

**Fresenius Finance Ireland Public Limited Company**

**Interim Management Report and Condensed Interim Financial  
Statements**

**For the half year period to 30 June 2022**

**Company Registration Number: 593152**

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**DIRECTORS AND OTHER INFORMATION**

<b>Board of directors</b>	Oonagh Hayes Ulf Freytag Alan McDermott Sara Hennicken (resigned 31 <sup>st</sup> August 2022)
<b>Company registration number</b>	593152
<b>Company secretary</b>	Oonagh Hayes
<b>Registered office</b>	3A Fingal Bay Business Park, Balbriggan, Co. Dublin, Ireland.
<b>Bankers</b>	Barclays Bank Ireland plc One Molesworth Street, Dublin 2.
<b>Independent auditors</b>	PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm One Spencer Dock, North Wall Quay, Dublin 1.
<b>Solicitors</b>	A&L Goodbody IFSC, North Wall Quay, Dublin 1.

## STATEMENT OF THE DIRECTORS

Each of the Directors of the Company (the Directors), whose names and functions are listed in the Corporate and Shareholder Information, confirm that, to the best of each person's knowledge and belief:

- (a) the Condensed Financial Statements comprising the condensed statement of profit or loss and other comprehensive income, the condensed statement of financial position, the condensed statement of changes in equity, the condensed statement of cash flows and related notes 1 to 7 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.
- (b) the interim management report includes a fair review of the information required by:
  - a. *Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulations 2007*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - b. *Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulations 2007*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board on 29 September 2022

  
Conagh Hayes

  
Alan McDermott

## INTERIM MANAGEMENT REPORT

As prescribed by law, the Board wishes hereby to highlight the activities of Fresenius Finance Ireland Plc during the six-month accounting period ending June 30, 2022 and to comment on the non-audited half year accounts.

### Operations of the Company

The Company continued to serve as a financing vehicle for the group companies throughout the period and granted or renewed a number of loans to affiliates.

The Company continued to issue Euro Commercial Paper under the ECP Programme. During the 6 months to 30 June 2022 the Company has issued 63 series under the terms of the Programme. Further information on the Commercial Paper issued is set out in note 4 to the Financial Statements..

Total assets of the Company decreased by EUR 478 thousand in the first six months of the year mainly due to a reduction in short-term loans granted to affiliates, with a corresponding decrease in liabilities due to decreased Commercial Paper issuances.

The profit before tax for the first six months of the year was EUR 26,857 thousand (2021: EUR 24,423 thousand).

### Principal Risks and Uncertainties

The key risk factors that apply to the Company for the six months to 30 June, 2022 are the same as those described in the financial statements for the year ended 31 December 2021.

The Company has no material assets or sources of revenue except for claims against other Group companies via intercompany receivables. The key risk factor that applies for the six month period to June 2022 is the ability of the Company to service its debt obligations, which depends on the ability of the counterparties of intercompany loans to service such indebtedness.

### Related Party Transactions

The balance of long-term loans to affiliates at 30 June 2022 of EUR 5,504,582 thousand is due from wholly owned subsidiaries of Fresenius SE & Co. KGaA.. Further information on related party balances is provided in the Notes to the Financial Statements

All intercompany loans have been granted on a commercial basis and interest rates have been calculated on an arm's length basis in accordance with OECD transfer pricing guidelines. It is the Company's policy to mitigate the financial risks associated with intercompany loans by matching terms to the external source of finance insofar as possible.

### Review

These half year statements have not been subject to a review by the Company's independent auditors.

On behalf of the Board on 29 September 2022

  
Conagh Hayes  
Alan McDermott

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
For the period from 1 January 2022 to 30 June 2022

	6 Month Period ended 30 June 2022	6 Month Period ended 30 June 2021
	EUR '000	EUR '000
<b>Net interest income</b>		
Interest on loans to affiliates	52,547	55,897
Interest payable and similar expense	(26,580)	(31,790)
Net fx gain/(loss)	1,674	-
Other income	738	362
<b>Total net interest income</b>	28,379	24,469
Impairment gain/(loss) on loan assets	(1,300)	172
Administrative expenses	(222)	(218)
<b>Profit before tax</b>	26,857	24,423
Taxation	(3,357)	(3,053)
<b>Profit after tax</b>	23,500	21,370
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>23,500</b>	<b>21,370</b>

The Company has no stated recognised gains or losses in the financial period other than those dealt with in the condensed statement of comprehensive income.

The accompanying notes on pages 10 to 18 form an integral part of these condensed financial statements.

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2022**

	Notes	30-Jun-22 EUR '000	31-Dec-21 EUR '000
<b>Non-current assets</b>			
Property, plant and equipment		107	121
Long term loans to affiliates	3	4,741,567	3,944,595
		<u>4,741,674</u>	<u>3,944,716</u>
<b>Current assets</b>			
Long term loans to affiliates due within one year	3	763,014	1,513,014
Short term loans receivable due from affiliates	3	97	540,700
Interest receivable on loans to affiliates	3	21,292	18,265
Derivative financial assets	3	14,530	1,811
Other assets	3	1,965	2,293
		<u>800,988</u>	<u>2,076,083</u>
<b>Total assets</b>		<b><u>5,542,572</u></b>	<b><u>6,020,799</u></b>
<b>Non-current liabilities</b>			
Loans and borrowings	4	3,379,470	3,377,494
		<u>3,379,470</u>	<u>3,377,494</u>
<b>Current liabilities</b>			
Loans and borrowings	4	359,043	1,056,286
Interest payable on loans and borrowings	4	22,161	39,110
Short term loans from affiliates	4	209,926	-
Derivative financial liabilities	4	300	33
Lease liabilities	4	74	83
Trade and other payables	4	213	106
Current tax liability		471	273
<b>Total current liabilities</b>		<b><u>592,188</u></b>	<b><u>1,095,891</u></b>
<b>Total liabilities</b>		<b><u>3,971,658</u></b>	<b><u>4,473,385</u></b>
<b>Equity</b>			
Called up share capital		25	25
Capital contribution		1,334,764	1,334,764
Retained earnings		236,125	212,625
<b>Total equity</b>		<b><u>1,570,914</u></b>	<b><u>1,547,414</u></b>
<b>Total equity and liabilities</b>		<b><u>5,542,572</u></b>	<b><u>6,020,799</u></b>

The accompanying notes on pages 10 to 18 form an integral part of these condensed interim financial statements.

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
For the period from 1 January 2022 to 30 June 2022

	Share capital EUR '000	Capital contribution EUR '000	Retained earnings EUR '000	Total equity EUR '000
At 1 January 2022	25	1,334,764	212,625	1,547,414
Total comprehensive income	-	-	23,500	23,500
<b>Transactions with shareholders:</b>				
Capital contribution	-	-	-	-
<b>At 30 June 2021</b>	<b>25</b>	<b>1,334,764</b>	<b>236,125</b>	<b>1,570,914</b>

The accompanying notes on pages 10 to 18 form an integral part of these condensed interim financial statements



**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
For the period from 1 January 2021 to 30 June 2021

	Share capital EUR '000	Capital contribution EUR '000	Retained earnings EUR '000	Total equity EUR '000
At 1 January 2021	25	1,334,764	168,372	1,503,161
Total comprehensive income	-	-	21,370	21,370
<b>Transactions with shareholders:</b>				
Capital contribution	-	-	-	-
<b>At 30 June 2021</b>	<b>25</b>	<b>1,334,764</b>	<b>189,742</b>	<b>1,524,531</b>

The accompanying notes on pages 10 to 18 form an integral part of these condensed interim financial statements

**CONDENSED STATEMENT OF CASHFLOWS**  
For the period from 1 January 2022 to 30 June 2022

	Period ended 30 June 2022 EUR '000	Period ended 30 June 2021 EUR '000
<b>Cash flows from operating activities:</b>		
Profit after taxation	23,500	21,370
<b>Adjustments to reconcile profit before taxation to net cash provided by operating activities:</b>		
Interest income	(54,221)	(55,897)
Other income	(735)	(362)
Interest expense	26,580	31,790
Depreciation of property plant and equipment	13	(7)
Taxation	3,357	3,053
Impairment loss/(gain) on loan assets	1,300	(172)
<b>Changes in assets and liabilities:</b>		
Accounts payable	(38)	(54)
<b>Cashflows from operating activities:</b>		
Tax paid	(3,159)	(3,356)
Interest received	49,519	56,370
Interest paid	(41,224)	(50,355)
<b>Net cash flows from operating activities</b>	<b>4,892</b>	<b>(2,380)</b>
<b>Investing activities:</b>		
Repayments from loans to affiliates	1,046,414	1,518,324
Loans advanced to affiliates	(354,793)	(2,368,804)
<b>Net cash flows from investing activities</b>	<b>691,621</b>	<b>(850,480)</b>
<b>Cash flows from financing activities:</b>		
Advances from loans and borrowings	1,662,496	3,098,100
Repayment of loans and borrowings	(2,359,000)	(2,250,000)
Payment of lease liabilities	(9)	-
<b>Net cash from financing activities</b>	<b>(696,513)</b>	<b>848,100</b>
<b>Net decrease in cash and cash equivalents</b>		
Cash at the beginning of the year	-	-
<b>Cash and cash equivalents at end of year</b>	<b>-</b>	<b>-</b>

The accompanying notes on pages 10 to 18 form an integral part of these condensed interim financial statements

## **1 General information**

Fresenius Finance Ireland Public Limited Company (the Company) is a public limited company incorporated, domiciled and registered in Ireland. The nature of the company's operations and its principal activities are to carry on the business of a finance company within the group of Fresenius SE & Co. KGaA and its subsidiaries. The registered number of the company is 593152 and the address of its registered office is 3A Fingal Bay Business Park, Balbriggan, Co Dublin.

The immediate parent of the company is Fresenius Finance Holdings Limited, a company registered in Ireland. The ultimate parent of the company is Fresenius SE & Co. KGaA, a German registered public limited company listed on the Frankfurt Stock Exchange. All entities referred to as affiliates are companies in the wider Fresenius SE & Co. KGaA group.

## **2 Accounting policies**

These interim financial statements were authorised for issue by the Board of Directors on 29 September 2022.

### **(a) Basis of accounting**

These interim financial statements have been prepared in accordance with Accounting Standard IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Company's last annual financial statements as at and for the period ended 31 December 2021. They do not include all the notes of the type normally included in the annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. The comparative information provided in the condensed interim financial statements relating to the period ending 31 December 2021 does not comprise the statutory financial statements of the Company. Those financial statements, on which the auditors gave an unqualified opinion, have been delivered to the Companies Registration Office.

### **(b) Accounting standards adopted in the current period**

A brief outline of the likely impact on future financial statements of IFRSs which are issued by the IASB and endorsed by the EU but not yet effective and have not been adopted in the financial statements are as follows:

- IFRS 17 'Insurance contracts', as amended in December 2021, will be effective from 1 January 2023
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)

The Company currently has no activities to which these standards will be applicable. The Company has not adopted any new standards or interpretations that are not mandatory.

### **(c) Use of estimates and judgements**

The preparation of the financial statements requires the directors to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Company makes estimates and assumptions that affect the reported amounts of financial assets and liabilities. Estimates and judgements are continually re-evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **3 Financial assets**

#### Classes of financial assets

	<b>As at 30-Jun-22 EUR '000</b>	<b>As at 31-Dec-21 EUR '000</b>
<i>Financial assets at amortised cost</i>		
Loans to affiliates – non-current	4,741,567	3,944,595
Loans to affiliates – current	763,014	2,053,714
Interest receivable	21,292	18,265
Other assets	1,965	2,293
	<b>5,527,838</b>	<b>6,018,867</b>
<i>Financial assets at fair value through profit and loss</i>		
Derivative financial assets	14,530	1,811
	<b>14,530</b>	<b>1,811</b>

The loans to affiliates have been split into long term and short term in the following analysis. Long term loans which are due within 1 year, together with short term loans, are classified as current.

**3 Financial assets (continued)**

Loans to affiliates – Long Term

**2022:**

<b>Borrower</b>	<b>Issue date</b>	<b>Maturity date</b>	<b>Rate Type</b>	<b>Due &lt;1 Year EUR '000</b>	<b>Due &gt;1 Year EUR '000</b>	<b>30-Jun-22 EUR '000</b>	<b>31-Dec-21 EUR '000</b>
Helios Finance Spain S.L.U.	31/01/17	31/01/22	Fixed	-	-	-	700,000
Helios Finance Spain S.L.U.	31/01/17	30/01/24	Fixed	-	700,000	700,000	700,000
Helios Finance Spain S.L.U.	31/01/17	01/02/27	Fixed	-	700,000	700,000	700,000
Helios Finance Spain S.L.U.	31/01/17	30/01/32	Fixed	-	500,000	500,000	500,000
Helios Finance Spain S.L.U.	31/01/17	31/01/24	Fixed	-	434,075	434,075	434,076
Helios Finance Spain S.L.U.	08/02/17	08/02/24	Fixed	19,375	158,750	178,125	197,500
Helios Finance Spain S.L.U.	22/08/17	28/09/22	Var	525,000	-	525,000	575,000
Helios Finance Spain S.L.U.	13/04/21	13/04/26	Var	-	121,746	121,746	121,746
Helios Finance Spain S.L.U.	26/05/21	15/12/22	Var	18,639	-	18,639	18,639
Helios Finance Spain S.L.U.	26/05/21	06/03/25	Var	-	232,353	232,353	232,353
Helios Finance Spain S.L.U.	26/05/21	15/12/22	Var	200,000	-	200,000	200,000
Helios Finance Spain S.L.U.	08/06/21	25/11/24	Var	-	219,195	219,195	161,082
Fresenius Kabi iPSUM Srl	22/07/21	22/07/26	Fixed	-	100,000	100,000	100,000
Fresenius Kabi Austria GmbH	05/08/21	05/08/26	Fixed	-	77,657	77,657	77,657
Helios Finance Spain S.L.U.	22/09/21	25/11/24	Fixed	-	-	-	22,039
Fresenius Kabi Austria GmbH	28/09/21	28/09/31	Fixed	-	254,000	254,000	254,000
Fresenius Kabi France	28/09/21	28/09/26	Fixed	-	33,191	33,191	33,191
Fresenius Kabi Sweden AB	28/09/21	27/09/24	Fixed	-	232,992	232,992	243,895
Clinico Medical S.P. z.o.o.	28/09/21	28/09/26	Fixed	-	80,614	80,614	80,614
Helios Fertility Spain S.L.U.	10/11/21	10/11/31	Fixed	-	9,500	9,500	9,500
Fresenius Kabi iPSUM Srl	15/11/21	15/11/24	Fixed	-	7,500	7,500	7,500
Fresenius HemoCare Netherlands B.V.	30/11/21	30/11/26	Fixed	-	78,000	78,000	78,000
Fresenius Kabi Peru S.A.	10/12/21	13/12/23	Fixed	-	1,430	1,430	1,257
Fresenius HemoCare Netherlands B.V.	06/12/21	30/11/26	Fixed	-	13,400	13,400	13,400
IHSS Limited	10/01/22	10/01/34	Fixed	-	1,730	1,730	-
VAMED Management und Service GmbH	24/01/22	31/05/37	Fixed	-	3,124	3,124	-
Helios Finance Spain S.L.U.	31/01/22	31/01/25	Fixed	-	700,000	700,000	-
Fresenius Kabi iPSUM Srl	31/01/22	15/11/24	Fixed	-	7,500	7,500	-
Fresenius Vial S.A.S	04/03/22	04/03/25	Fixed	-	54,013	54,013	-
Fresenius Kabi Oncology Ltd.	29/04/22	29/04/24	Fixed	-	9,600	9,600	-
EnzyPep B.V.	28/04/22	28/04/27	Fixed	-	1,500	1,500	-
Fresenius HemoCare Netherlands B.V.	18/05/22	13/05/27	Fixed	-	15,000	15,000	-
Impairment loss on term loans						(5,302)	(3,840)
				<b>763,014</b>	<b>4,746,870</b>	<b>5,504,582</b>	<b>5,457,609</b>

The above variable rates represent those applicable at 30 June 2022 and are based on EURIBOR plus applicable margin

### 3 Financial assets (continued)

#### Loans to affiliates – Short Term

	As at 30 June 2022 EUR '000	As at 31 Dec 2021 EUR '000
Short term loans receivable from Fresenius SE & Co. KGaA	-	254,702
Short term placements	-	285,911
Accounts receivable from Fresenius Finance Ireland II PLC	92	82
Accounts receivable from Fresenius Kabi Ltd	5	5
	<u>97</u>	<u>540,700</u>

#### Trade and other payables

Trade and other payables are measured at cost.

#### Short term placements

Short term placements 2022:NIL (2021:285,911 thousand) consist of internal cash pool balances with Fresenius SE & Co. KGaA and an allowance for expected credit losses

#### Interest receivable

The interest receivable on loans to affiliates amounts to EUR 18,265 thousand (2020: EUR 16,403 thousand).

#### Derivative financial assets

Details of derivative financial assets are as follows:

Exposure	As at 30-Jun-22		As at 31-Dec-21	
	Notional EUR '000	Fair Value EUR '000	Notional EUR '000	Fair Value EUR '000
Foreign currency swap – EUR/SEK	96,584	5,809	96,584	738
Foreign currency swap – EUR/SEK	96,562	5,790	96,562	715
Foreign currency swap – EUR/SEK	48,282	2,890	48,282	358
Foreign currency swap – EUR/GBP	473	7	-	-
Foreign currency swap – EUR/GBP	468	2	-	-
Foreign currency swap – EUR/GBP	5,997	28	-	-
	<u>241,428</u>	<u>14,529</u>	<u>241,428</u>	<u>1,811</u>

#### Other assets

Other assets are comprised of deferred charges of EUR 1,965 thousand being the unamortised balance of upfront finance costs incurred on inception of the Revolving Facility and are being amortised over the life of the facility which expires in July 2027.

#### 4 Financial liabilities

##### Classes of financial liabilities

	As at 30-Jun-22 EUR '000	As at 31-Dec-21 EUR '000
<i>Financial assets at amortised cost</i>		
Loans and borrowings – non-current	3,379,470	3,377,494
Loans and borrowings – current	359,043	1,056,286
Interest payable	22,161	39,110
Short term loans from affiliates	209,926	-
Trade payables	213	106
Lease liabilities	74	83
	<b>3,970,887</b>	<b>4,473,079</b>
<i>Financial assets at fair value through profit and loss</i>		
Derivative financial liabilities	300	33
	<b>300</b>	<b>33</b>

Trade payables consist of a credit balance at the internal cash pooling account with Fresenius SE & Co. KGaA and accruals due within one year.

##### Loans and Borrowings – Non-current

	30-Jun-22 EUR '000	31-Dec-21 EUR '000
EMTNs (listed debt)	3,379,470	3,377,494
	<b>3,379,470</b>	<b>3,377,494</b>

##### **Euro Medium Term Notes (EMTNs)**

EMTNs issued by the Company are guaranteed to the lenders by the ultimate Parent, Fresenius SE & Co. KGaA. The carrying values and fair values of EMTNs, which were issued in January 2017 and April 2021, are as follows:

Instrument ISIN	Coupon Rate	Carrying Value 30 Jun 22 EUR '000	Carrying Value 31 Dec 21 EUR '000	Fair Value 30 Jun 22 EUR '000	Fair Value 31 Dec 21 EUR '000
XS1554373248	1.50%	698,884	698,532	694,708	719,474
XS1554373677	2.13%	696,083	695,655	672,266	760,333
XS1554373834	3.00%	495,831	495,614	447,305	587,930
XS2325562424	0.00%	497,094	496,647	459,200	494,480
XS2325565104	0.50%	497,039	496,802	410,635	493,575
XS2325562697	0.875%	494,539	494,244	374,595	490,180
		<b>3,379,470</b>	<b>3,377,494</b>	<b>3,058,709</b>	<b>3,545,972</b>

##### **Credit Facilities**

The Company is a co-borrower to a syndicated multicurrency revolving facility agreement (the “Revolving Facility”) of EUR 2,000,000 thousand. The Revolving Facility is fully guaranteed by Fresenius SE & Co. KGaA and is available in full to the Company as well as Fresenius SE & Co. KGaA and Fresenius Finance Ireland II Plc as co-borrowers. It was fully undrawn on 30 June 2022.

#### **4 Financial liabilities (continued)**

##### Loans and Borrowings – Current

The carrying value of Commercial Paper, issued under the programme established in May 2017, are as follows:

	As at 30-Jun-22 EUR '000	As at 31-Dec-21 EUR '000
Commercial Paper	359,043	1,056,286
	<b>359,043</b>	<b>1,056,286</b>

##### Interest payable on Loans and Borrowings

	As at 30-Jun-22 EUR '000	As at 31-Dec-21 EUR '000
Accrued interest on EMTNs	21,745	38,689
Accrued interest on credit facility	416	421
	<b>22,161</b>	<b>39,110</b>

##### Short term loans from affiliates

	As at 30-Jun-22 EUR '000	As at 31-Dec-21 EUR '000
Loan from affiliates - Fresenius SE & Co. KGaA	209,926	-
	<b>209,926</b>	<b>-</b>

Short term loans from affiliates consist of internal cash pool balances payable on demand.

##### Derivative liabilities

Details of derivative liabilities are as follows:

Exposure	As at 30-Jun-22		As at 31-Dec-21	
	Notional EUR '000	Fair Value EUR '000	Notional EUR '000	Fair Value EUR '000
Foreign currency swap – EUR/PEN	1,131	183	1,131	33
Foreign currency swap – GBP/EUR	5,544	117		
	<b>6,675</b>	<b>300</b>	<b>1,131</b>	<b>33</b>



#### **4 Financial liabilities (continued)**

##### Leases

The Company is a lessee for its office premises. The lease liability at 30 June 2022 is EUR 74 thousand (31 December 2021: EUR 83 thousand).

##### Fair Value of Financial Instruments

The Company utilises valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company's financial instruments consist of short-term and long-term debt, interest receivable from affiliates, loans receivable from affiliates, and accrued interest payable. The carrying amounts of short-term loans receivable/payable, and accrued interest approximate fair value due to the short maturity of these instruments.

The 30 June 2022 fair value of the Company's debt, which is comprised of exchange-traded instruments, is considered a Level 1 measure under the fair value hierarchy. Long term loans receivable from affiliates is a Level 2 measure. The fair value of short-term loans and receivables approximate their carrying value.

#### **5 Financial risk management**

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As the Company is dependent on the cash inflow from loans to related parties the principle financial risk facing the Company is the inability to service its payment obligations due to the inability of counterparties to service their loans from the Company. This note presents information about the Company's exposure to each of the risks identified by the board and the Company's management of these risks.

##### **(a) Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

##### **(i) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. It is management's policy not to be exposed to significant open interest rate positions. The Company has limited exposure to variable rate external debt instruments through its commercial paper programme and has both fixed and variable rate loans to affiliates.

**5 Financial risk management (continued)**

**(ii) Foreign Exchange Risk**

The Company's assets and liabilities are principally EUR denominated with the exception of three foreign currency denominated loans.

<i>Class of financial asset</i>	<b>As at 30-Jun-22</b>			<b>As at 31-Dec-21</b>		
	<b>Notional SEK '000</b>	<b>Notional PEN '000</b>	<b>Notional GBP '000</b>	<b>Notional SEK '000</b>	<b>Notional PEN '000</b>	<b>Notional GBP '000</b>
Loan to affiliates - Fresenius Kabi AB	2,500,000	-	-	2,500,000	-	-
Loan to affiliates - Fresenius Kabi Peru S.A.	-	5,700	-	-	5,700	-
Loan to affiliates - IHSS Limited			1,485			
	<b>2,500,000</b>	<b>5,700</b>	<b>1,485</b>	<b>2,500,000</b>	<b>5,700</b>	<b>-</b>

**(b) Credit risk**

At 30 June 2022 all assets within the Company's portfolio were performing with none past due or credit impaired. The Company continues to monitor the economic impacts of Covid-19 on counterparties. In calculating Expected Credit Losses, the Company has assessed that no assets experienced a significant increase in credit risk and therefore all are classified as Stage 1 and a 12 month ECL applied. A reconciliation of ECLs is provided as follows:

<b>Asset ECL Classification</b>	<b>Balance 01-Jan-22</b>	<b>ECL Loss Allowance</b>	<b>Balance 30-Jun-22</b>
12-month ECLs	4,137	1,300	5,437
Lifetime ECLs	-	-	-
	<b>4,137</b>	<b>1,300</b>	<b>5,437</b>

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

It is the policy of the Company to have sufficient liquidity so that liabilities are met without incurring undue losses and risks. Maturities of financial assets and liabilities are matched where possible to mitigate liquidity risk. All of the Company's financial liabilities due to banks and capital market investors are subject to guarantee from its parent Fresenius SE & Co KgaA. The parent is rated as follows by the three main rating agencies respectively; BBB, Baa3, BBB-.

## 6 Related party transactions

The following summarises balances between the Company and its affiliates:

	<i>Transactions values</i>		<i>Balances outstanding</i>	
	June 2022 EUR '000	Dec 2021 EUR '000	June 2022 EUR '000	Dec 2021 EUR '000
<b><u>Loan assets and accounts receivable:</u></b>				
Fresenius SE & Co. KGaA	10	182	-	540,667
Helios Finance Spain S.L.U.	48,131	105,962	4,540,103	4,575,478
Fresenius Kabi Austria GmbH	1,315	2,119	333,385	332,151
Fresenius Kabi Deutschland GmbH	-	628	-	-
Clinico Medical S.P. z.o.o.	321	220	81,025	80,724
Fresenius Kabi Groupe France S.A.	132	221	33,360	33,236
Fresenius Kabi AG	-	2,596	-	-
Fresenius Finance Ireland II PLC	-	-	82	82
Fresenius Kabi Ltd	-	-	5	5
Helios Fertility Spain S.L.U.	498	18	9,574	9,511
Fresenius Kabi Peru S.A.	32	3	1,465	1,259
Fresenius Kabi Sweden AB	1,126	628	234,576	244,388
Fresenius Kabi iPSUM Srl	306	250	115,446	107,674
Fresenius HemoCare Netherlands B.V.	428	65	106,790	91,399
IHSS Limited	20	-	1,749	-
Vamed Management und Service GmbH	23	-	3,144	-
Fresenius Vial S.A.S	183	-	54,144	-
Fresenius Kabi Oncology Ltd.	15	-	9,606	-
EnzyPep B.V.	6	-	1,505	-
	<b>52,546</b>	<b>112,892</b>	<b>5,525,959</b>	<b>6,016,574</b>

The Company issued the above loans to affiliated companies in the normal course of business. These transactions are conducted on a commercial basis under comparable conditions that would apply to transactions with third parties. All of the Company's financial liabilities are guaranteed to the lenders by the ultimate Parent, Fresenius SE & Co. KGaA

## 7 Subsequent events

Post period end 30 June 2022 the Company continued normal lending and funding activities. There have been no significant events subsequent to the period end that require disclosure in the financial statements up to the date of signing this report.