



**Annual General Meeting of the K+S Aktiengesellschaft
on May 12, 2022**

Speech of the Chairman of the Board of Executive Directors, Dr. Burkhard Lohr

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- The spoken German word applies -



Dear Shareholders,
Dear Shareholder Representatives,
Dear Media Representatives,
Dear Customers,
Dear Colleagues,
Dear Ladies and Gentlemen!

Together with my colleague Holger Riemensperger, I would like to welcome you to the Annual General Meeting.



Before I begin my report on the course of business in 2021, I would like to say clearly at this point that it was unimaginable for me personally to have to witness a war in Europe. We are deeply shocked by the daily news and images from Ukraine.

We are clearly committed to democratic values and to peaceful coexistence. Immediately after the outbreak of the war in Ukraine, K+S provided half a million euros in emergency aid to "Aktion Deutschland Hilft" to support the civilian population in need.



Since the beginning of March, we have furthermore been supporting various projects run by our employees by granting them time off work, providing donations in kind and carrying out relief transports.

And what's more: Despite the war-related and logistical challenges, we are in the process of supplying potash fertilizers to Ukraine within the scope of the possibilities available to us, to directly support local farmers.



Danger of famine

- 28% of the world' s wheat exports come from Russia and Ukraine
- Together, Russia and Belarus account for 32% of total potash production.
- The global community must now stand closely together to prevent famine and refugee movements

The K+S logo is displayed in a blue rectangular box with a white border. The letters 'K+S' are in a bold, white, sans-serif font.

What I am very concerned about, however, is the security of food supplies in many parts of the world.

Following the suspension of Russian wheat exports, the most important thing for the European Union and countries such as India, for example, will be to take over a large share of the failing Russian, Belarusian, and Ukrainian food exports to prevent the supply situation in many poor countries, such as in Africa, from becoming even worse.

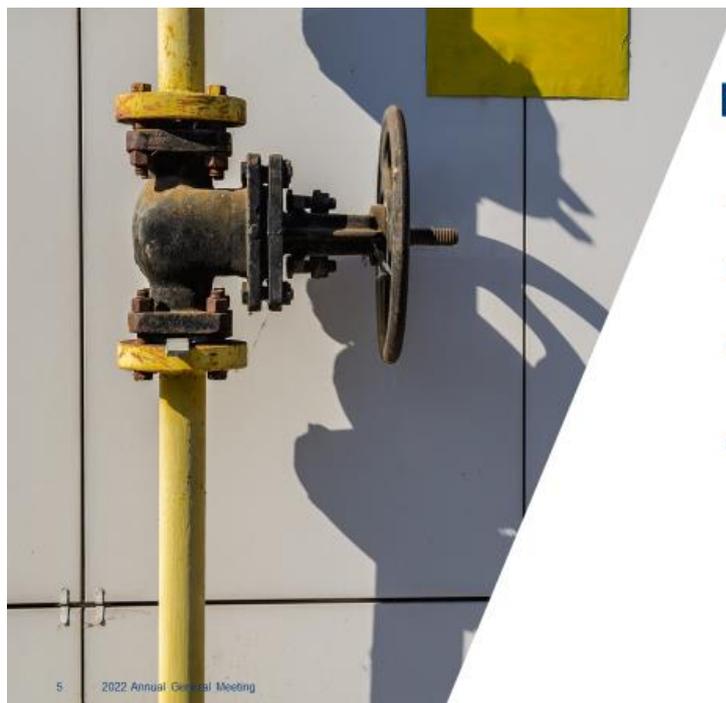
The global community must stand closely together to stabilize the global food system and avoid or at least mitigate the threat of famine as well as associated new refugee movements.



Yet Ukraine and Russia not only account for one-third of the world's wheat production. A large part of global fertilizer production also comes from Russia and Belarus.

Regarding our potash fertilizer business, however, even without sanctions an increase in global potash supply to meet rising demand will hardly be possible in the short term. The sanctions against Belarus further exacerbate this shortage.

The extent of the sanctions against Russia and their impact remain uncertain, but many customers are already refraining from Russian supplies for reasons of morale or because of uncertain payment and logistics flows.



Energy supply

- Price secured for more than 90% of natural gas demand 2022
- Prices secured for more than 70% of natural gas demand in 2023 and 2024
- Like all industrial companies in Germany, we are dependent on the reliable supply of natural gas
- Canadian site Bethune and German Wintershall plant of the Werra site largely independent of natural gas availability in Europe

The K+S logo, appearing as a small blue rectangle with the white text 'K+S' inside, located in the bottom right corner of the slide.

The current situation also makes it impossible to reliably assess the security of energy supplies. On the price side, we were very forward-looking for our production sites and secured attractive terms even before the outbreak of war.

The price for more than 90 percent of this year's gas requirements has already been set. For 2023 and 2024, more than 70 percent of the conditions are fixed.



We obviously depend on the reliable supply of gas, like almost all industrial operations in Germany. The processing of the crude salt mined as well as the generation of heat and electricity at our production sites is based almost entirely on natural gas. Only our Wintershall site of the Werra plant is supplied with energy by a waste incineration plant.

A cutback in the supply of natural gas would immediately lead to supply bottlenecks in Germany – including for critical infrastructure. Our products are used as fertilizers for agriculture, as an intermediate for the chemical and pharmaceutical industries, and as food and animal feed. We, therefore, make a system-relevant contribution to society.

Of course, we are monitoring further developments closely and are already considering potential scenarios that could be associated with the current geopolitical and economic changes.

Against the background of the Ukraine crisis, however, one thing also becomes apparent: The strategic decision of K+S to build the new potash plant in Bethune and therefore to diversify our production regionally is clearly confirmed.

Ladies and Gentlemen,

Let's now turn to the business performance in 2021:



Clear course – consistent implementation

- Successful sale of Americas business
- New dimensioning of administration completed
- Waste management JV REKS launched
- New mission statement & strategy developed
- Proceedings with FREP/BaFin completed

The K+S logo is displayed in a blue rectangular box with a white border. The letters 'K+S' are in a bold, white, sans-serif font.

In one sentence: 2021 was a very successful year for K+S!

We successfully completed important measures during this period:

With the sale of the Americas operating unit we have significantly reduced our debt as planned. The associated restructuring of our organization makes us leaner, more efficient, and unburdens our cost base. Shortly before the end of the year, we also successfully completed the merger of waste management activities with our partner REMEX in the new joint venture REKS. This is an important element in the strategic realignment of K+S. In fall, we adopted our new corporate strategy. Finally, the proceedings with the FREP and BaFin were concluded. The final findings did not trigger any value adjustments in our financial statements.

At the same time, the milestones mentioned mark the targeted “turnaround”, which the entire K+S team has worked hard to achieve together.

We are aware of the passionate commitment of our colleagues below and above ground, along the entire value chain right through to the corporate functions!



I would like to take this opportunity to express my sincere thanks on behalf of the Board of Executive Directors, and I am sure also on your behalf, for the work accomplished in the past year!



Strong performance in production

- Continued strong production performance at the sites
- Further increase in sales volumes in the Agriculture customer segment
- Extensive COVID-19 prevention, vaccination campaigns at sites

A small K+S logo is located in the bottom right corner of the slide, positioned above a blue geometric shape.

Ladies and Gentlemen,

I'm also very grateful for the continued excellent operating production performance of all our potash and salt sites in 2021. This was accompanied by higher demand, resulting in an increase of our sales volumes.

With our comprehensive prevention measures, we succeeded in avoiding significant restrictions imposed by the COVID-19 pandemic. Protecting the health of our workforce is the focus of all our actions.

Extensive vaccination and booster offers for our employees and their families were very well received. The vaccination rate at our sites has reached a very high level.



Attractive market environment

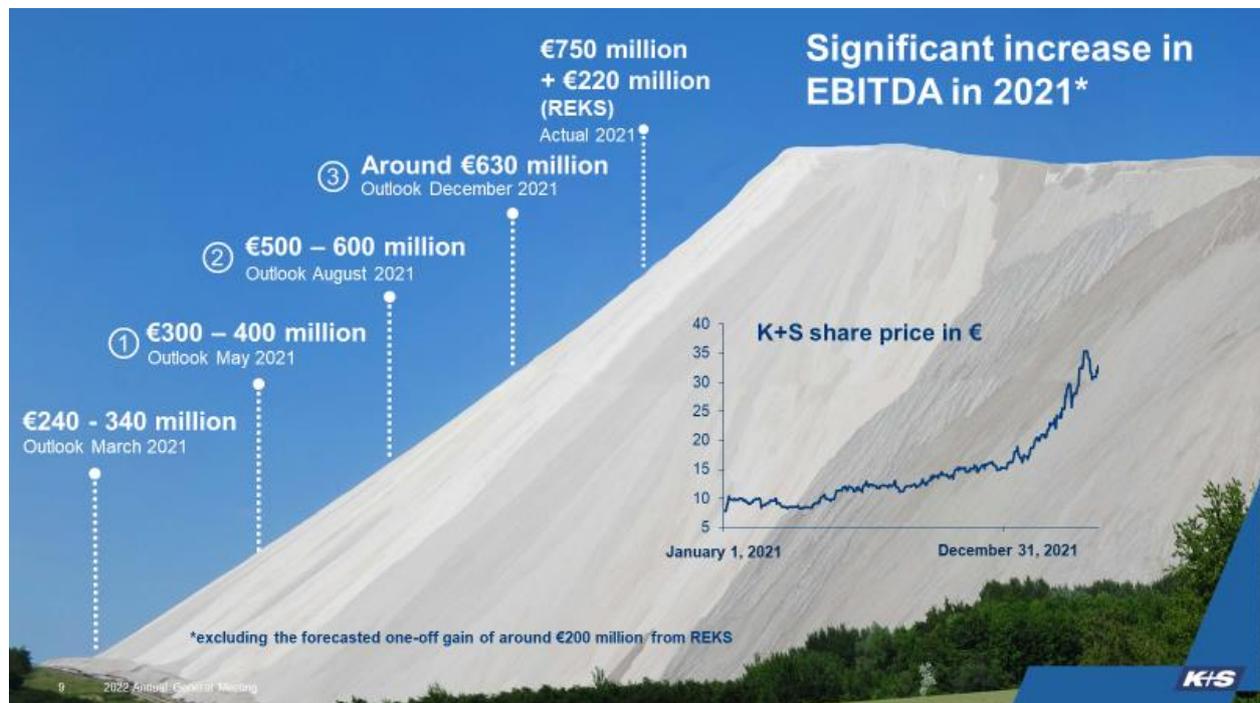
- Potash prices in Brazil more than quadrupled; Europe also records significant increase
- High demand for fertilizers with supply at full capacity
- Strong de-icing salt business

Our own operating performance was supported by the very favorable market development over the course of the year.

Strong demand accompanied by very good capacity utilization resulted in a significant increase in potash prices. Prices in Brazil, our most important foreign market, even more than quadrupled.

In Europe, prices for our products also developed very favorably. Therefore, the market environment in the agricultural sector had already improved significantly before the Ukraine war. Our de-icing salt business also performed very positively in both the first and fourth quarters due to weather conditions.





We translated our strong operating performance and favorable market conditions into higher earnings and cash flows. In the course of 2021, we raised our outlook on earnings three times, and even this was ultimately exceeded. Including a one-off gain from the REKS transaction of around 220 million euros, we generated significantly higher EBITDA of around 970 million euros as of December 31, compared with around 270 million in 2020.

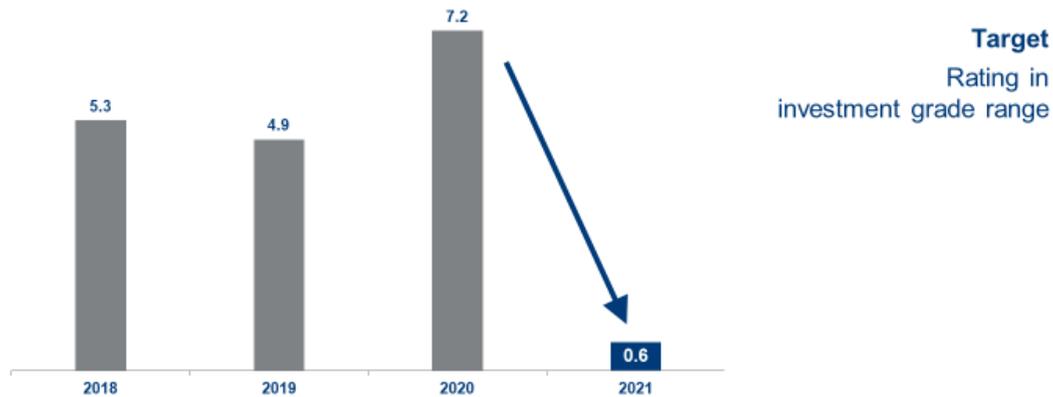
The development of our share price from around 8 euros at the beginning of 2021 to close to 30 euros at present also indicates that confidence in our Company is returning.

But of course, we will not rest on our laurels!



Debt significantly reduced

Net financial liabilities / EBITDA (x times)



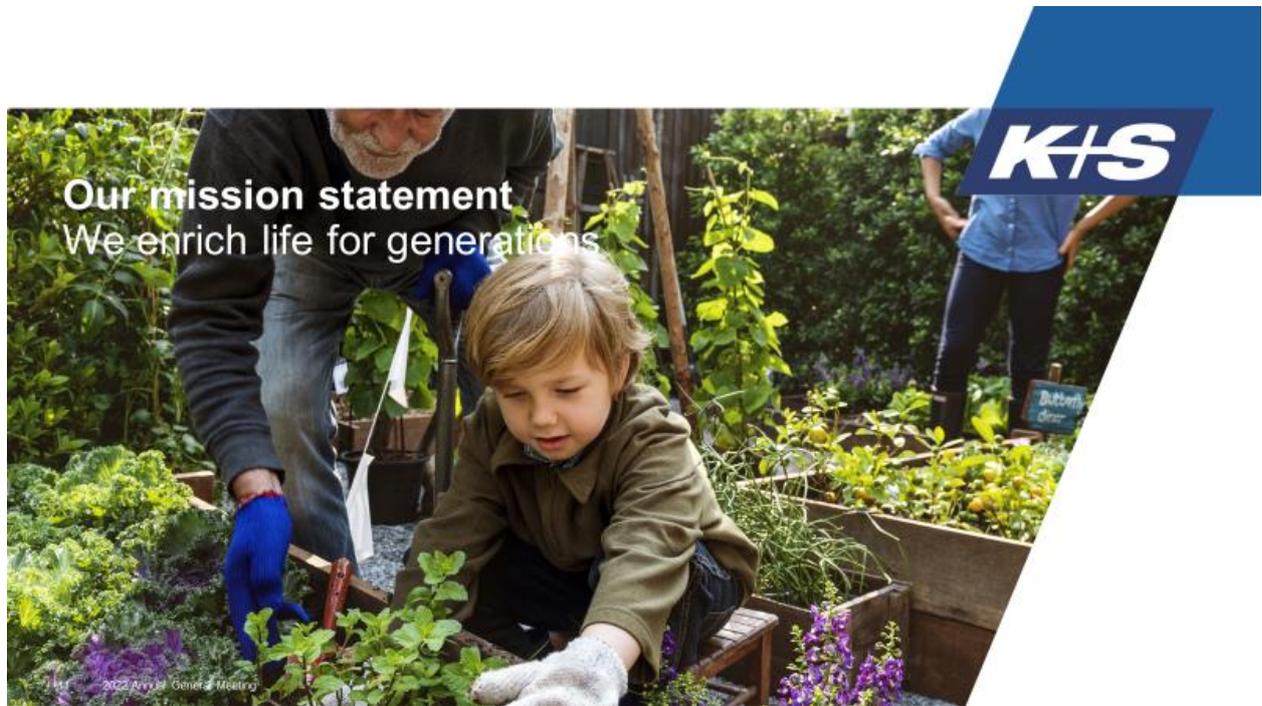
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We succeeded in achieving a major act of liberation by reducing the Company's debt: Following the sale of our North and South American salt business completed in April 2021, we have massively reduced our net financial debt. The rating agency Standard & Poor's has already responded with an initial improvement in our rating to BB with a stable outlook. We are now aiming for an investment grade rating.

Ladies and Gentlemen,

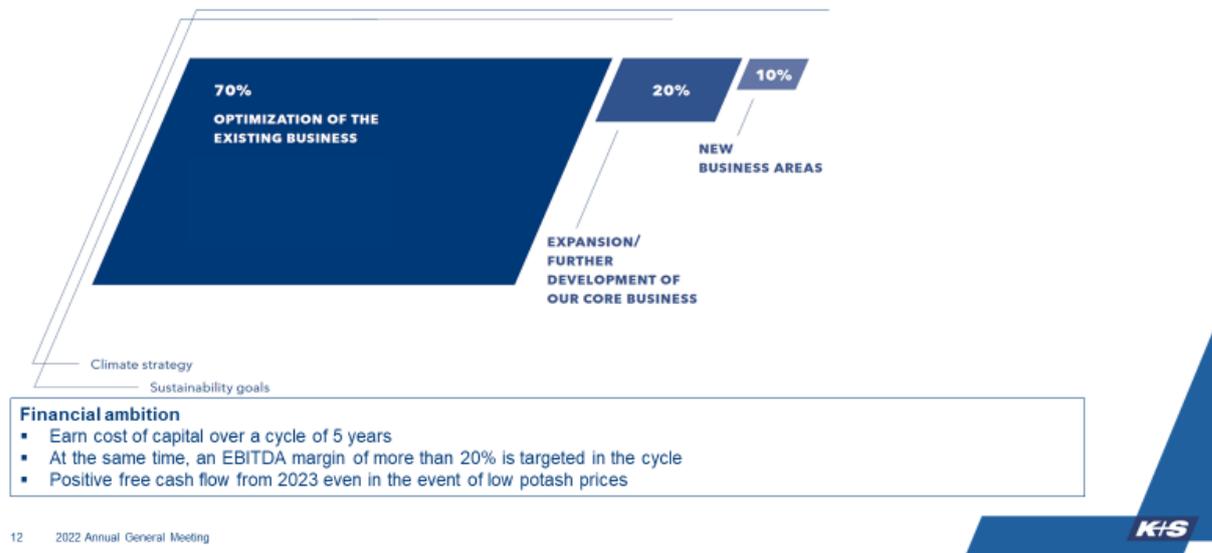
Looking at the past year, it is apparent overall that we have made great achievements and taken important strategic decisions. I am convinced that, after challenging years for our Company, we have now achieved the turnaround towards a successful future for K+S.



Dear Shareholders,

Let's now look ahead: We enrich life for generations. We perform this mission every day, setting high standards for ourselves. At the same time, we are realigning K+S. We are focusing even more strongly than before on fertilizers and specialties. We are becoming leaner, more cost-efficient, more digital, and more performance-oriented.

Guiding principles of strategy and management focus



Our new corporate strategy sets the guiding principles for the successful further development of K+S. We are focusing on the core business with potash and magnesium products and are working intensively on further optimizing our existing business.

The targets of our new corporate strategy are clearly defined as follows:

The K+S Group as well as each of our plants should generate positive free cash flow even in the event of temporarily low potash prices and mild winters.

Over a 5-year cycle, we want to earn our cost of capital and aim for an EBITDA margin of more than 20 percent.



Clear focus



Bethune

- Long-term ramp-up to up to 4 million tonnes of capacity
- Improvement of cost position



Zielitz

- Improvement of the cost position
- Increase in energy efficiency



Werra

- Optimization of product mix and production volumes



Neuhof-Ellers

- Improvement of the mineral content through AI
- Increase of the granulating capacity of kieserite

➔ Optimizations in Sales, Marketing & Supply Chain

In implementing our new strategy, we are initially focusing on optimizing our existing business. The teams at our sites are already working very hard on numerous initiatives and projects. In Bethune, we want to increase production capacity to four million tonnes in the long term. At the same time, as at our commodity site in Zielitz, we are planning to implement specific measures to continuously improve our costs. At our specialties plants in Werra and Neuhof, the focus is on further optimizing the product portfolio.



K+S Climate Strategy

Short-term goal
Introduction of a "K+S Climate Protection Fund" from 2022 for financing CO₂ reduction projects

Mid-term goal
Reduction of our CO₂ emissions by 10% by 2030 compared to 2020

Long-term goal
Climate neutrality in 2050 is technically feasible if supported by the legal framework

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Ladies and Gentlemen,

Our focus on the environment, nature and climate protection remains unchanged. Every business decision we make must be in line with our climate strategy and sustainability goals. Between 1990 and 2020, we already reduced our CO₂ emissions by 80%.

We have set ourselves the goal of reducing CO₂ emissions by another 10 percent by 2030. We can achieve this under our own steam! It is also technically feasible to become completely climate-neutral by 2050 - or even a little earlier. This, however, requires politicians to create the right framework conditions. Energy must be affordable and available where it is needed.

It is therefore not only a matter of price, but also of the rapid expansion of the infrastructure. This applies not only to K+S, but to all industrial companies and consequently also to Germany as an industrial location.



Disposal secured

Solid residues

- Tailings pile expansions completed by early 2023
- No further permits and investments in tailings pile expansions required until the end of the 2020s
- Werra & Neuhof tailings pile covering underway

Liquid residues Werra plant

- Injection terminated in 2021
- New discharge permit obtained at the end of 2021, decreasing limits
- From 2022: permanent underground storage (subject to approval)

We accomplished another major step in improving water protection at the end of 2021:

The injection of saline production water was finally terminated. Looking ahead, we assume that the permit for the environmentally compatible underground storage of saline water will be issued during the year. At the same time, we are well prepared for compliance with the lower target values set by the Weser River Basin Community for discharges into the Werra river by the end of 2027. From 2028, no more production water will be discharged into the Werra river.

In the disposal of solid residues, we will have completed the ongoing tailings pile expansions at several sites by early 2023. Further major investments and require permits will then not be due again until the end of the decade. Moreover, the projects for covering the large tailings piles at the Werra and in Neuhof near Fulda have recently started. In the long term, this will open up the opportunity to significantly reduce tailings pile water as well.

Ladies and Gentlemen,

This brings me to the outlook for our business and our outlook.



Continued positive environment

- Yield prospects for farmers remain attractive
- Continued very good demand for potash expected
- Increase in global potash supply hardly possible in the short term
- Sanctions against Belarus already limit global potash supply, extent of sanctions against Russia and their impact uncertain

Yield prospects in agriculture remain intact and provide an incentive to increase yield per hectare through balanced use of fertilizers.

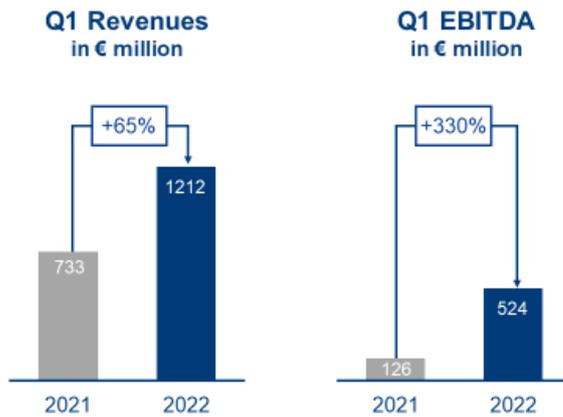
Even though the prices of various input materials - such as fertilizers – have risen for farmers, the prices of their agricultural products have also improved significantly or continue to be quoted at a high level. For important crops such as soybeans and corn, expected margins are above the multi-year average. Furthermore, global inventories for key agricultural products are at historically low levels and agricultural supplies from Russia, Belarus, and Ukraine are in question.

In a nutshell, we once again expect very high demand for potash in the current year. Even without sanctions, this demand would be faced with limited supply.



Successful start in 2022

Key figures of continuing operations



Agriculture

- Agricultural prices at record level
- High demand for fertilizers in all regions



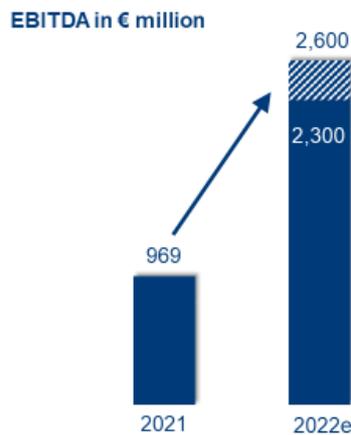
Ladies and Gentlemen,

This is also reflected in the start of the year 2022:

In the first quarter, revenues increased by around 65% to 1.2 billion euros. With 524 million euros, EBITDA could be more than quadrupled.



Best result in the Company's history expected



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- EBITDA expected to more than double year-on-year to between €2.3 billion and €2.6 billion
- Adjusted free cash flow (operative) expected to range between €1.0 billion and €1.2 billion (2021: €93 million); special effect for repayment of factoring and CO₂ certificates of around €230 million to be deducted
- Strong increase in average price in the Agriculture customer segment
- Cost increases for energy, logistics, and materials to be significantly exceeded



For the full-year 2022, we expect EBITDA of 2.3 to 2.6 billion euros. This would more than double our operating earnings compared with the previous year. And what's more, it would be by far the best result in our Company's history!

Assuming capital expenditures of around 400 million euros, we expect adjusted free cash flow for the full-year 2022 to range between 1 billion and 1.2 billion euros. Following the repayment of factoring in the first quarter as well as the purchase of CO₂ certificates, a total of around 230 million euros is to be deducted from this operating cash flow forecast as a one-off special effect.

The increase in the outlook is mainly attributable to further higher average prices in the Agriculture customer segment. These will significantly outweigh expected cost increases, particularly for energy, logistics, and materials.

The expected improvement in EBITDA and adjusted free cash flow assumes unrestricted production in the further course of the year. Possible interruptions to production caused by potential disruptions to energy or gas supplies to German sites have not been considered.



Planned use of additional liquidity

- Repayment of bond due in June 2022
- Purchase of CO₂ certificates for the years 2026 onwards already completed
- Accelerated Bethune ramp-up
- Repayment of factoring
- Dividend payment for the 2021 financial year
- Investment in optimizing our existing business
- Building a crisis-proof balance sheet and liquidity position

In view of this positive development, there is the question of how we will use the expected additional liquidity.

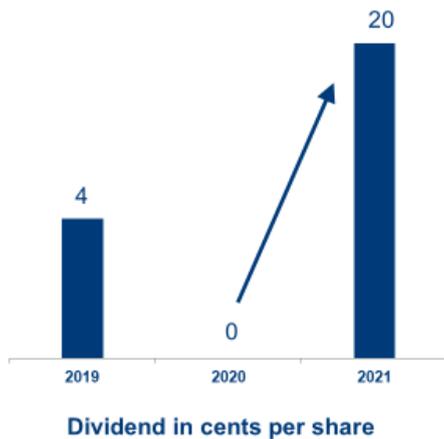
The key measures we are looking at here are:

- The repayment of our bond due in June,
- the purchase of CO₂ certificates for the years from 2026, which was already mainly completed in the first quarter,
- the accelerated increase in production capacity at our Bethune plant in Canada,
- the complete repayment of factoring during the first quarter,
- payment of the dividend this year, of course, and
- finally, further investment in optimizing our existing business.

At times when a war is raging in Europe, the impact of which cannot yet be assessed, it is important to keep the balance sheet robust while keeping debt low and, therefore, managing to steer the Company through uncertain times.



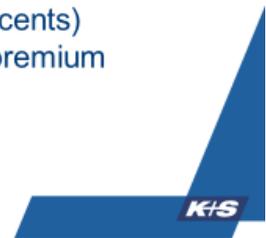
Dividend proposal for 2021



Proposed dividend
20 cents per share

Total dividend payout
around €38 million

New dividend policy
Basic dividend (15 cents)
plus discretionary premium



Our dividend proposal also takes this into account. The Board of Executive Directors and Supervisory Board propose a dividend of 20 cents per share at today's Annual General Meeting. In accordance with our new dividend policy, the amount is composed of a basic dividend of 15 cents and a premium of 5 cents. The corresponding total dividend payout amounts to around 38 million euros and represents 42% of our adjusted free cash flow in 2021.



Ladies and Gentlemen,

An exciting and at the same time good year 2021 lies behind us. We have made the Company more efficient and profitable. Furthermore, we have strategically realigned K+S.

The prospects for our business are positive.



On behalf of the Board of Executive Directors, I would like to thank you for your trust, your loyalty, and your wide-ranging support along the way.

A very warm “Glückauf” to all of you!