KGaA 2020/2026	€500 million	Sep. 28, 2026	0.375%	495	0
Fresenius SE & Co. KGaA 2020/2027	€750 million	Oct. 8, 2027	1.625%	741	0
Fresenius SE & Co. KGaA 2020/2028	€750 million	Jan. 15, 2028	0.750%	744	0
Fresenius SE & Co. KGaA 2019/2029	€500 million	Feb. 15, 2029	2.875%	494	494
Fresenius SE & Co. KGaA 2020/2033	€500 million	Jan. 28, 2033	1.125%	498	0
Fresenius US Finance II, Inc. 2014/2021	US\$300 million	Feb. 1, 2021	4.25%	256	266
Fresenius US Finance II, Inc. 2015/2023	US\$300 million	Jan. 15, 2023	4.50%	255	266
FMC Finance VII S.A. 2011/2021	€300 million	Feb. 15, 2021	5.25%	299	298
Fresenius Medical Care AG & Co. KGaA 2019/2023	€650 million	Nov. 29, 2023	0.25%	647	647
Fresenius Medical Care AG & Co. KGaA 2018/2025	€500 million	July 11, 2025	1.50%	497	496
Fresenius Medical Care AG & Co. KGaA 2020/2026	€500 million	May 29, 2026	1.00%	496	0
Fresenius Medical Care AG & Co. KGaA 2019/2026	€600 million	Nov. 30, 2026	0.625%	594	594
Fresenius Medical Care AG & Co. KGaA 2019/2029	€500 million	Nov. 29, 2029	1.25%	497	497
Fresenius Medical Care AG & Co. KGaA 2020/2030	€750 million	May 29, 2030	1.50%	746	0
Fresenius Medical Care US Finance, Inc. 2011/2021	US\$650 million	Feb. 15, 2021	5.75%	555	577
Fresenius Medical Care US Finance II, Inc. 2014/2020	US\$500 million	Oct. 15, 2020	4.125%	0	445
Fresenius Medical Care US Finance II, Inc. 2012/2022	US\$700 million	Jan. 31, 2022	5.875%	597	622
Fresenius Medical Care US Finance II, Inc. 2014/2024	US\$400 million	Oct. 15, 2024	4.75%	340	354
Fresenius Medical Care US Finance III, Inc. 2019/2029	US\$500 million	June 15, 2029	3.75%	418	436
Fresenius Medical Care US Finance III, Inc. 2020/2031	US\$1,000 million	Feb. 16, 2031	2.375%	848	0
Bonds				13,997	10,467

On September 28, 2020, Fresenius SE & Co. KGaA placed bonds with an aggregate volume of €1,000 million. The bonds consist of 2 tranches with maturities of 6 years and 12 years and 4 months. The coupon of the 6-year tranche of €500 million is 0.375% and was issued at a price of

99.333%. The second tranche of €500 million has a coupon of 1.125% and was issued at a price of 99.738%. The proceeds were used for general corporate purposes, including refinancing of existing financial liabilities.

On September 16, 2020, Fresenius Medical Care US Finance III, Inc. issued bonds with a volume of US\$1,000 million. The bonds have a maturity of 10 years and 5 months and a coupon of 2.375%. The bonds were issued at a price of 99.699%. The proceeds were used for general corporate purposes, including refinancing of existing financial liabilities.

On May 29, 2020, Fresenius Medical Care AG & Co. KGaA placed bonds with an aggregate volume of €1,250 million. The bonds consist of 2 tranches with maturities of 6 and 10 years. The coupon of the 6-year tranche of €500 million is 1.000% and was issued at a price of 99.405%. The €750 million tranche with a 10-year maturity has a coupon of 1.500% and was issued at a price of 99.742%. The proceeds were used for general corporate purposes, including refinancing of existing financial liabilities.

On April 8, 2020, Fresenius SE & Co. KGaA issued bonds with a volume of €750 million. The bonds have a maturity of seven and a half years and a coupon of 1.625%. The bonds were issued at a price of 99.021%. The proceeds

were used for general corporate purposes, including refinancing of existing financial liabilities.

On January 15, 2020, Fresenius SE & Co. KGaA issued bonds in the amount of €750 million. The bonds have a maturity of eight years and a coupon of 0.750%. The bonds were issued at a price of 99.514%. The proceeds were used for general corporate purposes, including refinancing of existing financial liabilities.

The bonds issued by Fresenius SE & Co. KGaA in the amount of €500 million which were due on July 15, 2020, were redeemed at maturity. The bonds issued by Fresenius Medical Care US Finance II, Inc. in the amount of US\$500 million which were originally due on October 15, 2020,

were prematurely redeemed on July 17, 2020. As of September 30, 2020, the bonds issued by Fresenius SE & Co. KGaA in the amount of €450 million and the bonds issued by Fresenius US Finance II, Inc. in the amount of US\$300 million, due on February 1, 2021, as well as the bonds issued by FMC Finance VII S.A. in the amount of €300 million and the bonds issued by Fresenius Medical Care US Finance, Inc. in the amount of US\$650 million, due on February 15, 2021, are shown as current portion of bonds in the consolidated statement of financial position.

As of September 30, 2020, the Fresenius Group was in compliance with all of its covenants under the bonds.

14. CONVERTIBLE BONDS

As of September 30, 2020 and December 31, 2019, the convertible bonds of the Fresenius Group net of debt issuance costs consisted of the following:

	Notional amount	Maturity	Coupon	Current conversion price	Book value € in millions	
					September 30, 2020	December 31, 2019
Fresenius SE & Co. KGaA 2017/2024	€500 million	Jan. 31, 2024	0.000%	€105.8791	472	465
Fresenius Medical Care AG & Co. KGaA 2014/2020	€400 million	Jan. 31, 2020	0.000%		0	400
Convertible bonds					472	865

The fair value of the derivative embedded in the convertible bonds of Fresenius SE & Co. KGaA was €372 thousand at September 30, 2020. Fresenius SE & Co. KGaA purchased stock options (call options) with a corresponding fair value to hedge future fair value fluctuations of this derivative.

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

The convertible bonds issued by Fresenius Medical Care AG & Co. KGaA in the amount of €400 million which were due on January 31, 2020, were redeemed at maturity. There were no conversions.

15. NONCONTROLLING INTERESTS

As of September 30, 2020 and December 31, 2019, noncontrolling interests in the Fresenius Group were as follows:

€ in millions	Sept. 30, 2020	Dec. 31, 2019
Noncontrolling interests in Fresenius Medical Care AG & Co. KGaA	7,789	8,174
Noncontrolling interests in VAMED AG	86	97
Noncontrolling interests in the business segments		
Fresenius Medical Care	1,163	1,269
Fresenius Kabi	122	121
Fresenius Helios	126	127
Fresenius Vamed	14	14
Total noncontrolling interests	9,300	9,802

Noncontrolling interests changed as follows:

€ in millions	Q1-3/2020
Noncontrolling interests as of December 31, 2019	9,802
Noncontrolling interests in profit	913
Purchase of noncontrolling interests	16
Stock options	7
Dividend payments	-533
Share buy-back program of Fresenius Medical Care AG & Co. KGaA	-248
Currency effects and other changes	-657
Noncontrolling interests as of September 30, 2020	9,300

16. FRESENIUS SE & CO. KGAA SHAREHOLDERS' EQUITY

SUBSCRIBED CAPITAL

As of January 1, 2020, the subscribed capital of Fresenius SE & Co. KGaA consisted of 557,379,979 bearer ordinary shares.

During the first three quarters of 2020, 88,605 stock options were exercised. Consequently, as of September 30, 2020, the subscribed capital of Fresenius SE & Co. KGaA consisted of 557,468,584 bearer ordinary shares. The shares are issued as non-par value shares. The proportionate amount of the subscribed capital is €1.00 per share.

CONDITIONAL CAPITAL

The following Conditional Capitals exist in order to fulfill the subscription rights under the stock option plans of Fresenius SE & Co. KGaA: Conditional Capital II (Stock Option Plan 2008) and Conditional Capital IV (Stock Option Plan 2013) (see note 21, Share-based compensation plans). Another Conditional Capital III exists for the authorization to issue option bearer bonds and/or convertible bonds.

The following table shows the development of the Conditional Capital:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	23,947,021
Total Conditional Capital as of January 1, 2020	81,106,243
Fresenius SE & Co. KGaA Stock Option Plan 2013 – options exercised	-88,605
Total Conditional Capital as of September 30, 2020	81,017,638

As of September 30, 2020, the Conditional Capital was composed as follows:

in €	Ordinary shares
Conditional Capital I Fresenius AG Stock Option Plan 2003	4,735,083
Conditional Capital II Fresenius SE Stock Option Plan 2008	3,452,937
Conditional Capital III option bearer bonds and/or convertible bonds	48,971,202
Conditional Capital IV Fresenius SE & Co. KGaA Stock Option Plan 2013	23,858,416
Total Conditional Capital as of September 30, 2020	81,017,638

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).

In August 2020, a dividend of €0.84 per bearer ordinary share was approved by Fresenius SE & Co. KGaA's shareholders at the Annual General Meeting and paid afterwards. The total dividend payment was €468 million.

TREASURY STOCK OF FRESENIUS MEDICAL CARE

During the first three quarters of 2020, Fresenius Medical Care repurchased 5,687,473 ordinary shares for an amount of €366 million.

On April 1, 2020, Fresenius Medical Care concluded the current share buy-back program.

OTHER NOTES

17. LEGAL AND REGULATORY MATTERS

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

Further information regarding legal disputes, court proceedings and investigations can be found in detail in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS. In the following, only changes as far as content or wording are concerned during the first three quarters ended September 30, 2020 compared to the information provided in the consolidated financial statements are described. These changes should be read in conjunction with the overall information in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS; defined terms or abbreviations having the same meaning as in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

DAMAGES LITIGATION AKORN, INC.

The lawsuit is pending before the Delaware Court of Chancery in the United States but was stayed due to Akorn filing for bankruptcy under Chapter 11. In Akorn's bankruptcy plan, Fresenius Kabi was ranked in a class alongside Akorn's shareholders, which is subordinated to that of a general unsecured creditor. Fresenius Kabi's challenge against this classification was unsuccessful. Consequently, recovery would only be available for general unsecured creditors on the basis of Akorn's plan and disclosure contemplate. This may result in Fresenius Kabi obtaining a very low quota or a complete loss of recovery despite a favorable judgement in the damages proceedings.

PRODUCT LIABILITY LITIGATION

Personal injury and related litigation, including litigation by certain state government agencies, involving Fresenius Medical Care Holdings Inc. (FMCH)'s acid concentrate product, labeled as Granuflo® or Naturalyte®, first arose in 2012. The matters remaining after judicial decisions favorable to FMCH and settlements, including most significantly the settlement in the federal multi-district personal injury litigation consummated in November 2017, do not present material risk. Accordingly, specific reporting on these matters has been discontinued.

FMCH's insurers agreed to the settlement of the acid concentrate personal injury litigation and funded US\$220 million of the settlement fund under a reciprocal reservation of rights. FMCH accrued a net expense of US\$60 million in connection with the settlement, including legal fees and other anticipated costs. Following the settlement, FMCH's insurers in the AIG group initiated litigation against FMCH seeking to be indemnified by FMCH for their US\$220 million outlay and FMCH initiated litigation against the AIG group to recover defense and indemnification costs FMCH had borne. National Union Fire Insurance v. Fresenius Medical Care, 2016 Index No. 653108 (Supreme Court of New York for New York County)).

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

SUBPOENA "MARYLAND"

On August 27, 2020, after the United States Attorney's Office (USAO) declined to pursue the matter by intervening, the United States District Court for Maryland unsealed a 2014 relator's qui tam complaint that gave rise to the investigation. United States ex rel. Martin Flanagan v. Fresenius Medical Care Holdings, Inc., 2014 Civ. 00665 (D. Maryland). The relator may serve the complaint and proceed with litigation at his own expense, but to date has not done so. The time period allowed for service has not expired.

CIVIL COMPLAINT "HAWAII "

With discovery concluded, the State has specified that its demands for relief relate to US\$7.7 million in overpayments on approximately twenty thousand "claims" submitted by Liberty.

The civil litigation and administrative action are proceeding in parallel. Trial in the civil litigation is scheduled for March 8, 2021.

SUBPOENA "AMERICAN KIDNEY FUND" /CMS LITIGATION

On January 3, 2017, FMCH received a subpoena from the United States Attorney for the District of Massachusetts under the False Claims Act inquiring into FMCH's interactions and relationships with the American Kidney Fund (AKF), including FMCH's charitable contributions to the Fund and the Fund's financial assistance to patients for insurance premiums. Thereafter, FMCH cooperated in the investigation, the USAO declined to intervene in the relator's qui tam complaint that gave rise to the subpoena. On July 17, 2020, the relator filed a notice of dismissal without serving his complaint or otherwise pursuing his allegations and the court thereafter closed the case. On April 8, 2019, United Healthcare initiated arbitration against FMCH alleging that FMCH unlawfully "steered" patients by waiving co-payments and other means away from coverage under government-funded insurance plans including Medicare into United Healthcare's commercial plans, including Affordable Care Act exchange plans. FMCH denied and contested United's claims. On September 16, 2020, FMCH and United entered a settlement agreement requiring (1) certain amendments to contracts between United and FMCH governing terms

and conditions for dialysis treatments to be performed by FMCH for United beneficiaries and (2) dismissal of the arbitrations with each party to bear its own costs and expenses.

VIFOR PATENT INFRINGEMENT FRESENIUS MEDICAL CARE (DELAWARE)

In response to another ANDA being filed for a generic Velphoro®, Vifor Fresenius Medical Care Renal Pharma Ltd. and Vifor Fresenius Medical Care Renal Pharma France S.A.S. (collectively, VFMCRP) filed a complaint for patent infringement against Annora Pharma Private Ltd., and Hetero Labs Ltd. (collectively Annora), in the U.S. District Court for the District of Delaware on December 17, 2018. The case was settled among the parties, thus terminating the court action on August 4, 2020.

On May 26, 2020, Vifor Fresenius Medical Care Renal Pharma Ltd. and Vifor Fresenius Medical Care Renal Pharma France S.A.S. (collectively, VFMCRP) filed a further complaint for patent infringement against Lupin in the U.S. District Court for the District of Delaware (Case No. 1:20-cv-00697-MN) in response to Lupin's Abbreviated New Drug Applications (ANDA) for a generic version of Velphoro® and on the basis of a newly listed patent in the Orange Book. On July 6, 2020, VFMCRP filed an additional complaint for patent infringement against Lupin and Teva in the U.S. District Court for the District of Delaware (Case No. 1:20-cv-00911-MN) in response to the companies' ANDA for generic versions of Velphoro® and on the basis of two newly listed patents in the Orange Book.

LITIGATION TRICARE PROGRAM

On July 8, 2020, the U.S. government filed its answer (and confirmed their position). The parties will proceed to discovery. The court has not yet set a date for trial in this matter. FMCH has imposed a constraint on revenue otherwise recognized from the Tricare program that it believes, in consideration of facts currently known, sufficient to account for the risk of this litigation.

DIALYSIS PATIENT CITIZENS LITIGATION

On May 22, 2020, the Centers for Medicare and Medicaid (CMS) issued a final rule that, effective January 1, 2021, removes outpatient dialysis facilities from the time-and-distance standards applicable under the network adequacy rules for Medicare Advantage plans. On June 22, 2020, Dialysis Patient Citizens, a charitable patient advocacy organization, filed a lawsuit on behalf of all dialysis patients to challenge that rule, and on July 13, 2020, FMCH along with two other dialysis providers joined the lawsuit. Dialysis Patient Citizens, et al. v. Alex Azar, et al., U.S.D.C. D.C., 1:20-cv-01664. The plaintiffs' request for relief is that the provisions in this final rule regarding outpatient dialysis facilities be vacated and that CMS be enjoined from enforcing or administering those provisions.

SUBPOENA "MASSACHUSETTS CHOICEONE AND MEDSPRING"

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

SUBPOENA "NEVADA"

Fresenius Kabi has entered into a Tolling Agreement with the DOJ, thereby waiving its statute of limitation defense until July 2018. The Tolling Agreement was again extended by mutual agreement until the beginning of December 2020.

PATENT DISPUTE KABI FRANCE

Patent dispute between Fresenius Kabi and Eli Lilly in France and other European countries regarding Eli Lilly's originator product Alimta® and Fresenius Kabi's generic Pemetrexed sold in France and further countries in Europe. The Paris Tribunal has now rendered a decision in favor of Eli Lilly holding Fresenius Kabi France to infringe Eli Lilly's patent and to make a preliminary payment of €28 million for patent infringement and damages due to unfair competition, including lost sales and price decrease. This amount is covered by an existing higher accrual. The final amount of damages is to be determined through parties' negotiations on the basis of actual sales data to be disclosed by Fresenius Kabi and likely to significantly exceed the preliminary minimum payment ordered by the court. Fresenius Kabi France has appealed the judgement.

18. FINANCIAL INSTRUMENTS

MEASUREMENT OF FINANCIAL INSTRUMENTS

Carrying amounts of financial instruments

As of September 30, 2020 and December 31, 2019, the carrying amounts of financial instruments by item of the statement of financial position and structured according to categories were as follows:

€ in millions	September 30, 2020						
	Carrying amount	Amortized cost	Fair value through profit and loss ¹	Fair value through other comprehensive income ²	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Noncontrolling interest subject to put provisions measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
Financial assets							
Cash and cash equivalents	2,658	1,723	935				
Trade accounts and other receivables, less allowances for expected credit losses	7,198	7,088	1	32			77
Accounts receivable from and loans to related parties	106	106					
Other financial assets ³	1,800	924	340	421	15		100
Financial assets	11,762	9,841	1,276	453	15	0	177
Financial liabilities							
Trade accounts payable	1,690	1,690					
Short-term accounts payable to related parties	70	70					
Short-term debt	684	684					
Short-term debt from related parties	7	7					
Long-term debt and capital lease obligations	5,691	5,691					
Long-term lease liabilities	6,320						6,320
Bonds	13,997	13,997					
Convertible bonds	472	472					
Other financial liabilities ⁴	5,228	3,658	605		5	960	
Financial liabilities	34,159	26,269	605	0	5	960	6,320

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 upon implementation of IFRS 9 has been exercised. The option has been used for €158 million other investments (included in other financial assets).

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

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

December 31, 2019							
€ in millions	Carrying amount	Amortized cost	Fair value through profit and loss ¹	Fair value through other comprehensive income ²	Relating to no category		
					Derivatives designated as cash flow hedging instruments at fair value	Noncontrolling interest subject to put provisions measured at fair value	Valuation according to IFRS 16 for leasing receivables and liabilities
Financial assets							
Cash and cash equivalents	1,654	1,280	374				
Trade accounts and other receivables, less allowances for expected credit losses	7,176	7,037	28	33			78
Accounts receivable from and loans to related parties	100	100					
Other financial assets ³	1,690	825	333	416	4		112
Financial assets	10,620	9,242	735	449	4	0	190
Financial liabilities							
Trade accounts payable	1,905	1,905					
Short-term accounts payable to related parties	46	46					
Short-term debt	2,475	2,475					
Short-term debt from related parties	3	3					
Long-term debt and capital lease obligations	7,009	7,009					
Long-term lease liabilities	6,439						6,439
Bonds	10,467	10,467					
Convertible bonds	865	865					
Other financial liabilities ⁴	4,701	3,129	611		9	952	
Financial liabilities	33,910	25,899	611	0	9	952	6,439

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 upon implementation of IFRS 9 has been exercised. The option has been used for €154 million other investments (included in other financial assets).

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

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

Fair value of financial instruments

The following table shows the carrying amounts and the fair value hierarchy levels as of September 30, 2020 and December 31, 2019:

€ in millions	September 30, 2020				December 31, 2019			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets								
Cash and cash equivalents ¹	935	935			374	374		
Trade accounts and other receivables, less allowances for expected credit losses ¹	33		33		61		61	
Other financial assets ¹								
Debt instruments	360	365	5		370	365	5	
Equity investments	377	12	171	194	369	13	173	183
Derivatives designated as cash flow hedging instruments	15		15		4		4	
Derivatives not designated as hedging instruments	24		24		10		10	
Financial liabilities								
Long-term debt and capital lease obligations	5,691		5,735		7,009		7,063	
Bonds	13,997	14,744			10,467	11,102		
Convertible bonds	472	487			865	896		
Other financial liabilities ¹								
Noncontrolling interest subject to put provisions	960			960	952			952
Accrued contingent payments outstanding for acquisitions	576			576	595			595
Derivatives designated as cash flow hedging instruments	5		5		9		9	
Derivatives not designated as hedging instruments	29		29		16		16	

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.

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

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

consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

The following table shows the changes of the fair values of financial instruments classified as level 3 in the first three quarters of 2020:

€ in millions	Equity investments	Accrued contingent payments outstanding for acquisitions	Noncontrolling interests subject to put provisions
As of January 1, 2020	183	595	952
Additions	0	27	27
Disposals	0	-53	-88
Gain/loss recognized in profit or loss	19	10	-
Gain/loss recognized in equity	0	0	109
Currency effects and other changes	-8	-3	-40
As of September 30, 2020	194	576	960

19. SUPPLEMENTARY INFORMATION ON CAPITAL MANAGEMENT

The Fresenius Group has a solid financial profile. As of September 30, 2020, the equity ratio was 38.3% and the debt ratio (debt/total assets) was 39.8%. As of September 30, 2020, the leverage ratio (before special items) on the basis of net debt/EBITDA was 3.4.

The aims of the capital management and further information can be found in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

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

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

	Sept. 30, 2020	Dec. 31, 2019
Standard & Poor's		
Corporate Credit Rating	BBB	BBB
Outlook	stable	stable
Moody's		
Corporate Credit Rating	Baa3	Baa3
Outlook	stable	stable
Fitch		
Corporate Credit Rating	BBB-	BBB-
Outlook	stable	stable

20. NOTES ON THE CONSOLIDATED SEGMENT REPORTING

GENERAL

The consolidated segment reporting shown on pages 33 to 34 of this interim report is an integral part of the notes.

The Fresenius Group has identified the business segments Fresenius Medical Care, Fresenius Kabi, Fresenius Helios and Fresenius Vamed, which corresponds to the internal organizational and reporting structures (Management Approach) at September 30, 2020.

The business segments were identified in accordance with IFRS 8, Operating Segments, which defines the segment reporting requirements in the annual financial statements and interim reports with regard to the operating business, product and service businesses and regions. Further explanations with regard to the business segments can be found in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

NOTES ON THE BUSINESS SEGMENTS

Explanations regarding the notes on the business segments can be found in the consolidated financial statements as of December 31, 2019 applying Section 315e HGB in accordance with IFRS.

RECONCILIATION OF KEY FIGURES TO CONSOLIDATED EARNINGS

€ in millions	Q1-3/2020	Q1-3/2019
Total EBIT of reporting segments	3,389	3,411
Special items	0	-39
General corporate expenses		
Corporate/Other (EBIT)	-28	-10
Group EBIT	3,361	3,362
Net interest	-503	-535
Income before income taxes	2,858	2,827

RECONCILIATION OF NET DEBT WITH THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Sept. 30, 2020	Dec. 31, 2019
Short-term debt	684	2,475
Short-term debt from related parties	7	3
Current portion of long-term debt	778	892
Current portion of long-term lease liabilities	875	793
Current portion of Bonds	1,560	945
Current portion of convertible bonds	0	400
Long-term debt, less current portion	4,913	6,117
Long-term lease liabilities, less current portion	5,445	5,646
Bonds, less current portion	12,437	9,522
Convertible bonds, less current portion	472	465
Debt	27,171	27,258
less cash and cash equivalents	2,658	1,654
Net debt	24,513	25,604

21. SHARE-BASED COMPENSATION PLANS

SHARE-BASED COMPENSATION PLANS OF FRESENIUS SE & CO. KGaA

As of September 30, 2020, Fresenius SE & Co. KGaA had two sharebased compensation plans in place: the Fresenius SE & Co. KGaA Long Term Incentive Program 2013 (2013 LTIP) which is based on stock options and phantom stocks and the Long Term Incentive Plan 2018 (LTIP 2018) which is solely based on performance shares. Currently, solely LTIP 2018 can be used to grant performance shares.

Transactions during the first three quarters of 2020

On September 14, 2020, Fresenius SE & Co. KGaA awarded 924,237 performance shares under the LTIP 2018, the total fair value at the grant date being €39 million, including 183,420 performance shares or €8 million awarded to the members of the Management Board of Fresenius Management SE. The fair value per performance share at the grant date was €41.98.

During the first three quarters of 2020, Fresenius SE & Co. KGaA received cash of €3 million from the exercise of 88,605 stock options.

Out of 7,813,500 outstanding stock options issued under the 2013 LTIP 5,833,204 were exercisable at September 30, 2020. The members of the Fresenius Management SE Management Board held 1,299,375 stock options. 356,383 phantom stocks issued under the 2013 LTIP were outstanding at September 30, 2020. The members of the Fresenius Management SE Management Board held 52,260 phantom stocks. At September 30, 2020, the Management Board members of Fresenius Management SE held 467,335 performance shares and employees of Fresenius SE & Co. KGaA held 1,688,574 performance shares under the LTIP 2018.

On September 30, 2020, total unrecognized compensation cost related to non-vested options granted under the 2013 LTIP was €1 million. This cost is expected to be recognized over a weighted-average period of 0.8 years.

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

During the first three quarters of 2020, 192,049 stock options were exercised. Fresenius Medical Care AG & Co. KGaA received cash of €10.3 million upon exercise of these stock options.

22. SUBSEQUENT EVENTS

October was characterized by a regionally varying development of the COVID-19 pandemic with rising infection numbers worldwide, especially in Europe and the United States. For example, the Spanish Government has again declared a State of Alarm empowering local authorities to legally enforce controlling measures. In Germany, large-scale constraints of public and private life will be enacted again in November in order to curtail the spread of COVID-19. The further development of the worldwide situation and its impact on Fresenius remain uncertain.

Beyond that, there have been no significant changes in the industry environment. Furthermore, there have been no other events with a significant impact on the net assets, financial position and results of operations since the end of the third quarter of 2020.

23. CORPORATE GOVERNANCE

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

FINANCIAL CALENDAR

Report on Fiscal Year 2020	February 23, 2021
Report on 1st quarter 2021	
Conference call, Live webcast	May 6, 2021
Report on 1st half 2021	
Conference call, Live webcast	July 30, 2021
Report on 1st – 3rd quarter 2021	
Conference call, Live webcast	November 2, 2021

Subject to change

FRESENIUS SHARE / ADR

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

CONTACT

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

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

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

Forward-looking statements:

This Quarterly Financial Report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based on not occur, or if risks should arise – as mentioned in the consolidated financial statements and the management report as of December 31, 2019 applying Section 315e HGB in accordance with IFRS and the SEC filings of Fresenius Medical Care AG & Co. KGaA – the actual results could differ materially from the results currently expected.

