The spoken word applies.

Please note the cut-off period: 11 March, 2022, 10:00 a.m.
Ladies and Gentlemen,

I would like to welcome you to our Annual Press Conference today. We appreciate your great interest.

Before I turn to our very favorable business performance, allow me to start with a note: After the Supervisory Board and Mr. Boeckers had agreed on the best of terms to terminate his contract, Dr. Christian Meyer was appointed as the Company’s new Chief Financial Officer at the end of February. He will join us in spring 2023. I know Dr. Meyer very well due to his work as an auditor. He is a proven financial expert with many years of experience. I look forward to working with him and will also assume the role of Chief Financial Officer on an interim basis until he takes up office. I would like to thank Thorsten Boeckers for the good cooperation over the past years.

Let us now turn to our business performance in the past year.

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 our waste management activities in the new joint venture REKS.

• This was also a key element of the strategic realignment of K+S, following the adoption and presentation of our new corporate strategy in fall. I will come back to this later.

• Last but not least, the proceedings with the FREP and BaFin were concluded. The final findings did not trigger any value adjustments in our financial statements.

In terms of operations, we once again achieved an excellent production performance at all our potash and salt sites in 2021. We succeeded in meeting higher demand from our customers and increasing sales volumes. We also continued to master the challenges of the ongoing COVID-19 pandemic by taking comprehensive preventive measures at our sites. 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.
Our own operating performance benefited from the very positive market development over the course of the year. High demand accompanied by fully utilized supply resulted in a significant increase in potash prices, and in Brazil, our most important foreign market, prices even tripled. In Europe, prices for our products experienced a very favorable development. Due to weather conditions, our de-icing salt business also developed very positively in both the first and fourth quarters.
Now let's take a closer look at the positive impact on our customer segments: In the Agriculture customer segment, we increased revenues by 34% year-on-year to 2.3 billion euros. The development in the Industry+ customer segment, in which we have consolidated our business with industrial customers, consumers, and communities, was also pleasing. Here, we improved our revenues by almost 30% compared to 2020 to 941 million euros.

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 for earnings three times and generated significantly higher EBITDA of around 970 million euros as of December 31, compared with around 270 million euros in 2020. This included the one-off gain of around 220 million euros from the REKS transaction.

Our share price development from around 8 euros at the beginning of the year to more than 20 euros is just another proof that confidence in our Company is returning.
We achieved a major act of liberation in reducing the Company's debt: Through the sale of our North and South American salt business completed in April 2021, we have massively reduced our net financial liabilities. The rating agency Standard & Poor's has already responded to this with an initial improvement in our rating to B+ with a stable outlook. In the long term, we are now aiming for an investment grade rating.

Ladies and Gentlemen,

When 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.
Let’s look ahead:
We enrich life for generations. We fulfill this task day after day with 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 goals of our new corporate strategy are clearly defined:

- From 2023 onwards, the K+S Group as a whole as well as each of our plants should generate a positive free cash flow even in the event of temporarily low potash prices.
- Over a 5-year cycle, we aim to earn our cost of capital and target an EBITDA margin of more than 20 percent.

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 up 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.
We are making further improvements in the areas of Sales and Marketing, as well as in the Supply Chain. Numerous projects have been launched here that will soon make a positive contribution to our operating earnings.

**Optimizations in Sales, Marketing & Supply Chain**

**Agriculture**
- Increase of marketing in USA ex Baltimore
- Increase of trading business in Middle East, China and India
- Improved leveraging of local sales network

**Industry+**
- Focus on potash product groups for industrial product sales
- Capacity expansion of high-purity salts
- Optimization of de-icing salt setup

**Supply Chain**
- Warehouse and network optimization for European salt logistics
- Optimization of warehousing
- Optimization of infrastructure utilization

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**K+S Climate Strategy**

**Short-term goal**
- Introduction of the "K+S Climate Protection Fund" from 2022 to reduce our CO₂ emissions

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

**Long-term goals**
- Climate neutrality in 2050 is technically feasible if supported by the legal framework
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%.

Looking ahead, 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.

We accomplished another major step toward 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.

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 required permits will then not be due again until the end of the decade. Moreover, the projects to cover the large tailings piles on the Werra and in Neuhof near Fulda have recently started.

Ladies and Gentlemen,

This brings us to the outlook for our business and our forecasts.

At this point, I state clearly that it was unimaginable for me personally to witness a war in Europe. I hope that a return to the negotiating table and therefore an end to the hostilities can be achieved quickly. The situation is confusing and dynamic. Our revenues in the affected region are very low and we do not have any assets there. Of course, we are monitoring further developments closely, especially regarding energy supplies and sanctions.
Overall, the general conditions for us remain positive. It is true that the prices of various input materials - including fertilizers - have risen for farmers. However, prices for their agricultural products have also risen or remain at a high level. For important crops such as soybeans and corn, expected margins are above the multi-year average. Additionally, global inventories for key agricultural products are at historically low levels.

As a result, the yield prospects in agriculture continue to be attractive and provide an incentive to increase yield per hectare through the balanced use of fertilizers. Against this background, we expect overall demand for potash to be very strong again in the current year.

The recent conclusion of potash supply contracts in these two countries at significantly higher prices is clear evidence of the attractive market environment.

An increase in global potash supply is unlikely to be possible. On the one hand, because of the limited global capacities. On the other hand, because it is not yet foreseeable to what extent sanctions against Belarus and Russia could actually have an impact on the availability of potassium chloride on the global potash market.
Ladies and Gentlemen,

We expect EBITDA of between 1.6 billion euros and 1.9 billion euros in the current year. This would more than double our operating earnings compared with the previous year. And even more: It would be the best result in our Company's history!

Even in view of the war in Ukraine and the associated dynamics in sales prices and energy risks, we are sticking to this forecast.

Against this background, we also expect our adjusted free cash flow to increase significantly this year to between 600 and 800 million euros.

Visibility for the first half of the year is high. The range of the forecast results in particular from different scenarios for selling prices, costs, logistics availability, and weather conditions in the course of the second half of the year.
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 further CO₂ certificates for the years 2026 to 2030,
- the accelerated increase in production capacity at our Bethune plant in Canada,
- the further reduction in factoring,
- payment of the dividend this year, and, finally,
- further investment in optimizing our existing business.
It goes without saying that our shareholders should also benefit from the positive business development in 2021: The Board of Executive Directors and Supervisory Board therefore intend to propose a dividend of 20 cents per share at the Annual General Meeting on May 12. In accordance with our new dividend policy, the amount will be made up of a basic dividend of 15 cents and a premium of 5 cents. The total dividend payout would therefore amount to around 38 million euros.
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.

Thank you for your attention and I now look forward to your questions!

Q&A

Dr. Burkhard Lohr
CEO