Sartorius Stedim Biotech

Universal Registration Document 2021 Including the Annual Financial Report

Simplifying Progress

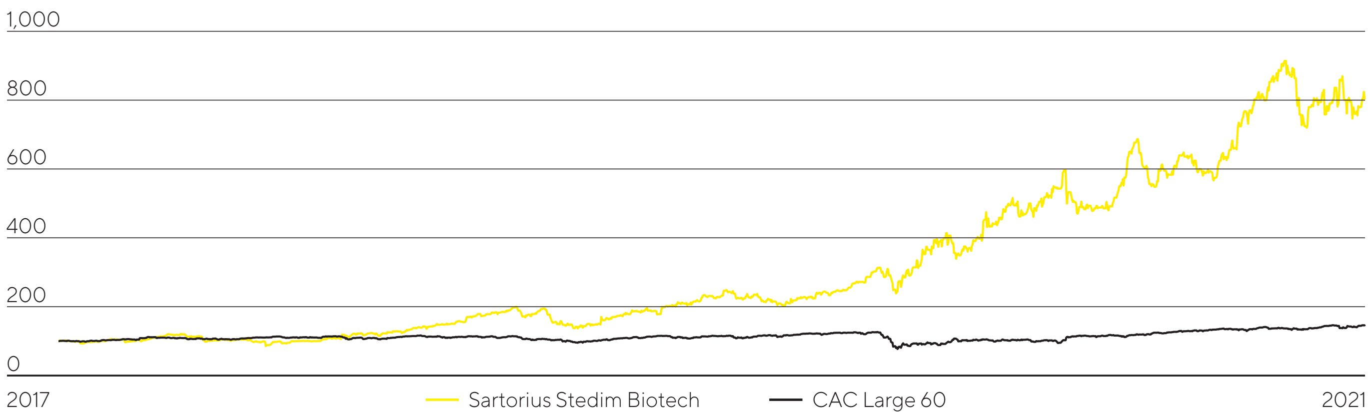
SARTORIUS

Key Figures

All figures are given in millions of € according to the IFRS, unless otherwise specified	**2021**	Δ in %	2020[7]	2019	2018	2017
Order intake, sales revenue and earnings						
Order intake	3,664.4	53.9	2,381.0	1,543.5	1,307.3	1,162.3
Sales revenue	2,887.0	51.1	1,910.1	1,440.6	1,212.2	1,081.0
Underlying EBITDA[1,2]	1,033.4	70.9	604.7	421.5	342.4	294.9
Underlying EBITDA[1,2] as % of sales revenue	35.8	4.1pp	31.7	29.3	28.2	27.3
Net profit after non-controlling interest	414.4	23.4	335.9	234.5	208.1	161.1
Underlying net profit after non-controlling interest[3]	687.8	79.2	383.8	263.0	219.3	180.4
Research and development costs	110.5	30.8	84.5	79.2	60.6	53.2
Financial data per share						
Earnings per share (in €)	4.50	23.4	3.64	2.54	2.26	1.75
Earnings per share (in €)[3]	7.46	79.2	4.16	2.85	2.38	1.96
Dividend per share (in €)	1.26[4]	85.3	0.68	0.34	0.57	0.46
Balance sheet						
Balance sheet total	3,951.1	38.3	2,856.7	1,845.4	1,571.5	1,403.9
Equity	1,733.2	18.6	1,461.0	1,188.9	1,044.9	879.5
Equity ratio (in %)	43.9	-7.2pp	51.1	64.4	66.5	62.6
Financials						
Capital expenditures as % of sales revenue	11.2	2.9pp	8.3	9.4	14.6	12.6
Depreciation and amortization	141.5	41.1	100.3	72.8	60.9	50.6
Cash flow from operating activities	696.0	66.9	416.9	310.1	227.3	174.7
Net debt[5]	401.9	-23.8	527.3	110.4	125.7	127.1
Ratio of net debt to underlying EBITDA[1,2,6]	0.4		0.8	0.3	0.4	0.4
Total number of employees as of December 31	10,409	37.6	7,566	6,223	5,637	5,092

1 Adjusted for extraordinary items
2 For more information on EBITDA, net profit and the underlying presentation, please refer to the Group Business Development chapter and to the Glossary.
3 Adjusted for extraordinary items, non-cash amortization acc. to IFRS 3 and fair value adjustments of hedging instruments, as well as the corresponding tax effects for each of these items.
4 Amount suggested by the Board of Directors (Conseil d'administration) and subject to approval by the Annual General Shareholders' Meeting.
5 Net debt excludes the liability for the remaining purchase price for acquisitions; 2021: €518.7 million, 2020: €127.8 million, 2019: €72.5 million, 2018: €8.7 million, 2017: €46.5 million
6 EBITDA includes underlying pro forma EBITDA contributed by acquisitions for this period
7 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations

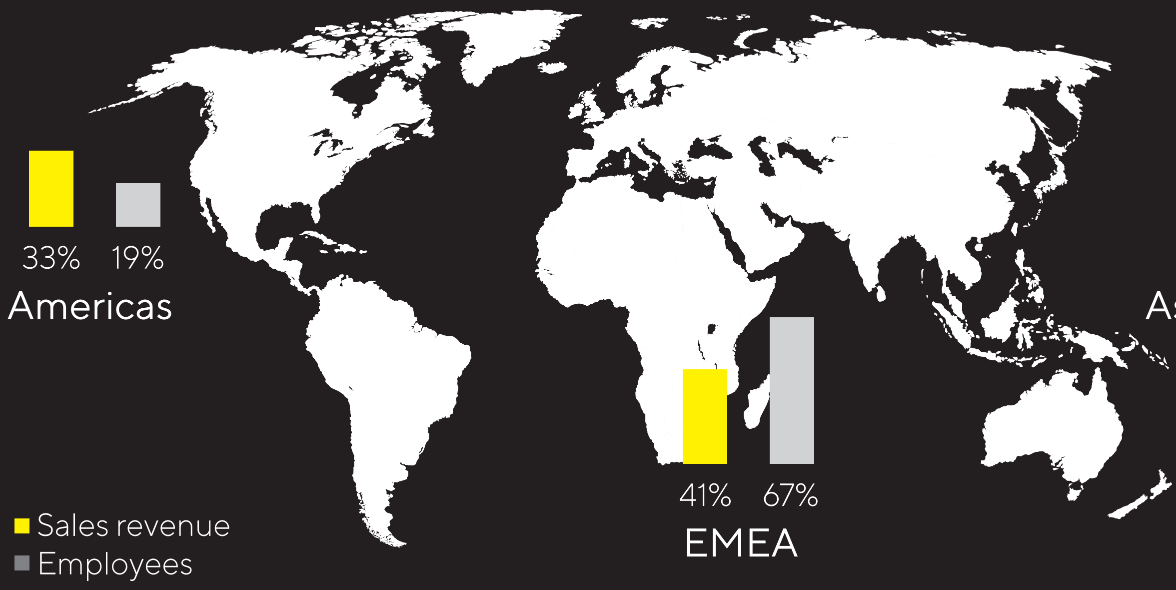
Sartorius Stedim Biotech Share in Comparison to the CAC Large 60 (indexed)



25+	Sites in more than 25 countries, headquartered in Aubagne France
>10,400	Employees
~19%	Sales CAGR 2011-2021
~90%	Sales share with life science customers
+14.9pp	Change in underlying EBITDA margin 2011-2021
~€44.5bn	Sartorius Stedim Biotech S.A. market capitalization; listed on the CAC Large 60

Sales growth in constant currencies; underlying = excluding extraordinary items

Strong Presence in All Major Biopharma Markets



Innovative Solutions for Better Medications

With its pioneering spirit and a profound understanding of customer requirements, Sartorius Stedim Biotech has evolved into a key partner for biopharmaceutical research and the industry. Our goal is to make complex and expensive development of biotech medicines and their production safer and more efficient. We cover the entire value-added chain of the biopharmaceutical industry and help with our products and services to ensure that novel therapies and vaccines reach the market faster and are accessible to more people worldwide.

See page 18, Sartorius Stedim Biotech Group at a glance

Mission

At Sartorius Stedim Biotech, we empower engineers to simplify and accelerate progress in bioprocessing. In this way, we enable new and better pharmaceuticals to be manufactured and help keep medications affordable.

Vision

We are a magnet and dynamic platform for pioneers and leading experts in our field. We bring creative minds together for a common goal: technological breakthroughs that lead to better health for more people.

Universal Registration Document 2021

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document has been filed on February 16, 2022, with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document incorporates by reference the preceding Reference Documents D.21-0060 filed on February 17, 2021 and D. 20-0064 filed on February 17, 2020.

The following information is included by reference in the present Universal Registration Document:

- The year 2020 consolidated financial statements of Sartorius Stedim Biotech prepared using IFRS as adopted by European Union and the report of the statutory auditors relating to these statements, and the Group 2020 management report appearing on pages 125 to 191 and 18 to 72 respectively, of the Reference Document filed with the Autorité des Marchés Financiers on February 17, 2021, under the number D.21-0060

- The year 2019 consolidated financial statements of Sartorius Stedim Biotech prepared using IFRS as adopted by European Union and the report of the statutory auditors relating to these statements, and the Group 2019 management report appearing on pages 95 to 145 and 17 to 58 respectively, of the Reference Document filed with the Autorité des Marchés Financiers on February 17, 2020, under the number D.20-0064.

The sections of these documents not included are not of interest to an investor, and are covered in another part of this Universal Registration Document.

Copies of the present Universal Registration Document can be obtained from the following:

- Sartorius Stedim Biotech S.A. - Z.I. Les Paluds - Avenue de Jouques CS 91051-13781 Aubagne Cedex

- Group website: www.sartorius.com

- Autorité des Marchés Financiers website: www.amf-france.org

Content

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer

To Our Shareholders

01

Chairman's Message

Dear Shareholders, dear Business Partners,

The progress and achievements in life sciences and the biopharmaceutical industry have probably never been more apparent to everyone than they have been over the past two years. Rapid development and production of highly effective vaccines against coronavirus are an impressive demonstration of the high impact that the innovative power of this industry has on people's health worldwide.

Key therapies, such as the treatment of various types of cancer, have been based on biotechnological manufacturing processes for quite some time now. While monoclonal antibodies have been playing the most significant role for some years, promising progress has recently been made in the development of new modalities. In this context, I would like to particularly highlight cell and gene therapeutic methods as well as mRNA-based approaches and other innovative technologies. Thanks to such new opportunities, we can expect further breakthroughs in the treatment of diseases that so far have been difficult to cure or even incurable, giving hope to millions of patients.

Sartorius Stedim Biotech is focused on providing its customers in the biopharmaceutical industry as well as at biotech startups and in science the tools and technologies to achieve such breakthroughs, enabling researchers and engineers to reach their goals faster and at lower costs. The pandemic has made the relevance of our portfolio in this regard very evident.

In fiscal 2021, we contributed to making the production of newly developed coronavirus vaccines at an unparalleled speed and in unprecedented quantities a reality. Still, pandemic-related business was a relevant, but not a dominant factor in the past year as our core business generated even higher contributions to growth. Sales revenue rose by around 53% to around €2.89 billion, and we also achieved a further increase in profitability with an operating EBITDA margin of 35.8%. This development was driven by strong growth and new record highs in basically all product segments and in all geographies.

Managing this strong growth was only possible due to the significant increase in headcount and our very extensive investment program to expand production capacities. I am happy that the Sartorius Stedim Biotech team has increased by more than 2,800 people and closed 2021 with more than 10,400 employees. Investments were used to expand our capacities in several product segments and in all business regions.

Over the past months, we also closed a series of strategic acquisitions. With the takeover of Xell and the acquisition of a majority stake in CellGenix, we further expanded our product portfolio that is especially important for manufacturing cell and gene therapeutics as well as vaccines. In early 2022, we completed the acquisition of the Novasep chromatography division that had already been agreed upon at the beginning of 2021.

A brief word on our stock market performance: Sartorius Stedim Biotech shares closed 2021 with a gain of around 66%. In addition to the company’s business performance and its attractive growth prospects, the above-average valuation factors in the biotech and life science sectors had an amplifying effect.

During the past years, we have already implemented various measures to reduce our ecological footprint. Now we have set an ambitious target to continuously reduce our CO_2 emission intensity by around 10% annually. By 2030, this is projected to lower our emission intensity by almost 70%. Over time, we will spend around 1% of Group sales revenue per year to reach this ambitious goal.

Let's now take a look at the future: The long-term trends and main drivers of our business remain strong, and the global biopharma sector is currently in a highly dynamic and innovative phase. At the same time, the pandemic is not over yet, and even short-term forecasts are subject to relatively high uncertainty. In this environment, we project that consolidated sales revenue will increase by about 15% to 19% this year and – following the jump in profitability in 2021 – expect our underlying EBITDA margin to reach more than 35% in 2022. We are continuing to move ahead at full speed in investing in additional capacities and are planning with a CAPEX ratio of around 14.5%.

Regarding our mid-term targets, we are now aiming to achieve an underlying EBITDA margin of more than 35% in 2025, a level around two percentage points higher than predicted before. Our sales revenue target continues to be projected at around €4 billion, and we plan to achieve it primarily through organic growth and additionally by acquisitions. These targets do not include any pandemic-related business as it is currently not possible to make a robust estimate of this.

We can reach these ambitious goals only as a team. In the past year, our employees went all the extra miles so that we could supply our customers reliably with urgently needed products. Our special thanks therefore go out to the entire international Sartorius Stedim Biotech team for their extraordinary performance yet again.

I would also like to sincerely thank you, our valued customers, business partners, and shareholders. Based on the trust you have placed in us – often throughout many years – you have contributed significantly to the positive development of Sartorius Stedim Biotech. We would be pleased if you would continue to accompany us in 2022 and beyond and share in the further success of our company.

Sincerely,

Joachim Kreuzburg
Chairman of the Board and CEO

Board of Directors

Board of Directors

The Board of Sartorius Stedim Biotech is the central management and supervisory entity of the company, and is composed of eight members. The directors are appointed for a three-year term.

Joachim Kreuzburg
Chairman | CEO

Pascale Boissel

Chrystel Baudere

Susan Dexter

René Fáber

Anne-Marie Graffin

Lothar Kappich

Henri Riey

Sartorius Stedim Biotech Shares

Facts about the Share [1]

ISIN	FR0013154002
Liquidity provider	Kepler Cheuvreux
Stock exchange	Euronext Paris
Market segment	Local Securities - Compartment A (Large Caps)
Indexes	SBF 120; CAC Next 20; CAC Large 60; CAC All-Tradable; CAC All Shares; CAC Healthcare; STOXX Europe 600; MSCI France
Number of shares	92,180,190
thereof Sartorius AG	73.8%
thereof free float	26.2%
Voting rights	160,526,383
thereof Sartorius AG	84.8%
thereof free float	15.2%

1 As of December 31, 2021

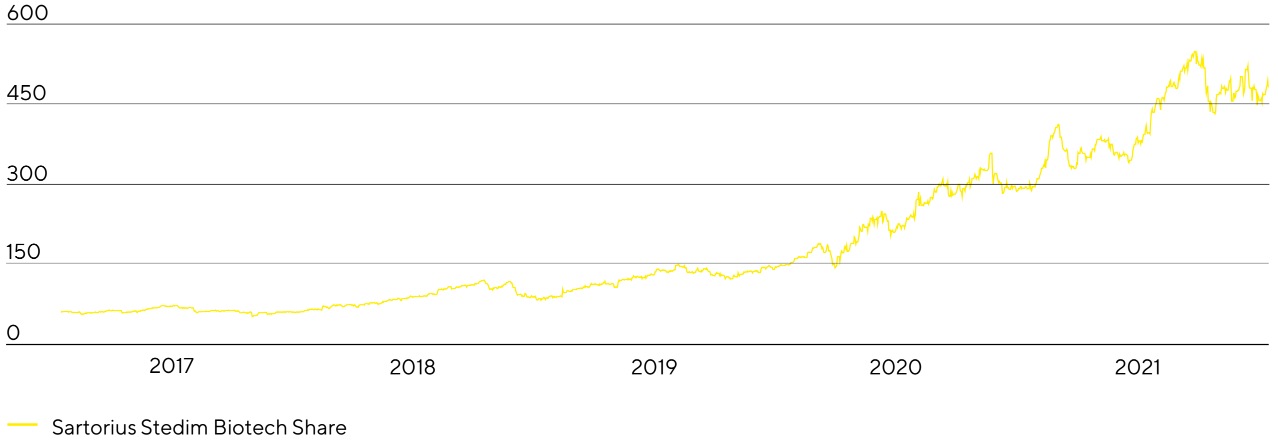
Stock Markets Post Price Gains

International stock markets reported major price rises in the reporting year against a background of strong economic recovery and increasing corporate profits. Various risk factors, such as strained global supply chains, high rates of price increases for raw materials and preliminary products, and a supply shortage in some sectors, only occasionally resulted in setbacks. A possible end to expansionary monetary policy because of higher-than-expected inflation rates likewise hit sentiment on the markets only temporarily. Important benchmark indices reached new all-time highs in 2021. The Dow Jones ended the reporting year at 36,338 points, having gained 18.7%. The MSCI Europe closed around 19.9% higher at 1,935 points. The French benchmark index CAC 40 and the CAC Large 60, which includes the Sartorius Stedim Biotech shares, also reached new highs, with the CAC 40 rising by 28.9% to 7,153 points and the CAC Large 60 by 27.1% to 7,806 points.

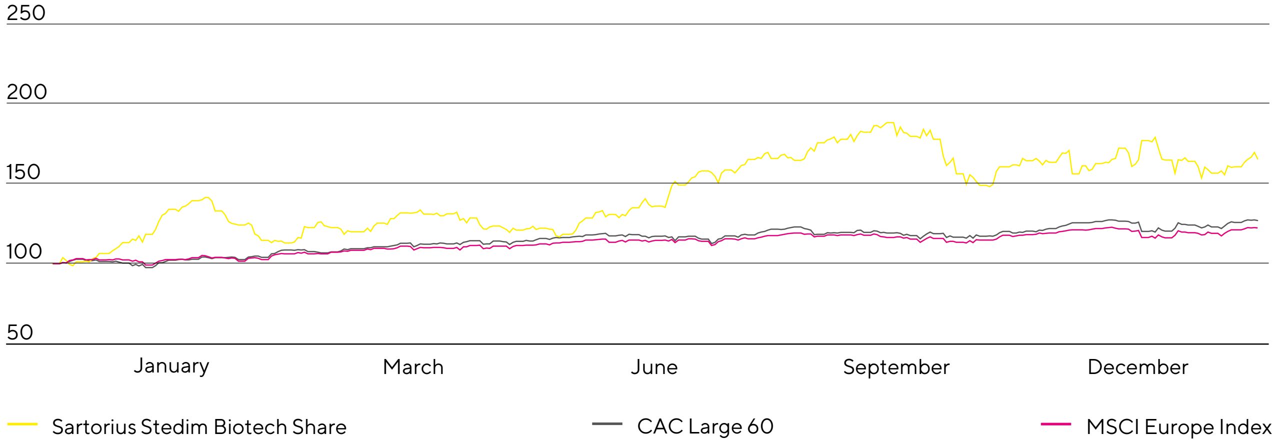
Sartorius Stedim Biotech Shares Rise Sharply

The Sartorius Stedim Biotech share price was volatile, but developed very positively overall during the reporting year. Contributing factors included better-than-expected business performance, several associated forecast adjustments, and the completion of two acquisitions. The news regarding the coronavirus pandemic and the shift from growth to cyclical stocks triggered by rising interest on U.S. government bonds also impacted the performance of Sartorius Stedim Biotech shares. The company`s shares reached an all-time high of €548.2 on September 10, 2021, and closed the stock-market year somewhat lower at €482.4 – up 65.7% year over year.

Sartorius Stedim Biotech Share in €
January 1, 2017 to December 31, 2021



Sartorius Stedim Biotech Share in Comparison to the CAC Large 60 and MSCI Europe Index (indexed)
January 1, 2021 to December 31, 2021



Investor Relations Activities

Sartorius Stedim Biotechs' investor relations activities follow the objective of making the current and future development of the company transparent for its stakeholders. To achieve this objective, the company maintains an ongoing, open dialog with shareholders, potential investors and financial analysts.

Besides providing quarterly, first-half and annual reports, we inform the capital market and the interested public at quarterly teleconferences and in regularly published press releases about the current development of our business and other material events at the company. Moreover, Group management and the IR team made themselves available to capital market participants at mostly virtual conferences and roadshows.

All information and publications relating to our company and its shares are provided on our website at www.sartorius.com.

Analysts

The recommendations of financial analysts serve as a foundation for the decisions of private and institutional investors when investing in shares. Currently, ten institutions regularly prepare reports and updates on Sartorius Stedim Biotech shares.

Research Coverage

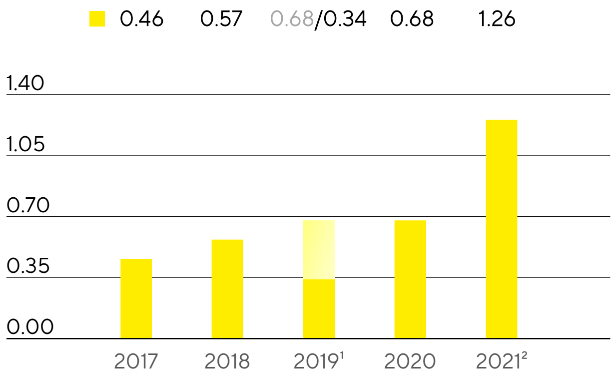
Date	Institute	Price target in €	Recommendation
January 31, 2022	J.P. Morgan	550.00	Buy
January 28, 2022	Exane BNP Paribas	510.00	Buy
January 28, 2022	Société Générale	510.00	Buy
January 27, 2022	ODDO BHF	530.00	Buy
January 27, 2022	Kepler Cheuvreux	500.00	Buy
January 27, 2022	UBS	297.00	Sell
January 27, 2022	Morningstar	290.00	--
October 28, 2021	Berenberg	544.00	Buy
October 25, 2021	AlphaValue	451.00	Sell
July 21, 2021	Gilbert Dupont	455.00	Buy

Dividends

The total return generated by Sartorius Stedim Biotech shares has generally been based almost entirely on the positive development of the share price and only to a very small extent on dividend payments. In line with the rapid and highly innovation-driven development of our industry, the main focus of company's management is on successfully continuing on our dynamic profitable growth track and on making the extensive investments in capacity expansions, innovations and acquisitions that are constantly required for this purpose. Yet within this context, Sartorius Stedim Biotech strives to enable its shareholders to participate appropriately in the company's success through dividends.

The Board of Directors will submit a proposal to the Annual Shareholders' Meeting on March 29, 2022, to pay dividends of €1.26 per share from the underlying net profit of €687.8 million for fiscal 2021, up from the previous year's figure of €0.68. If this proposal is approved, the total profit distributed would be €116.1 million (2020: €62.7 million). The corresponding dividend payout ratio would be 16.9%, compared to the prior-year ratio of 16.3%.

Dividends
in €



1 The original dividend proposal of €0.68 per share was adjusted in light of the pandemic crisis
2 Amount suggested by the Board of Directors and subject to approval by the Annual General Shareholders' Meeting

Total Shareholder Return

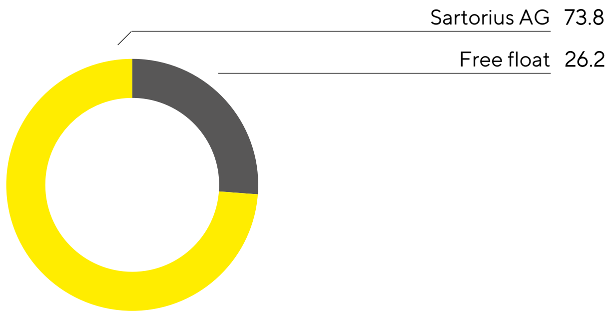
Total shareholder return considers both the dividends paid out and any share price increases over a certain period, and thus reflects the entire performance of an investment. In 2021, Sartorius Stedim Biotech shares delivered a TSR of 65.9%, compared to 97.4% a year earlier.

Shareholder Structure

Sartorius Stedim Biotech S.A.'s issued capital amounted to €18.4 million as of December 31, 2021, and was divided into 92,180,190 shares, each with a calculated par value of €0.20. As some of the shares confer double voting rights, there were 160,526,383 voting rights in total as of the reporting date.

As of December 31, 2021, Sartorius AG has held 73.8% of the Stedim Biotech S.A.'s share capital and 84.8% of the voting rights outstanding. The remaining 26.2% of Stedim Biotech S.A. shares are in free float, corresponding to 15.2% of the voting rights outstanding.

Shareholding Structure
in % of share capital



Key Figures for Sartorius Stedim Biotech Share

		2021	2020	2019	2018	2017
Share price[1] in €	Reporting date	482.40	291.20	147.70	87.35	60.29
	High	548.20	357.60	149.20	119.80	72.49
	Low	287.60	143.00	83.30	60.35	51.50
Dividends [2] in €		1.26	0.68	0.34	0.57	0.46
Total dividends paid[2] in millions of €		116.1	62.7	31.3	52.5	42.4
Dividend yield [3] in %		0.3	0.2	0.2	0.7	0.8
Market capitalization in millions of €		44,467.7	26,842.9	13,615.0	8,051.9	5,557.5
Average daily trading number of shares		52,717	70,414	63,935	80,140	52,753
Trading volume of shares in millions of €		5,524.1	4,234.6	2,037.8	1,874.9	818.2
CAC Large 60 (closing prices of the year)		7,806	6,144	6,598	5,246	5,871
SBF 120 (closing prices of the year)		5,546	4,432	4,704	3,756	4,251

1 Daily closing price
2 For 2021, amounts suggested by the Board of Directors and subject to approval by the Annual General Shareholders' Meeting
3 Dividends in relation to the corresponding closing prices of the year
Sources: Euronext; NASDAQ

Management Report

02

Structure and Management of the Group

Group Legal Structure

Sartorius Stedim Biotech is a globally operating company with subsidiaries in more than 25 countries and more than 10,400 employees worldwide. The parent company of the Sartorius Stedim Biotech Group is Sartorius Stedim Biotech S.A., headquartered in Aubagne, France.

Sartorius Stedim Biotech S.A. is listed on the Euronext stock exchange in Paris. Approximately 74% of the share capital and around 85% of the voting rights of Sartorius Stedim Biotech S.A. are held by Sartorius AG.

Sartorius AG is an international leading partner for life science research and the biopharmaceutical industry and is headquartered in Göttingen, Germany. It is listed on the German Stock Exchange and operates two divisions: the bioprocess business as a subgroup under its parent corporation Sartorius Stedim Biotech S.A., and the laboratory business as a further subgroup.

The consolidated financial statements of the Sartorius Stedim Biotech Group include Sartorius Stedim Biotech S.A. and all affiliates in which Sartorius Stedim Biotech S.A. has a controlling interest pursuant to IFRS 10.

Organization and Management of the Group

The Sartorius Stedim Biotech Group is largely organized by function on a worldwide basis. Accordingly, the respective management responsibilities are performed along the company's core functions across all sites and regions.

This global functional organization forms an effective platform for central strategic control and for fast, efficient collaboration and execution within the Group. It enables the company to realize its total solutions provider strategy and position itself effectively in respect of global customers.

The Board of Directors of Sartorius Stedim Biotech S.A. is composed of eight members, one executive director and seven non-executive directors.

Implementing the Group's various strategies and initiatives at the local level is the responsibility of the national affiliates.

The management bodies of the local companies run their organizations in accordance with applicable statutory provisions, articles of association, and rules of procedure, and in keeping with the principles of corporate governance that apply throughout the Sartorius Stedim Biotech Group worldwide. Please see details of the Board of Directors in the section "Corporate Governance."

Changes in the Group Portfolio

In the reporting year, Sartorius Stedim Biotech strengthened its product portfolio for cell culture media and extended its production network in this segment by making two acquisitions. First, the company acquired a majority stake in CellGenix. This enterprise based in Freiburg, Germany, and with a sales subsidiary near the biotechnology hub in Boston, Massachusetts, USA, produces and markets critically essential cell culture components, such as growth factors, cytokines, and media in GMP quality, for manufacturing cell and gene therapy products. The Freiburg site is a center of excellence for developing and manufacturing cell culture components and will be further expanded. With a workforce of around 70 people, CellGenix generated sales of about €20 million in 2020.

Second, Sartorius Stedim Biotech acquired cell culture specialist Xell headquartered in Bielefeld, Germany. Xell develops, produces, and markets media and feed supplements for cell cultures, especially for manufacturing viral vectors that are used in gene therapeutics and vaccines. Beyond these media, the company offers various analytical services for characterizing, screening, and quantifying media components, as well as for optimizing media composition. In 2021, Xell generated sales of approximately €5 million and employed around 35 people.

Moreover, in February 2022, Sartorius Stedim Biotech completed the acquisition of the chromatography process equipment division of Novasep with sites in Pompey, northern France, as well as in the USA, China, and India. The division with approximately 100 employees specializes in resin-based chromatography systems, and its product portfolio is complementary to our existing chromatography offering.

Financial Controlling and Key Performance Indicators

The Sartorius Stedim Biotech Group is managed using a number of key performance indicators, which are also decisive for determination of the variable remuneration component for the Executive Board and managers.

The key management parameter that Sartorius Stedim Biotech uses to measure the development of its size is currency-adjusted growth of sales revenue.

The key performance measure for profitability is EBITDA adjusted for extraordinary items, i.e., underlying EBITDA, and the corresponding margin. For a definition of this term and more information on its presentation, see the Glossary on page 270.

Regarding the debt financing capacity of the Sartorius Stedim Biotech Group, a further key indicator is the ratio of net debt to underlying EBITDA for the last twelve months.

Moreover, the CAPEX ratio, i.e., investment payments relative to sales revenue, represents a key control parameter.

The following financial and non-financial indicators are also reported on a regular basis:

- Order intake
- Underlying net profit | Earnings per share
- Net profit | Earnings per share
- Equity ratio
- Net working capital
- Net cash flow from operating activities
- Number of employees

The annual financial forecast published at the beginning of a fiscal year for the Group generally refers to the development of sales revenue and of the underlying EBITDA margin. The expected CAPEX ratio, as well as a directional forecast for the ratio of net debt to underlying EBITDA, is also indicated for the Group.

Business Model, Strategy and Goals

Market and Strategic Positioning

As a leading partner of the biopharmaceutical industry, Sartorius Stedim Biotech helps its customers to develop their production processes and manufacture biotech medications and vaccines more efficiently.

Biopharmaceuticals are integral components of advanced medicine and are used to treat many illnesses, mostly of a serious nature. However, long development times and complex production make these medications very expensive. This leads to high healthcare costs in industrialized countries and to the situation that patients in less developed countries are often excluded from treatment with such drugs. The development of a biopharmaceutical medication is a long haul: It takes more than ten years on average to bring a new drug out on the market, costing more than two billion dollars. On top of this, biotechnological manufacturing processes for such high-tech medications are demanding and must be developed individually for each biologic compound. As a pioneer and technology leader in the biopharma sector, Sartorius Stedim Biotech with its products and services is enabling its customers to make their production processes easier and more efficient so that advanced therapeutics can reach the market faster and become accessible for more people worldwide. Therefore, the United Nations' sustainability goal "Good Health and Well Being" is an integral component of Sartorius' business model.

The maturity and intensity of competition in this still comparably young industry are successively increasing. To support customers in meeting this challenge, we are constantly further developing our portfolio. A key competitive advantage is our broad understanding of applications based on our clear focus on the sector. We are thoroughly familiar with the value-added chains of our customers and understand the interaction of the employed systems particularly well. A further important success factor of the company is to offer highly differentiating technologies. Our innovative power rests on three pillars: our own specialized product development, alliances with partners, and the integration of innovations through acquisitions.

With the biopharma industry, Sartorius Stedim Biotech is focusing on an attractive market, which is characterized by strong growth momentum and long-term trends. Medical progress provides positive impetus, leading to the discovery and approval of new biopharmaceuticals. The biopharmaceutical industry is thus increasingly relying on advanced therapies, such as cell and gene therapeutics and biotech tissue products. Further primary growth drivers are a growing world population and an increase in age-related diseases in industrialized countries. In addition, rising incomes in emerging countries are leading to improved access to healthcare and rising demand for medications. Biosimilars, the generic versions of reference biologics that have lost their patent protection, account for a share of the biopharma market that is currently still small, but especially fast-growing. As a result of these factors, the volumes of biotech medications and the demand for the appropriate production technologies are steadily increasing, with market growth largely independent of business cycles.

Products & Services

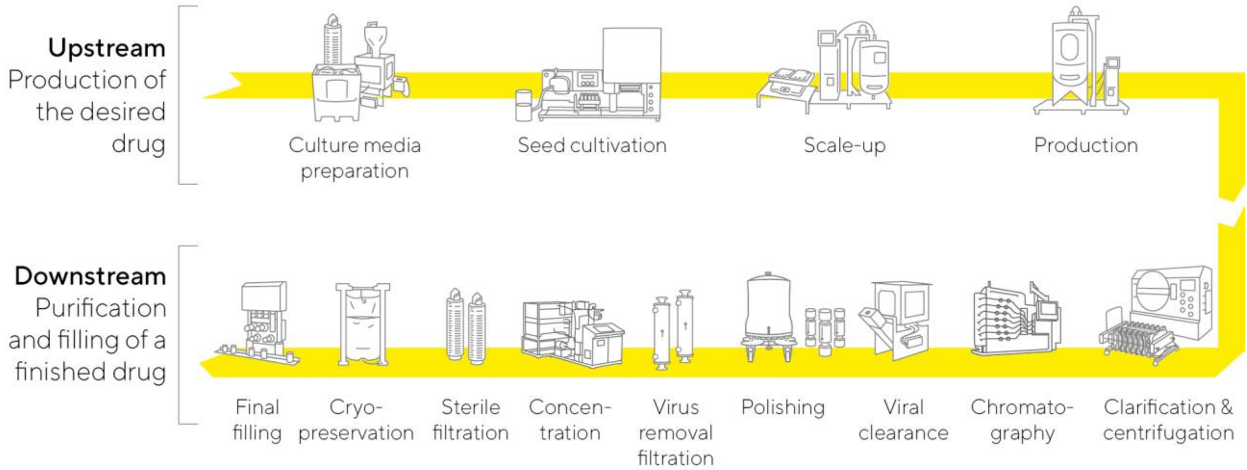
Sartorius Stedim Biotech offers a broad portfolio of products that focuses on all major steps in the manufacture of a biopharmaceutical, as well as in process development as prerequisite procedures. Our technologies cover, inter alia, cell line technologies, cell culture media, bioreactors, and a wide range of products for separation, purification, and concentration of biological intermediates and finished products, as well as solutions for their storage and transportation. Sartorius Stedim Biotech also offers data analytics software for modeling and optimizing processes of biopharmaceutical development and production. In its core technologies, the company has leading market positions with high double-digit market shares.

The breadth of our product portfolio, among other things, sets us apart from our competitors. We provide customers with complete process solutions from a single source, as well as assist with preceding project planning, process integration and subsequent validation. Our technologies are used in manufacturing all classes of medical drugs, from vaccines and monoclonal antibodies to advanced viral vector-based gene therapeutics.

Repeat business with sterile single-use products accounts for about three-quarters of the company's sales revenue. These products and technologies offer our customers in research and production cost advantages, flexibility, and less resource usage, and thus a better ecological footprint compared with conventional processes employing reusable stainless steel components. The high share of recurring revenues is also bolstered by the strict regulatory requirements on the part of our customers. Because health authorities validate production processes as an integral part of an application for approval of a new medical drug, the components initially validated can be replaced only at considerable expense once they have been approved. Beyond this, our broad and stable customer base that we address through our specialized sales force directly for the most part also contributes to this favorable risk profile.

The strong strategic positioning and the above-average expansion of the sector are a good foundation for profitable growth in the future as well.

Technologies for the Entire Added-Value Chain in Biopharmaceutical Production



Schematic illustration

Sartorius Stedim Biotech 2025 Strategies

In 2018, management presented its strategy and long-term targets up to 2025. The consolidated sales revenue target was again significantly raised at the beginning of 2021 and so was the profitability target at the start of 2022. Accordingly, Sartorius Stedim Biotech plans to increase consolidated sales revenue to about €4 billion by 2025 and to reach an underlying EBITDA margin of more than 35% (previously around 33%). The company intends to achieve this increase primarily through organic growth and additionally by acquisitions.

The mid-term targets for 2025 still do not include any pandemic-related business as management currently considers such estimates to be too uncertain.

The margin targets already include expenses for measures to reduce the company's CO_2 emission intensity. Sartorius Stedim Biotech aims to reduce its CO_2 emission intensity by around 10% annually on average until 2030, spending over time around 1% of its sales revenue annually for corresponding measures. Moreover, these projections assume that, on average, the margins of future acquisitions will initially be somewhat below the levels of the Group's existing businesses and, after integration, at levels comparable to these, and that there will be no relevant changes in the key currency exchange rates.

Management points out that the dynamics and volatilities in the life science and biopharma sectors have increased over the past years and the coronavirus pandemic has further amplified these trends so that forecasts show even higher uncertainties than usual.

Expansion of the Product Portfolio

Sartorius Stedim Biotech has a broad product portfolio that is continuously expanded in line with the value-added chain of the biopharmaceutical industry. At the focus are products that offer solutions covering the needs of our customers and that make our offering even more attractive from the customers' perspective. Aside from our own research and development activities and strategic partnerships, acquisitions that are complementary to or extend our strengths appropriately will remain part of the portfolio strategy. Due to high innovation dynamics, we consider further additions to be possible on an ongoing basis across the entire breadth of our product portfolio. When identifying suitable companies, Sartorius Stedim Biotech considers the following criteria in particular: Complementarity of technologies to its existing portfolio; strong market positioning, for example, through innovative products with unique selling propositions; integration capability; appropriate valuation; and growth and profitability profile.

Regional Growth Initiatives

Due to exceptionally strong organic growth, Sartorius Stedim Biotech invested considerably in building up production capacities in the reporting year, and therefore moved already planned expansion projects ahead of schedule as well as accelerated and extended these. In 2021, capital expenditures were used for planning or expanding sites in Germany, Puerto Rico, China and South Korea, among others.

North America and Asia are the key focal areas of our regional growth strategy. The USA is the world's largest market for bioprocess equipment. Yet because it is home to our main competitors, Sartorius Stedim Biotech formerly had lower market share in this region than in Europe and Asia. Over the past years, we have gained market share in the USA by strengthening our sales and service capacities and see further development potential.

A further strategic focus is on China. This market has sizable growth potential owing to rising private and public healthcare expenditures and the rapid development of regional biopharmaceutical plants. To benefit from the dynamic development of this market, Sartorius Stedim Biotech has already been investing heavily in expanding its production capacities. This especially applies to South Korea that offers strong growth prospects in this region, given its dynamically growing biopharma market. For that reason, Sartorius Stedim Biotech planned a new production facility on which construction is scheduled to begin in the current fiscal year.

Optimization of Work Processes

Sufficient production capacity and a powerful supply chain are an essential foundation of future growth. In recent years, Sartorius Stedim Biotech has substantially expanded its capacities for membranes, filters and aseptic bags at various Group sites in order to shorten delivery times and reliably maintain delivery capability even in the event of local transport restrictions.

Sartorius Stedim Biotech is driving forward digitalization and automation in many areas to further accelerate and enhance processes and, wherever meaningful, to standardize such processes throughout the Group. This also includes extending the company's activities in the areas of e-commerce, digital marketing, and analytics, as well as on the topics of IT security.

Sector Conditions

Sartorius Stedim Biotech serves customers mainly in the biopharmaceutical industry, which makes its business particularly sensitive to the development of this industry.

Strong Growth in the Biopharmaceutical Market

The global pharma market performed significantly better in the reporting year than in previous years, expanding by around 14% according to EvaluatePharma. This was especially due to strong growth in the biopharmaceutical segment, which rose overproportionately by around 29% to €350 billion in 2021. The reason for this growth was significant additional revenue with coronavirus vaccines and Covid-19 therapeutics estimated at more than €80 billion, which also led to an increase in the biopharma share of the total pharma market from 30% to 34%.

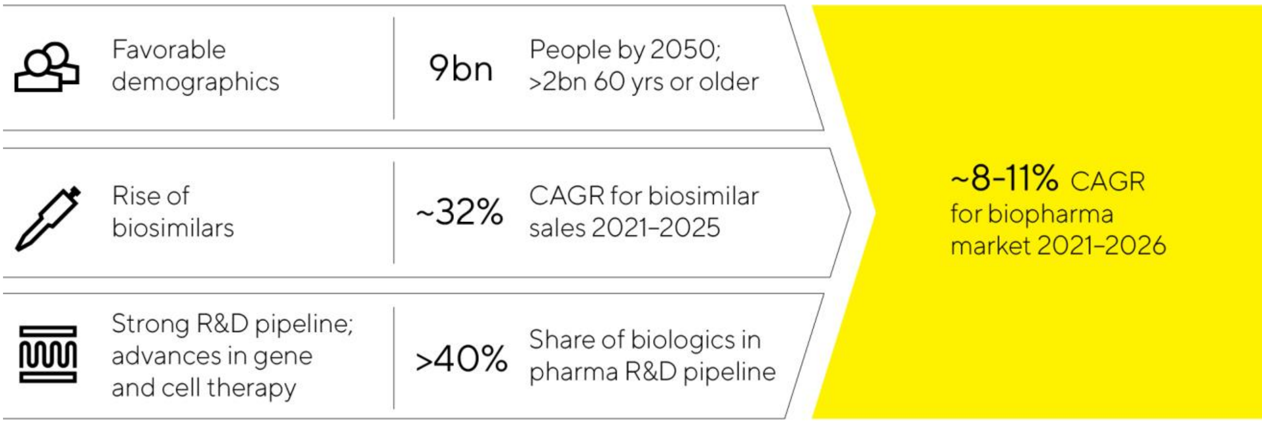
The pharma and biotech industries played a key role in helping to cope with the coronavirus pandemic in the reporting year by developing vaccines and therapeutics. After many vaccine candidates had progressed through the various development stages and initial compounds had been approved at record speed in 2020, more than 40 vaccines and medications have meanwhile received market approval in at least one country. The development activities were accompanied by a considerable expansion of production capacity, with the result that several billion vaccine doses were produced and more than 3.5 billion people were fully vaccinated in 2021. Demand associated with research activities and advancing commercial production led to very positive business performance by suppliers of bioprocess technology, which also benefited from a continuing strong non-pandemic core business. High demand for technologies for the development and production of biopharmaceuticals, coupled with an at times tense situation regarding the availability of some preliminary products, services, and logistics capacity led to longer lead times in some cases. All the leading biopharma suppliers invested heavily in capacity expansion in the face of strong growth and order intake, and these investments are expected to normalize delivery times in the future.

The measures to combat the pandemic also had a dampening effect on certain areas of the pharma and biotech industries in the reporting year. For example, clinical trials had to be interrupted or were unable to be resumed. Around 30% of projects were at an advanced stage of development at the time they were interrupted. This could translate to delayed approval for new medications for indications not related to coronavirus. In 2021, no such effect was discernible, and the number of new approvals of products by the American Food and Drug Administration (FDA) remained at a high level at 30 (2020: 26).

The growth of the biopharma market fundamentally depends more on medium- to long-term trends than on short-term economic developments. In addition to the market launch of innovative biopharmaceuticals, significant impetus was provided by the globally increasing demand for drugs and the extension of the range of indications for already approved medications and their further market penetration. The growing significance and acceptance of biologics is reflected not only in their increasing share of sales revenue of the global pharmaceutical market but also in the development activities of the pharmaceutical industry. For example, biopharmaceutical compounds account for more than 40% of the R&D pipeline. A growing number of active substances manufactured using biotech production methods is being approved for the treatment of rare illnesses that have been incurable so far. The pharma industry is increasingly concentrating on advanced therapies, such as cell and gene therapeutics or biotechnologically processed tissue products. At the end of 2021, there were more than 2,600 clinical trials with such treatment approaches, so this area offers significant growth potential over the mid to long term. The rising number of approved biopharmaceuticals as well as an increasing variety of therapy types and substance classes coupled with growing demand for medications are the main drivers for the worldwide increase in production capacities for biopharmaceuticals.

Biosimilars, the generic versions of reference biologics that have lost their patent protection, are also playing an increasingly important role in the biotechnology market. According to market studies, their sales volume in 2021 was still small at an estimated €13.5 billion, but the market is expected to grow strongly during the years to come owing to the expiration of several patents for high-selling biopharmaceuticals and an increasing number of new approvals of biosimilars and market launches. Particularly in the USA, where development has been comparatively slow due to regulatory, patent-law-related, and marketing hurdles, market penetration is expected to accelerate significantly in the next few years. The market volume could more than triple in this country by 2025. A compound annual growth rate of around 32% is projected globally through 2025.

Attractive Market Environment with Good Growth Prospects



Recovery of the Laboratory Market after Prior Year Dampened by the Pandemic

The global laboratory market reached a volume of around €63 billion in the reporting year and is projected to grow at a compound annual growth rate of about 4% to 5% over the long term, according to estimates from several market observers. Market growth is related, among other things, to the levels of research and development spending in the individual end markets, which is partly linked to economic development. In 2021, leading suppliers of laboratory instruments and consumables reported an above-average increase in demand after growth in the prior year had been dampened by the pandemic. In addition to the base effect, the positive trend in the reporting year was due to the easing of coronavirus containment measures, which was accompanied by increasing laboratory activities in all sectors.

Labs in the pharmaceutical and biopharma industries are the leading customer groups for laboratory instruments and consumables. Research spending of this specific sector increased by 7% to around €190 billion in the reporting year according to EvaluatePharma. Against the backdrop of globally rising demand for medications, the industry is continuously investing in research to find new active pharmaceutical ingredients and in laboratory equipment needed to perform this drug discovery. The focus is being placed on technologies related to automation of process workflows and innovative analytical instruments that are equipped with enhanced or novel functionalities. Products from the field of bioanalytics, for example, have above-average growth rates within the laboratory market, and demand in the life science sector is generally growing faster than in other industries. According to the assessment of leading laboratory product manufacturers, this end market also proved to be particularly fast growing and continued to benefit from high additional demand in connection with Covid-19 test capacity and the development of vaccines and therapeutics.

Research and quality-assurance labs in the chemical and food industry are another important customer group. This segment’s demand for laboratory products depends in part on economic trends. Additional momentum can also be generated in this sector by regulatory changes, such as stricter requirements for quality control tests in the food industry. Demand from industrial end markets recovered significantly in 2021 following moderate development in the prior year.

Academic and public-sector research institutions also use products and consumables manufactured by Sartorius Stedim Biotech. Growth in demand is related to such factors as government budgets and funding programs, all of which can vary from one country to another. In the United States, the National Institute of Health (NIH) is the leading government agency for biomedical research and also the world's largest research funding agency. The NIH's budget has constantly grown over the last eight years. During the reporting year, it climbed again by about 3.9% to €37.5 billion. The financing environment for science has improved overall due to budget increases as part of substantial investment programs by the U.S. government. The European Union has likewise continuously scaled up its research spending in past budget cycles. Around €95.5 billion of research and innovation funding is to be provided in the period from 2021 to 2027, an increase of 19% compared with the previous program. In recent years, China has sharply increased government R&D funding, a trend that has fueled dynamic growth in the laboratory market there. Many manufacturers of laboratory products reported a significant rebound in demand from academic and public research institutions in the reporting year following a weak prior year due to the pandemic.

Competitive environment

The competitive environment of Sartorius Stedim Biotech is characterized by relatively high entry barriers arising in part from the biopharmaceutical industry's strong degree of regulation and its technological complexity. In addition, the supply industry has consolidated strongly in recent years owing to numerous takeovers so most of the market is served by just a few suppliers. New players, in particular, seek to capitalize on the opportunities inherent in this environment to gain a foothold in the market with carefully targeted niche products. The more established companies, meanwhile, are expanding their product range continuously. In this competitive landscape, Sartorius Stedim Biotech operates as a total solutions provider, covering the core process steps in biopharmaceutical production and preceding process development. It has leading market positions in key technologies, especially in the areas of bioreactors, filtration and the transport and storage of liquids.

Most of our competitors are multinationals based in the USA. Certain business units of Merck KGaA, Danaher Corp., and Thermo Fisher Scientific Inc. are among our main rivals in the bioprocess area; Thermo Fisher and Merck are key players in the laboratory field. We also face competition from smaller companies in individual segments.

Sources: BioPlan: 18th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2021; IQVIA Institute: Global Medicine Spending and Usage Trends, April 2021; Evaluate Pharma: World Preview 2021, Outlook to 2026, July 2021; SDi: Global Assessment Report 2020, June 2021; www.fda.gov

Group Business Development

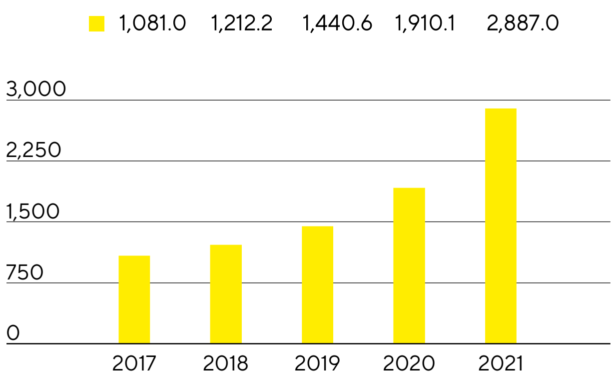
Sales Revenue and Order Intake

In the reporting year, Sartorius Stedim Biotech grew at an exceptionally dynamic rate of 52.6% to €2,887.0 million in constant currencies (reported: +51.1%) and again significantly more strongly than in the already robust previous year when growth had attained 34.6%. The forecast, that at the beginning of the year had projected a currency-adjusted increase in consolidated sales revenue by 20% to 26%, and had last been raised in July 2021 to a growth rate of about 48%, was thus again slightly exceeded. The major part of this growth was attributable to strong organic expansion of the core business. In particular, business with manufacturers of biopharmaceutical medications performed very well. Beyond this, pandemic-related demand, predominantly due to coronavirus vaccine production being established and ramped up by some customers, added around 18 percentage points to sales revenue growth, while acquisitions contributed a good 4 percentage points. The overall development was supported by expanded production capacities at several sites and overall stable, yet strained, supply chains.

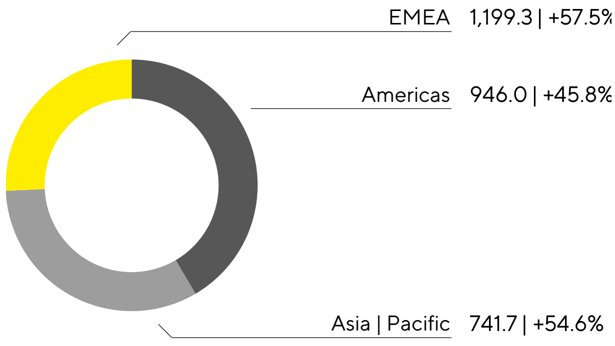
Order intake rose by 55.6% to €3,664.4 million in constant currencies (reported: +53.9%) and thus even slightly more strongly than consolidated sales revenue. Around 13 percentage points of this gain were attributed to pandemic effects and close to 7 percentage points to acquisitions. While order intake was significantly above sales revenue up into the third quarter, also because some customers in the current situation placed their orders further in advance than usual, the ratio of order intake to sales revenue normalized during the second half of the year and was at the level of the company's long-term average toward the end of the year.

Sartorius Stedim Biotech increased its sales revenue in 2021 in all three business regions. EMEA, the region generating the highest share of around 41% to total revenue, saw an especially steep increase, with sales soaring 57.5% to €1,199.3 million, bolstered by especially robust business with vaccine manufacturers. Accounting for around 33% of division sales, the Americas region reported growth of 45.8% to €946.0 million. The Asia | Pacific region also showed very strong growth, with sales up 54.6% to €741.7 million, contributing a share of 26% to total revenue. All growth rates are in constant currencies, unless otherwise stated.

Sales Revenue 2017 to 2021
€ in millions



Sales Revenue and Growth[1] by Region[2]
€ in millions unless otherwise specified



1 In constant currencies
2 Acc. to customers' location

Sales Revenue and Order Intake

€ in millions	2021	2020	Δ in % reported	Δ in % const. fx
Sales Revenue	2,887.0	1,910.1	51.1	52.6
Order Intake	3,664.4	2,381.0	53.9	55.6

Development of Costs and Earnings

In the reporting year, the cost of sales rose by 47.1% to €1,334.0 million, and the cost of sales ratio decreased from 47.5% in the previous year to 46.2%. The further cost items developed at a considerably underproportionate rate with respect to sales revenue due to economies of scale and to a partially deferred cost development due to the pandemic. Selling and distribution costs thus rose by 37.0% to €405.6 million so the ratio of these costs to sales revenue decreased year over year by 1.4 percentage points from 15.5% to 14.1%. Expenses for research and development rose by 30.8% to €110.5 million. The corresponding ratio of R&D expenses to sales revenue was 3.8% (previous year: 4.4%). Regarding general administrative expenses, Sartorius Stedim Biotech reported an increase of 32.1% to €126.1 million, and the administrative expense ratio in 2021 was 4.4% (previous year: 5.0%).

The balance of other operating income and expenses was -€45.3 million in fiscal 2021 compared to the prior year figure of -€55.6 million and essentially covered extraordinary items of €26.5 million relative to €32.7 million in 2020. These extraordinary items consisted primarily of expenses in connection with the most recent acquisitions as well as of expenses for various cross-divisional projects and rebranding.

EBIT increased clearly overproportinately in relation to sales by 83.5% to €865.4 million. The respective EBIT margin rose very strongly from 24.7% a year ago to 30.0% in the reporting year.

The financial result was -€218.7 million in 2021 relative to -€11.0 million a year earlier. This figure includes an expense item of €207.8 million from the reporting date valuation of the share-based earn-out liability in connection with the acquisition of BIA Separations; this liability essentially resulted from the increase in the respective share price and the good business performance.

In the reporting year, tax expenses of €232.4 million were above the prior-year total of €122.1 million. The tax rate was 35.4% after 26.5% in the previous year. It should be noted that the valuation effect in the financial result mentioned above will not result in any subsequent tax impact. If this valuation effect would have had a tax impact, this would have yielded a tax rate of 27.2%.

Net profit attributable to shareholders of Sartorius Stedim Biotech S.A. increased by 23.4% to €414.4 million (previous year: €335.9 million).

Statement of Profit or Loss

€ in millions	2021	2020[1]	Δ in %
Sales revenue	2,887.0	1,910.1	51.1
Cost of sales	−1,334.0	−906.8	−47.1
Gross profit on sales	1,553.0	1,003.3	54.8
Selling and distribution costs	−405.6	−296.0	−37.0
Research and development costs	−110.5	−84.5	−30.8
General administrative expenses	−126.1	−95.5	−32.1
Other operating income and expenses	−45.3	−55.6	18.5
Earnings before interest and taxes (EBIT)	865.4	471.7	83.5
Financial income	22.3	27.0	−17.5
Financial expenses	−241.0	−38.0	−533.6
Financial result	−218.7	−11.0	−1,884.6
Profit before tax	646.7	460.7	40.4
Income taxes	−232.4	−122.1	−90.4
Net result	414.3	338.6	22.4
Attributable to:			
Equity holders of SSB S.A.	414.4	335.9	23.4
Non-controlling interest	−0.1	2.7	−103.9

1 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations.

Earnings

At the Sartorius Stedim Biotech Group, earnings before interest, taxes, depreciation and amortization (EBITDA) are used as the key profitability measure. To provide a complete and transparent picture of the Group's profitability, also in an international comparison, we report earnings adjusted for extraordinary items (underlying EBITDA). For more information about definitions, please refer to the Glossary on page 270. The underlying presentation is reconciled with the EBITDA key indicator (see Glossary) as follows:

Reconciliation between EBIT and Underlying EBITDA

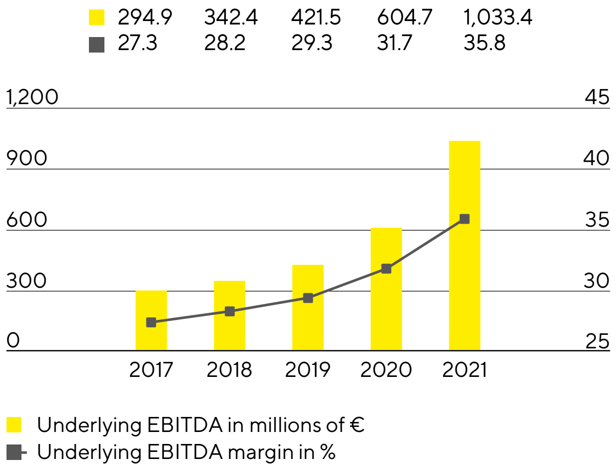
€ in millions	2021	2020[1]
EBIT	865.4	471.7
Extraordinary items	26.5	32.7
Depreciation and amortization	141.5	100.3
Underlying EBITDA	1,033.4	604.7

1 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations.

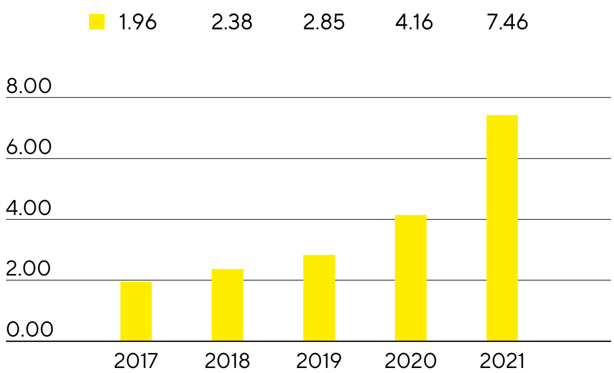
In fiscal 2021, Sartorius Stedim Biotech strongly increased its earnings. Underlying EBITDA thus showed a significantly overproportionate increase in relation to sales revenue, by 70.9% to €1,033.4million. The respective underlying EBITDA margin climbed to 35.8% (2020: 31.7%). It was therefore clearly above the Group's forecast, which had been set at around 32.0% at the beginning of the reporting year, and in line with the guidance that had last been raised in July 2021 to around 36.0%. Besides being attributable to economies of scale, this considerable increase was influenced by partially deferred cost development, for example as a result of the low travel activity because of the pandemic and deferred new hires in relation to sales growth. This trend subsided due to the intensified buildup of the workforce in the second half of the reporting year, as well as to rising costs in logistics and purchasing. Currency effects as well as the most recent acquisitions did not have any material impact on the company’s margin development.

The underlying net result after non-controlling interest for the Group rose steeply from €383.8 million a year ago to €687.8 million in fiscal 2021. This figure is the basis for calculating the profit to be appropriated and is computed by adjusting for extraordinary items, eliminating non-cash amortization of €48.6 million (previous year: €25.7 million), and is based on the normalized financial result and a normalized tax rate (see Glossary). Underlying earnings per share surged by 79.2% from €4.16 a year earlier to €7.46.

Underlying EBITDA[1] and Margin



Underlying Earnings per Share[2]
in €



1 Adjusted for extraordinary items
2 Adjusted for extraordinary items, non-cash amortization acc. to IFRS 3 and fair value adjustments of hedging instruments, as well as the corresponding tax effects for each of these items.

€ in millions	2021	2020[1]
EBIT (operating result)	865.4	471.7
Extraordinary items	26.5	32.7
Amortization | IFRS 3	48.6	25.7
Normalized financial result [2]	−11.2	−7.8
Normalized income tax (26%) [3]	−241.6	−135.8
Underlying net result	687.7	386.5
Non-controlling interest	0.1	−2.7
Underlying net result after non-controlling interest	687.8	383.8
Underlying earnings per share (in €)	7.46	4.16

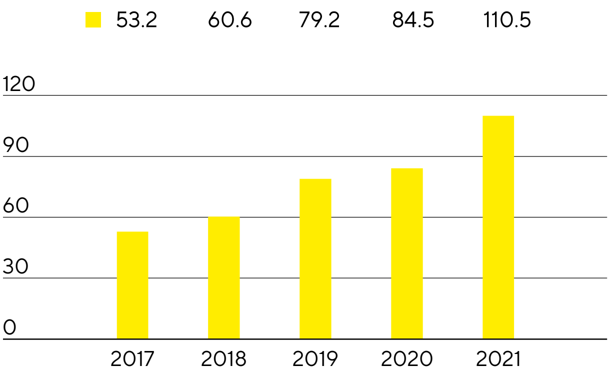
1 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations.
2 Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability.
3 Normalized income tax based on the underlying profit before taxes and non-cash amortization.

See Glossary for the definitions of the totals listed above.

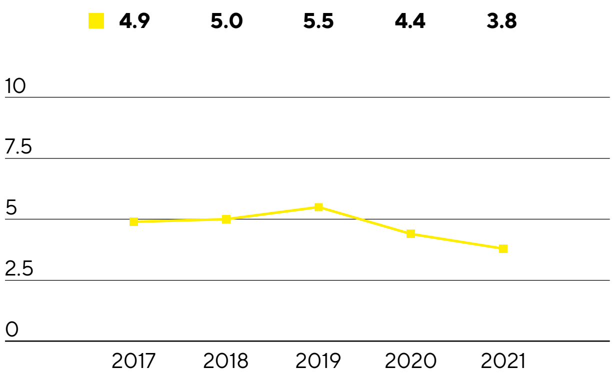
Research and Development

Sartorius Stedim Biotech continuously expands its product portfolio by investing in both the new and further development of its products, as well as in the integration of new technologies through alliances. In 2021, the Group spent €110.5 million on R&D, corresponding to an increase of 30.8% over the previous year's investment of €84.5 million. The ratio of R&D costs to sales revenue decreased to 3.8% compared to 4.4% a year earlier. The gross capital expenditure ratio at 5.1% was also below the prior-year ratio of 6.0%; this ratio is even more meaningful for assessment of innovation-related expenses and includes capitalized development costs of €37.0 million (previous year: €29.7 million) that were disclosed in the statement of financial position.

Research & Development Costs
€ in millions



Research & Development Ratio
in % of sales revenue



To protect our know-how, we pursue a targeted intellectual and industrial property rights policy. We systematically monitor compliance with these rights and review from a cost | benefit viewpoint whether it is necessary to continue to maintain individual rights.

The number of applications for intellectual property rights filed in 2021 totaled 71 compared with 127 in the previous year. As a result of the applications submitted in the past years, we were issued 234 patents and trademarks (previous year: 339). As of the balance sheet date, we had a total of 3,316 patents and trademarks in our portfolio (previous year: 3,044).

	2021	2020
Number of patent and trademark applications	71	127
Registered patents and trademarks	234	339

Capital Expenditures

Against a backdrop of exceptionally strong organic growth, Sartorius Stedim Biotech invested considerably in building up new capacities in all regions in the reporting year. In this context, expansion projects already planned were moved ahead of schedule, accelerated and extended. In addition to significantly expanding production capacities, the investment program aims to further diversify and increase the flexibility of the company’s production network. Several construction projects were already completed in 2021 and contributed to meeting high demand. In the current reporting year, the company plans to complete a number of additional projects.

In 2021, capital expenditures of €324.0 million were significantly higher than the prior-year figure of €159.2 million, as planned. The ratio of capital expenditures to sales revenue was 11.2% (2020: 8.3%) and thus below the forecasted figure of about 12% adjusted at mid-year due to strong sales growth.

Investments were made, among others, in Göttingen, Germany, where capacities for membrane manufacturing are being expanded and new laboratory space for product development is under construction.

At the site in Yauco, Puerto Rico, Sartorius Stedim Biotech is extending cleanroom capacity for manufacturing technologies for the Separation and Fluid Management areas. In addition, a production facility for cell culture media is being set up here for the first time and is scheduled to go into operation next year.

Extensive investments were made in the Asia | Pacific region, such as in Beijing, China, where additional cleanroom space was created for the production of filters and single-use bags, as well as a quality control laboratory. In Songdo, South Korea, Sartorius Stedim Biotech is planning to build a plant for manufacturing cell culture media and assembling sterile consumables. Moreover, a technology center for product demonstrations for customers and consultations as well as laboratory facilities are scheduled to be built at this new site that is located in the center of a biopharma hub.

Due to strong growth in demand and order intake, production capacities were also expanded in the reporting year at additional sites. For instance, expansion projects were conducted in France, Israel, Slovenia, Tunisia, and the U.K. Beyond these sites, a new Customer Interaction Center used for product demonstrations and factory acceptance testing was opened in each of the countries in China, the USA, and Germany to strengthen customer proximity and regional presence.

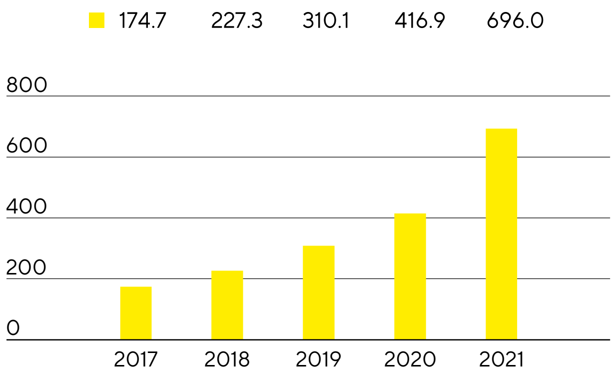
In addition, investments were made in the digital infrastructure of the Group. Thus, Group-wide implementation of a new CRM system was completed.

Net Worth and Financial Position

Cash Flow

In the reporting year, Sartorius Stedim Biotech significantly increased its cash flow from operating activities. This figure amounted to €696.0 million relative to €416.9 million a year ago, which equates to a rise of 66.9%. The development is essentially due to growth in earnings, whereas growth-driven buildup of working capital had a dampening effect. The sale of trade receivables within the scope of a factoring program resulted in an inflow of €35.0 million (inflows in the previous year: €76.2 million).

Net Cash Flow from Operating Activities
€ in millions



Due to exceptionally high demand, Sartorius Stedim Biotech has been driving the expansion of its production capacities full speed ahead. In particular, the company's investment program covers ahead-of-schedule expansion of sites in Germany and Puerto Rico. Cash outflows from investing activities more than doubled in the reporting period by 115% to €323.6 million. Because of acquisition-related expenses of €141.7 million in connection with the most recent purchases of the companies Xell and CellGenix, cash flow from investing activities and acquisitions was -€465.2 million. The prior-year figure of -€621.1 million essentially included cash outflows related to the acquisition of the life science businesses from Danaher as well as of BIA Separations.

Primarily driven by increased dividend disbursements, cash flow from financing activities amounted to -€71.7 million in the reporting year relative to €234.1 million in fiscal 2021 in which Sartorius Stedim Biotech had financed the acquisitions mentioned above.

Cash Flow Statement

€ in millions	2021	2020[1]
Cash flow from operating activities	696.0	416.9
Cash flow from investing activities and acquisitions	–465.2	–621.1
Cash flow from financing activities	–71.7	234.1
Cash and cash equivalents	223.6	59.8
Gross debt	625.5	587.1
Net debt	401.9	527.3

1 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations.

Consolidated Statement of Financial Position

The balance sheet total of the Sartorius Stedim Biotech Group was €3,951.1 million as of the end of fiscal 2021 and thus €1,094.4 million higher than the prior-year level. This rise reflects the increase in property, plant and equipment as a result of continuous investing activities as well as the growth-driven buildup of working capital, among other things. Non-current assets thus rose by €512.7 million to €2,495.5 million; current assets increased by €581.7 million to €1,455.6 million.

Key Working Capital Figures

in days		2021	2020[3]
Days inventories outstanding			
Inventories | sales revenue[1]	x 360	97	86
Days sales outstanding			
Trade receivables | sales revenue[1]	x 360	44	47
Days payables outstanding			
Trade payables | sales revenue[1]	x 360	58	56
Net working capital days			
Net working capital[2] | sales revenue[1]	x 360	83	77

1 Including pro forma sales of recent acquisitions
2 Sum of inventories and trade receivables less the trade payables
3 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations.

Equity grew by €272.2 million to €1,733.2 million as of year-end. The equity ratio was 43.9% (previous year: 51.1%). In the reporting year, current and non-current liabilities for the Sartorius Stedim Biotech Group of €2,217.9 million were higher than the previous year's figure of €1,395.7 million, which was due to growth.

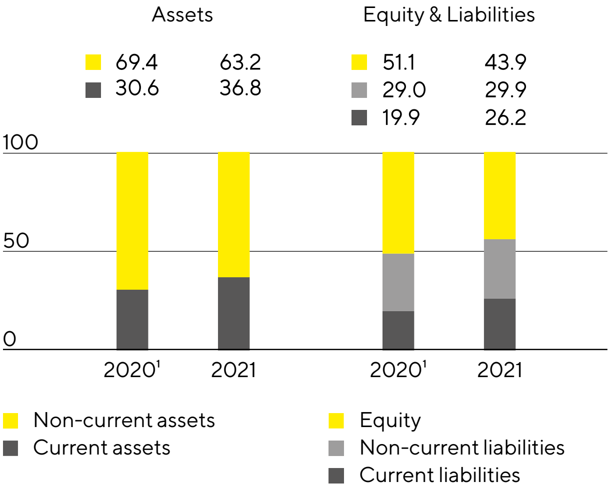
Overall, gross debt, which is comprised of liabilities to banks and loans from Sartorius AG as well as of lease liabilities, rose slightly to €625.5 million as of December 31, 2021, compared with €587.1 million for the year ended December 31, 2020. Due to significantly increased credit balances at banks, net debt, defined as gross debt less cash and cash equivalents, was €401.9 million relative to €527.3 million a year ago.

Calculation of Net Debt

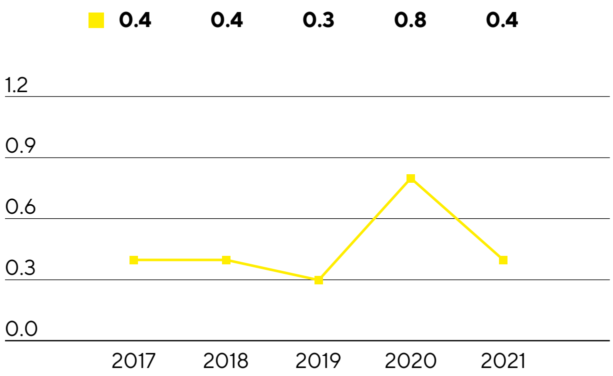
€ in millions	2021	2020[1]
Non-current		
Loans and borrowings	521.1	515.7
Lease liabilities	64.0	47.5
Current		
Loans and borrowings	25.5	13.1
Lease liabilities	14.9	10.9
Gross debt	625.5	587.1
Cash and cash equivalents	223.6	59.8
Net debt	401.9	527.3

1 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations.

Balance Sheet Structure
in %



Ratio of Net Debt[2] to Underlying EBITDA[3]



1 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations
2 The net debt excludes the liability for the remaining purchase price for acquisitions; 2021: €518.7 million, 2020: €127.8 million, 2019: €72.5 million, 2018: €8.7 million, 2017: €46.5 million.
3 EBITDA includes underlying pro forma EBITDA contributed by acquisitions for this period.

In relation to the debt financing capacity of the Sartorius Stedim Biotech Group, the ratio of net debt to underlying EBITDA is a key metric. It is defined as the quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period. This ratio was 0.4 as of December 31, 2021, relative to 0.8 in the prior year, predominantly as a result of the substantial increase in earnings and despite the acquisitions as well as extensive capital expenditures made in the reporting year, and was thus approximately in line with the most recent forecast (around 0.5).

Financing | Treasury

Sartorius Stedim Biotech covers its operational and strategic financing needs through a combination of operating cash flows and the assumption of short-, medium- and long-term financial liabilities.

The major pillar of the financing mix is a credit line with a volume of up to €260 million and long-term loan agreements of €515 million provided by the parent company Sartorius AG. Furthermore, the Group has diverse bilateral credit lines of approximately €50 million in total.

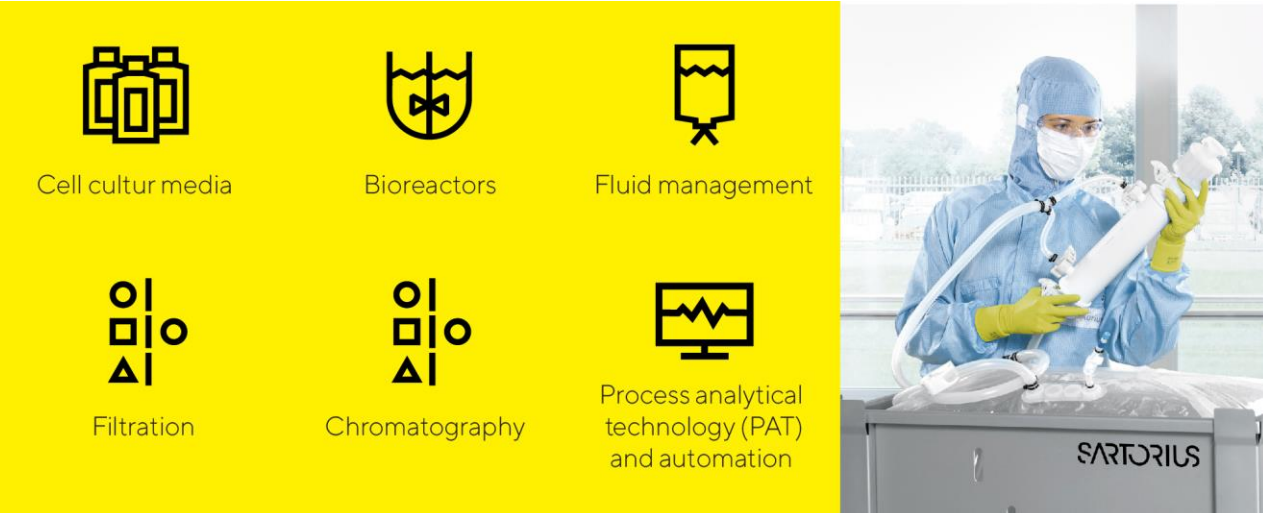
The above-mentioned financing comprises instruments with both fixed and variable interest.

As of December 31, 2021, the total volume of all available credit lines was €310 million. Of this amount, Sartorius Stedim Biotech had utilized on €25 million, leaving available credit of €285 million at the end of 2021. This ensures that all Group entities have sufficient funds to successfully finance their business operations and new capital expenditures.

We use hedging transactions to counteract the fluctuations in foreign-exchange rates to which the Group is exposed on account of its worldwide business operations. At the end of 2021, foreign-exchange contracts amounted to €404 million on a reported basis, with a market value of -€7.1 million.

Products and Sales

Sartorius Stedim Biotech markets products and services for the entire added-value chain in biopharmaceutical production and preceding process development. The portfolio includes cell lines, cell culture media, bioreactors, a wide range of products for separation, purification and concentration, and products and systems for storage and transportation of intermediate and finished biological products.



Sartorius Stedim Biotech expanded its product portfolio for manufacturing cell and gene therapeutics by two acquisitions:

- CellGenix produces critically essential cell culture components, such as growth factors, cytokines and media in GMP quality, for manufacturing cell and gene therapy products
- The cell culture specialist Xell develops and produces media and feed supplements for cell cultures, especially for manufacturing viral vectors that are used in gene therapeutics and vaccines

Beyond these acquisitions, Sartorius Stedim Biotech has been collaborating with Waters Corporation since the reporting year. As part of this collaboration, a Waters bioprocess analyzer based on mass spectroscopy will be combined with the Sartorius multi-parallel bioreactor system, enabling specific analytical steps during drug discovery and cell line development to be performed directly in the production environment, i.e., at-line measurements, so these steps do not have to be outsourced to external laboratories for sample testing, the usual procedure until now. This solution greatly accelerates the timeline for process development for the benefit of users.

In addition, Sartorius Stedim Biotech launched on the market new software versions for design of experiments (DoE) and for multivariate data analysis, which accelerate development and optimization of processes and enhance evaluation of complex datasets generated across the biopharmaceutical production process, respectively.

Sales Activities

Sartorius Stedim Biotech markets its product portfolio directly. Sales activities for key accounts are coordinated and supported by global key account management.

In the reporting year, many direct customer contacts were enabled through the use of digital communication tools, even after pandemic-mandated travel and distancing restrictions were eased. Videoconferencing and augmented reality continue to be increasingly used for direct interaction, such as for product demonstration, training and commissioning. To strengthen its sales organization, Sartorius Stedim Biotech is concentrating on expanding its international presence, especially by more recruitment. A further focus is on the ongoing enhancement of sales effectiveness, for example, by specialized training for employees.

Product Development

Development activities at Sartorius Stedim Biotech essentially focus on technology areas such as membranes, which are the core component of our filter products; various technology platforms such as single-use containers for fluid management in biopharmaceutical processes and sensors; and control technologies for processes such as fermentation and cell cultivation. Additional focal areas entail developments in materials and components that include plastics, elastomers and intelligent polymers; expanded data analysis; and cell line development.

Our largest site for product development is in Göttingen, Germany. Further key activities take place in France, Germany, India, the USA, the U.K., and Sweden, as well as in Israel and Slovenia.

Production and Supply Chain Management

Sartorius Stedim Biotech has a very well-developed global production network that was expanded at many sites in the reporting year. The largest production facilities are located in Germany, France and Puerto Rico. Beyond these locations, the company also manufactures in the U.K., Switzerland, Tunisia, India, the United States, China, Israel, and in Slovenia. Additional sites in Germany have been added by the most recent acquisitions.

Despite the restrictions in worldwide logistics as a result of the coronavirus pandemic, the company's supply chains proved to be strained, yet mostly stable. A few preliminary products, raw materials, components and services took longer to deliver or their availability was temporarily limited. This was reflected in some cases by correspondingly extended delivery times for our own products.

Sartorius Stedim Biotech expanded its production in all regions due to high demand in its core business and to additional customer needs related to coronavirus vaccines and Covid-19 therapeutics. On top of this, the company increasingly hired additional production staff and has been manufacturing at a few sites around the clock seven days a week.

Sartorius Stedim Biotech started up operations at a new Customer Interaction Center (CIC) in China for biopharmaceutical customers. The CIC enables customers to test complex systems at our site first before these are delivered to and set up at their plant facilities. A significantly expanded application, validation and service center was opened at the company site in Shanghai, and a customer test laboratory in Havant, U.K. Production facilities were also expanded in Israel and Slovenia.

Sustainability

Sustainability information for the Sartorius Stedim Biotech Group is not reported. In accordance with the provisions of Article L.225-102-1 IV of the French commercial code, Sartorius Stedim Biotech is exempted from presenting this information, because it is included in the non-financial statement established and published by the controlling company, Sartorius AG, as per applicable German regulations.

Opportunity and Risk Report

Principles

Every business activity entails opportunities and risks, which have to be managed. The skill with which this is done is a decisive success factor in determining the future development of a company's shareholder value.

The point of risk management is not to always eliminate every risk possible; rather, our approach is to intentionally take a certain measure of risk in our business activities in order to be successful in unlocking opportunities. In this endeavor, it is important to keep risks contained within acceptable limits and to control them carefully. Through appropriate guidelines, we ensure that risk assessments are taken into account in the decision-making processes from the very beginning.

At Sartorius Stedim Biotech, identification and management of opportunities and risks is a cross-functional component of Group management. In this context, Sartorius Stedim Biotech’s risk management is integrated into the Sartorius Group organization. Our risk management organization reflects a global functional organization in which individuals heading a functional area are each responsible for their own management of opportunities and risks. The cross-divisional Finance & Controlling department is responsible for the organization of the respective reporting process, including the further development of the Group's risk management system.

Managing Opportunities

Our opportunity management centers on the analysis of target markets and sector environments, as well as the assessment of trends, both of which give strong indications as to future business opportunities. The identification of the potential for development is one of the key roles of the relevant managers and initially takes place at the local rather than the central level. Particularly the market-facing functions, such as strategic-marketing and product management in the individual divisions, play a leading role in this respect. These areas are supported by the central Business Development unit with market monitoring, data analysis and the implementation of strategic projects.

We regularly review the Group’s strategy and revise it as necessary. As part of strategy reviews, the members of the Executive Board regularly discuss short-, medium- and long-term opportunity potential for the various business areas with the managers having operational responsibility. If the opportunities are short-term in nature, they are considered in annual budget planning. Medium- and longer-term opportunities are tracked systematically as part of strategic planning.

As a partner to the biopharmaceutical industries, Sartorius Stedim Biotech operates in a future-oriented and high-growth sectors. The significant opportunities generated by the various market and technology trends are described in detail in the sections entitled "Sector Conditions" and "Outlook for the Sectors" on pages 25 and 57, respectively.

Our assessments rank the company as one of the global market leaders in many subsegments and product areas. We believe the high quality of our products, our strong brand recognition and our established customer relationships give Sartorius Stedim Biotech a good chance to stabilize and continue extending our market leadership. The corresponding strategies and the growth opportunities and initiatives based on them are discussed in the section on the strategy of the Group, which begins on page 21.

Risk Management

Organization

Overall responsibility for the maintenance of an effective risk management system ensuring comprehensive and consistent management of all material risks rests with the Audit Committee. Coordinating and developing this system and combined risk reporting are the responsibilities of the the Finance & Controlling department, while the particular functional areas are responsible for identifying and reporting individual risks, as well as for assessing their potential impact and for taking the appropriate countermeasures.

The Audit Committee monitors the effectiveness of the risk management system, while carrying out their statutory audit mandate for the annual financial statements and consolidated financial statements, the independent auditors examine whether the early warning system in place is capable of prompt identification of risks that could jeopardize the future of the company. Finally, the Internal Audit Department regularly reviews the risk management process and system.

Insurance

We have taken out insurance policies to cover a wide range of risks where possible and economically advisable. These insurance policies include coverage against product liability, property damage, business interruption, transport, material and pecuniary damages and other risks, and provide comprehensive coverage for legal costs. An independent department working in conjunction with an external insurance broker regularly reviews the nature and extent of our insurance protection and makes any adjustments as necessary.

When choosing our insurers, we particularly consider the credit rating of these entities as potential contractual partners, as well as aim to achieve a high degree of diversity in order to mitigate the related risks.

Risk Management System and Risk Reporting

The risk management system of the Sartorius Group is documented in a Risk Management Handbook that applies throughout the entire Group and includes definitions of the framework, the structural organization, processes, risk reporting and monitoring and controls of the effectiveness of the risk management system. This Handbook is based as a whole on ISO 31000 "Risk Management - Guidelines" standard and the COSO standard (COSO = Committee of Sponsoring Organizations of the Treadway Commission). There are also a number of other sources that contain stipulations for handling risks, including the articles of association and rules of procedure of the Group companies and other internal guidelines. The strong growth of the Group over the past years and the rising demands of customers and regulators meanwhile require that we continue to adapt our guidelines and rules.

The prescribed reporting process in the risk categories subsequently described establishes the rules for the ongoing review of and information on risk situations. If any specific risks are discernible, these are documented with respect to their assessment, probability of occurrence and measures to be taken to eliminate such risks or to mitigate their impact. As a matter of policy, assessment of risks is governed by the remaining net risk, i.e., after any risk-mitigating action has been taken. In addition, as soon as these risks reach defined size criteria, they are reported to the central risk management system. We have an urgent reporting procedure in place to ensure that when a new or emerging significant risk to our net worth, financial position and profitability is identified, the Audit Committee receives all of the necessary details without delay.

In order to provide a logical structure, we defined four main categories: external risks, operating risks, financial risks and compliance risks. Each main category is divided into several subcategories that are described in the following sections.

Moreover, we have defined a so-called risk matrix that categorizes the probability of occurrence and potential impact on the net profit into specific classes as follows:

Probability of Occurrence	
Remote	< 10%
Possible	10% - 50%
Probable	50% - 75%
Very likely	> 75%

Significance	
in millions of €	Impact on Earnings
Insignificant	< 10
Moderate	10 - 50
Significant	50 - 100
Critical	> 100

These two elements are combined to form the following matrix that indicates the importance of the individual risks for the Group:

> 75%	low	medium	high	high
50 - 75%	low	medium	medium	high
10 - 50%	low	medium	medium	medium
< 10%	low	low	medium	medium
Probability | Impact	< €10 million	€10 - 50 million	€50 - 100 million	> €100 million

External Risks

General Risks

In principle, our ability to foresee and mitigate the direct and indirect effects of risks entailed by life in general is limited. Such risks include natural catastrophes, pandemics or force majeure, and their associated damage to commercially significant and critical infrastructure and currency or monetary crises. Yet we proactively take measures, whenever feasible, to ensure that we can respond appropriately and at short notice or are insured against any damage entailed by such risks.

The coronavirus pandemic and the extensive measures to contain it led to a global recession in 2020. The global economy was largely able to recover from this during the reporting year, although the upturn has not extended evenly to all regions and sectors and has to some extent been curbed by supply chain problems and prices of raw materials. The pharma and biotech industry, which is almost independent of economic fluctuations, developed robustly overall in this environment. The sector also played a key role in managing the crisis as a result of its role in developing and manufacturing vaccines and therapeutics, and certain manufacturers invested significantly in building up corresponding production capacity. As one of the leading bioprocess technology providers, Sartorius Stedim Biotech benefited from this development and reported additional revenue again in the reporting year, particularly in connection with the development and production of coronavirus vaccines and test procedures.

Travel and contact restrictions due to the pandemic continue to impact direct sales in 2021. The changing requirements for interaction with customers were met, among other things, by increasing the use of video conferencing and other digital communication tools, including augmented reality. Supply chains have proven to be largely stable despite the restrictions on global logistics. However, our lead times for certain products have increased due to the fraught supply situation for some of the components and services we need to procure.

We currently expect the additional demand arising from the coronavirus pandemic to continue for some time as a result of the need for booster shots and the expansion of vaccination campaigns to countries that previously had little access to vaccines. As the coronavirus pandemic persists, negative consequences for the future cannot be ruled out. However, it should be noted that the sector's focus on vaccines and therapeutics for the coronavirus will be at the expense of other customer projects and that the pandemic-related postponement of studies for other indications also has an adverse effect on the course of our business.

Our largest sites in Germany and France do not face any major risks from natural catastrophes, while, for example, our production plants in Puerto Rico and in Fremont, California, are exposed to the risk of severe hurricanes or earthquakes and could be impacted accordingly. We endeavor to counteract this risk by applying the highest possible safety standards to the buildings and explicitly consider this risk in our warehousing and international production network strategies

Furthermore, political developments such as changes in foreign trade policy of various countries, such as the USA and China, can have an impact on the Group's business.

In the U.K., the Group operates several manufacturing and sales entities accounting for a significant business volume. Any developments that have a negative impact on trade between the U.K. and other countries such as the introduction of customs duties could therefore result in a corresponding decrease in Group's earnings. To date there have been no substantial negative effects from Great Britain's exit from the European Union ("Brexit"), but further developments are being closely observed, and some measures to reduce risks have already been taken, such as maintaining safety stock.

Since our Group companies operate globally and have international interdependencies, punitive tariffs and trade conflicts can have negative effects on our business activities. To reduce any possible impacts, various measures are currently being reviewed, such as an extension of our supplier network.

Business Cycle Risks

Owing to the concentration of its business activities in the life science sector, the effect of general economic developments on Sartorius is lower than average. The Bioprocess Solutions Division focuses on the biopharmaceutical industry, which is largely independent of economic cycles.

Operational Risks and Opportunities

Our supply chain extends from procurement to production to sales and distribution. Problems within this workflow can have consequential effects, including delays in deliveries. The supply chain management system we have instituted throughout our value-added chain to prevent such problems largely minimizes the associated risks by analyzing and controlling all operations involved. On the other hand, the strongly international alignment of our organization opens up a whole series of opportunities. The various risks and opportunities encountered within our supply chain are explained in detail below.

Procurement Risks and Opportunities

We purchase a wide range of raw materials, components, parts and services from suppliers and are consequently exposed to the risks of unexpected delivery bottlenecks and | or price increases.

Over the past years, we have implemented powerful tools and robust processes within the regular operating rhythm in our Supplier Management to manage supply risks and ensure supply continuity. Important measures in this respect are to maintain safety stock and to define alternative materials and suppliers. In addition, we conduct regular supplier reviews and carefully monitor the delivery status and inventory coverage of critical raw materials.

We actively mitigate procurement risks arising from the current raw material shortages in the market. By concluding binding purchase agreements with our suppliers and/or by seeking alternatives within our supplier network, we reduce their impact and secure continuous supply.

Opportunities can arise in the area of procurement when our growth enables us to increase order quantities and thereby strengthen our position with our suppliers, such as by receiving price discounts or preferential treatment.

Production Risks and Opportunities

Based on our core technology expertise, we ourselves manufacture a significant proportion of the products that involve a high level of vertical integration, e.g. filters. Other products, such as reusable fermenters and bioreactors, are manufactured in collaboration with suppliers so that some of the production risks are transferred to external third parties. Where we manufacture products ourselves, we also bear the associated risks of capacity bottlenecks or overcapacity, production downtimes, excessive reject rates and high levels of tied-up working capital, as well as dependency on individual manufacturing sites.

We contain these risks by planning production capacities carefully, using versatile machines, semi-automated individual workstations and flextime work schedules, and by continuously monitoring production processes. Moreover, our global manufacturing network enables us to compensate for any capacity bottlenecks by shifting production to other regional plants and to limit our dependency on individual local manufacturing sites. Furthermore, we have taken out policies for business interruption insurance to compensate for any possible losses due to production downtimes.

Some of our production processes use mildly flammable or explosive materials. The improper handling of such materials can result in significant damage to property and business interruptions. We have taken all necessary organizational and structural measures at the affected locations to mitigate this risk as much as possible.

We consider it an opportunity that our investments in infrastructure and production resources, among other things, have given us high flexibility in our manufacturing operations and that we are capable of meeting our customers' requirements and regulatory standards with respect to business continuity concepts. In addition, this approach ensures that our international production sites can concentrate on specific manufacturing technologies, leveraging regional cost advantages as a result. Continuous improvements in production, such as simplifying processes and increasing levels of automation and digitizing the core drives, manufacturing and logistics efficiency even higher.

Sales and Distribution Risks and Opportunities

We use a variety of channels to sell and distribute our products around the world. The potential risks entailed are unexpected changes in the demand structure, growing price pressure and non-compliance with supply agreements concluded with customers. We employ targeted market analyses to identify emerging demand trends in individual segments early on so that we have time to respond appropriately. Our technical innovations and the fact that a large number of our products are used in validated production processes in the biopharmaceutical industry reduce our exposure to the risk of growing price pressure. We have minimized our risk exposure in the area of logistics in recent years by setting up and using central warehouses to optimize distribution logistics.

Opportunities arise in the area of sales and distribution when the increasing breadth of our product range puts us in a position to sell new products to existing customers. Moreover, our business relationships, most of which are established for the long term, and our global presence provide opportunities. After all, we are continuously expanding our product range through acquisitions. Finally, we are continuously extending our portfolio through acquisitions. We are offering our customers newly acquired technologies in the areas of cell culture media and downstream processing.

Sartorius Stedim Biotech sources its key customers from the pharmaceutical, chemical and food industries These customers are usually relatively large organizations that have been in existence for some time and have strong credit ratings. Most of our business areas have a highly diversified customer base so the Group as a whole is not dependent on individual key accounts to any significant degree.

Competitive Risks and Opportunities

Sartorius Stedim Biotech has a leading competitive position in its core technologies and competes with mainly larger rivals sharing our status as a globally operating company. As we serve a large number of customers from highly regulated sectors like the pharmaceutical and food industries, and, the technology barriers to market entry are fairly high, we regard the probability of new competitors emerging within the short term as relatively low.

The fact that many of our products are used in validated processes, especially those in the biopharmaceutical industry, reduces the risk of losing significant market share within a short timeframe. Conversely, the hurdles faced by Sartorius Stedim Biotech in winning clients from our competitors in this industry are also higher.

Changes in the competitive environment, for example, further consolidation in the markets, can pose further risks but also opportunities. Sartorius Stedim Biotech has been continuously making acquisitions in recent years, thus further strengthening its market position and opening up new potential synergies.

Quality Risks and Opportunities

Our customers use Sartorius Stedim Biotech products in a wide range of critical production processes, including the manufacture of medications, foods and chemicals, and in research and development laboratories. The main risk encountered in these areas is non-compliance with specified quality criteria, impacting the performance of our products, which - in worse case - can lead to losses for our customers, or their customers for which we may be made liable through compensation claims.

We employ rigorous quality checks and advanced production methods and processes, such as cleanroom technology, to ensure that our products satisfy the most stringent quality standards and high regulatory requirements. These manufacturing methods and processes are subject to constant review under our continual improvement processes, moreover, and are optimized as requirements evolve. Quality control tests are implemented through, in-process control tests and test procedures of final products to ensure that critical or essential product properties are continuously met. A rigid product release process ensures, that only products will be shipped that are in compliance with the agreed specifications.

The effectiveness of our quality system is confirmed through the successful completion of regular audits by customers as much as through implementation of certified quality systems compliant with ISO 9001 and, where applicable, with ISO 13485 document the high level of quality achieved in Sartorius products and processes. Irrespective of these measures, we also maintain significant insurance coverage against product liability risks.

In addition, Sartorius Stedim Biotech has established a traceability system that enables us to efficiently identify and if required recall an entire production batch immediately. This minimize the consequences in the event that a defect or non-conforming item is discovered in a product and ensures compliance to regulations. We have also installed a complaints management system to deal with customer requests promptly and to ensure efficient documentation.

In the sectors we address, quality requirements are growing more and more stringent all the time, not least as a result of increasing requirements on protection of medical patients and on product safety by regulatory authorities. There is a risk that new regulations may be overlooked or be difficult to implement. For Sartorius Stedim Biotech, this also unlocks opportunities by putting up further barrier to entry for potential market players. The reason is that challenging quality demands represent a considerable barrier to entry for potential new competitors and provide stimulus for further technical innovation. Moreover, through our work on professional committees, membership in industry associations and standards committees, we actively take part in drafting new standards and guidelines and are able to identify emerging requirements at an early stage and prepare ourselves accordingly.

R&D Risks and Opportunities

We devote a considerable share of our resources to research and development. Potential risks in this area may arise from development results that diverge from market needs or application requirements and from exceeding planned development deadlines and budgets. Our approach into trend monitoring as well as early stage proof of concept activities to de-risk the product developments as well as project management, intensive R&D controlling and early involvement of our customers in the development process substantially limit these R&D risks. In particular, we ensure that proof of concepts and product designs are always reviewed promptly with regard to how well they meet customers' needs so products can be adapted accordingly as required. The continuous tracking of the technology trends and competitor activities together with an early stage patent filing ensure our technology and marketing position.

Not least, our intensive collaboration with partners that rank among the global market and opinion leaders in their own fields opens up the opportunity for us to jointly develop products with an especially high level of innovation. In areas such as membrane technology and plastics technology, sensorics and biopharmaceutical process engineering, the expertise of our own specialists puts us worldwide at the very forefront of global research and development, presenting us with an opportunity to turn this technical knowledge into potential sales and an even stronger position on the market. The combination of different innovative activities in a separate Corporate Research Department enables us to identify promising developments at universities, startups and at our customers' plants and ensure the all relevant IP positions are secured in advance.

Acquisition Risks and Opportunities

By nature, acquisitions provide many opportunities, such as sales growth, extension of our product portfolio and development of new markets. By contrast, the purchase and sale of companies or parts of companies entail a number of typical risks, such as incorrect valuation assumptions or insufficient usage of anticipated synergy effects.

We take various measures to reduce these risks. These include performing a thorough due diligence review of important areas and carrying out comprehensive analysis of the market concerned. In addition, we involve external consultants and experts in the purchase or sales process as required. We especially focus on drafting transaction contracts so that they adequately counter such risks, especially by clauses assuring specific characteristics or by contractual warranty or guarantee provisions, as well as agreements on mechanisms for adjustment of the purchase price and on liability clauses. Appropriate insurance policies are taken out when necessary. Immediately after an acquisition has taken place, an integration phase is initiated in which any potential risks can likewise be detected as early as possible and prevented or minimized by taking the appropriate counteractions. A Post-Merger Integration (PMI) Office was established as an independent function in the responsibility of the Group CFO to ensure the efficiency of the integration process and minimization of the associated risks.

Personnel Risks and Opportunities

As an innovative technology group, Sartorius Stedim Biotech employs a large percentage of highly qualified people. This entails the risk that Sartorius Stedim Biotech may not be able to hire sufficient numbers of highly qualified employees in the future or may lose high performers currently at the company. The strong growth of the Group and the associated expansion of its workforce moreover pose sizable challenges for the integration and familiarization of new employees, and thus also harbor risks.

We therefore aim to keep key employees for the long term by offering performance-related remuneration models, targeted continuing professional development options, attractive social benefits and interesting people development opportunities. In connection with this, we have, in particular, enhanced our staff development initiatives and management programs. The success of these measures is apparent in the low attrition rates of past years. Employment contracts in certain cases contain a clause prohibiting any move to a direct competitor.

We counter demographic change primarily by offering continuous education and training for junior staff members. This, in turn, results in opportunities for Sartorius Stedim Biotech as we can further qualify employees on our own and retain such staff over the long term, thus covering company needs for qualified personnel particularly well.

In order to ensure the seamless onboarding of the large number of new staff and also proper knowledge transfer, we have improved and expanded our initial training processes. We also use a digital HR platform, which supports secure and stable processes and enables decisions to be made on the basis of high quality data.

IT Risks and Opportunities

The Sartorius Stedim Biotech Group's business processes are supported by a wide array of specific software applications and IT systems. A failure or significant impairment of the business-critical IT systems and the supporting technical infrastructure due to cyber-attacks or other threats, could significantly hamper the smooth functioning of the company's business processes and lead to manipulation or the uncontrolled loss or outflow of data.

We are reducing these risks by continuously investing in the implementation and operation of secure IT systems and applications and by continually developing and applying our concepts and security measures on the basis of the International ISO 27001 Standard for Information Security Management Systems, among others. In addition, we incorporate the results of regular audits and vulnerability assessments by external companies specializing in IT security.

The protection of our data, systems, and applications from misuse is managed through a unified risk management framework on a group basis, established through the governance structure and IT risk management, and implemented through applicable policies and effective communications and practices. Fundamental principles such as secure configuration, user training and security awareness, network security, malware prevention, privilege management, and incident response are fundamental to our security organization and procedures.

We continue to expect the threat of cyber-attacks to increase worldwide, both in number and intensity. That is why we have again stepped up our measures and activities this year. We have strengthened the Group-wide IT security organization in terms of personnel and expertise, established a round-the-clock security control and defense team, and set up further systems and services to monitor, detect and defend against cyber-attacks.

We actively provide targeted information across the Group on potential cyber threats and risks, and engage employees by giving them simple but effective ways to defend themselves in a decentralized manner and report suspicious incidents to IT department for review.

Financial Risks and Opportunities

The global nature of the Sartorius Stedim Biotech Group's operations means that its business activities are inevitably exposed to financial risks. The most significant of these are exchange rate risks, interest rate risks, liquidity risks and tax risks. Conversely, financial risks, most notably exchange rate risks and interest rate risks, are balanced by opportunities of approximately equal magnitude.

Exchange Rate Risks

As a consequence of its global business activities, the Group is exposed to risks arising from foreign currency fluctuations in foreign exchange rates. Since we generate around two thirds of consolidated sales revenue in foreign currencies and, in turn, approximately two thirds of this total revenue in U.S. dollars or in currencies pegged to the U.S. dollar, we are positively or negatively impacted by currency effects when converting the currencies of balance sheet items and profit or loss items, respectively. Other currencies relevant to the Sartorius Stedim Biotech Group are the British pound, the Singapore dollar, the South Korean won, the Japanese yen, the Chinese renminbi and the Swiss franc.

Our global production network enables us to offset the majority of sales revenues generated in foreign currencies within the Group against costs likewise incurred in foreign currency. For example, we manufacture many of our products for the North American market locally, and are not disadvantaged on the cost side in competing with our U.S. rivals, insofar as this risk is concerned.

We continuously calculate our risk exposure with a cash flow at-risk model in order to evaluate and steer the remaining risk based on the expected net exposure for the next 12 months and take into consideration hedging transactions already executed. This is the basis we use to decide on whether to employ additional derivative financial instruments, especially spot, forward and swap transactions, to adjust for maximum loss.

Interest Rate Risks and Opportunities

We have concluded fixed interest agreements for more than 80% of our loans outstanding so that any changes in the interest rate will not have any meaningful effects on consolidated earnings. The remaining portion of the financial instruments outstanding on the reporting date is subject to variable interest rates based on the market rate. We monitor interest rate trends and our interest rate exposure constantly and arrange for hedging transactions where we consider it necessary and economically advisable to do so for individual loans. As of 12/31/2021, we did not have any interest rate derivatives in our portfolio of financial instruments.

Liquidity Risks and Opportunities

The general risk is that Sartorius Stedim Biotech will not be able to pay its creditors. In order to minimize those liquidity risks and optimize liquidity allocation within the organization the Group's liquidity is managed centrally on the Sartorius Group level by using various long- and short-term debt instruments.

Sartorius Stedim Biotech is mainly using a €300 million credit line provided by Sartorius AG that can be accessed and repaid at short notice. Additionally, we have a number of bilateral credit lines in place on a smaller scale for for individual Group companies. Furthermore, we use cash pooling agreements between selected Group companies as the primary instrument for managing liquidity within the Group.

Tax Risks

Sartorius Stedim Biotech and its subsidiaries do business across the globe and are therefore subject to the tax laws and regimes of various countries. Changes in tax laws, rulings by the courts and interpretation of the laws by the fiscal authorities or courts in these countries can result in additional tax expenses and payments and thus also affect the corresponding tax items in the statements of financial position and profit or loss.

We manage the resulting risks by continually monitoring and analyzing tax conditions along with our central Tax department with the support of third-party consultants in the respective countries.

Compliance Risks

Regulatory Risks

Our role as a partner of the biopharmaceutical industry and healthcare providers means that Sartorius Stedim Biotech can also be affected by underlying developments in these areas. In this context, the principle source of risk is the possibility that regulatory authorities, such as the U.S. Food & Drug Administration (FDA), the European Medicines Agency (EMA) and the Chinese National Medical Products Administration (NMPA), might adopt a more restrictive approach to the approval of new medications or medical devices of our customers. In addition, adherence to the regulations of other relevant authorities like the Environmental Protection Agency or the Department of Agriculture in the USA is important to contain local or global regulatory risks.

Such a move would reduce the number of new pharmaceutical products to be marketed and would consequently downgrade future prospects for Sartorius Stedim Biotech over the medium term.

Environmental Risks

Sartorius Stedim Biotech has set up a cross-divisional environmental management system for managing environmental issues and mitigating risk. In addition, most of the large production sites have been certified according to ISO 14001: 2015, including our companies in France, India, Puerto Rico, and China. At these sites, corresponding organizational units have been set up to ensure compliance with relevant legal and regulatory requirements and the continuous implementation of sustainable technical innovation to improve environmental aspects in production processes. It is important to us to incorporate environmental topics in almost all decision-making processes as early as possible. In this way, we can systematically reduce potential environmental risks and operate the business in a sustainable and environmentally friendly fashion.

Environmental and sustainability aspects are occupying an increasingly important role in many business processes for us. The aspect of environmentally sustainable business has thus become a central element of how we select suppliers. For more information on these topics, please see the non-financial Group statement.

Litigation Risks

Litigation risks for Sartorius Stedim Biotech can arise from pending or forthcoming legal disputes or from administrative proceedings. All judicial or extrajudicial disputes are attended to by the company’s own attorneys and legal experts, who engage external lawyers as needed.

At present, there are no pending or discernible legal disputes or proceedings that lack any cost coverage allowances in the statement of financial position or that could have a substantial negative impact on Group.

Assessment of the Overall Risk Situation and Risk Outlook

Where feasible, we adopted countermeasures and|or made risk provisions in the balance sheet during the reporting year to cover all discernible risks within the Sartorius Stedim Biotech Group, and those of a defined probability of occurrence, that had the potential to damage our net worth, financial situation and profitability.

For the purposes of this report, we have assessed the probability of occurrence of the risks as shown below and, in the adjacent columns, classify their particular significance for the entire Group.

Risk Category	Probability of Occurrence	Significance
External risks		
General risks*	Possible	Moderate
Business cycle risks	Possible	Moderate
Operating risks		
Procurement risks*	Possible	Significant
Production risks	Possible	Significant
Sales and distribution risks	Possible	Moderate
Competitive risks	Remote	Moderate
Quality risks	Remote	Significant
Research and development risks	Possible	Significant
Acquisition risks	Possible	Significant
Personnel risks	Possible	Significant
IT risks	Possible	Significant
Financial risks		
Exchange rate risks*	Probable	Moderate
Interest rate risks	Probable	Insignificant
Liquidity risks	Remote	Moderate
Tax risks	Possible	Moderate
Compliance risks		
Regulatory risks*	Possible	Significant
Environmental risks	Remote	Moderate
Litigation risks	Possible	Moderate

After thorough analysis of the entire risk situation and according to our current review, there are no discernible risks at present that could jeopardize the continued existence of the Group.

Similarly, based on our current review, there are no discernible risks that could jeopardize the future existence of the Group.

Internal Control Procedures

Introduction

The objectives defined by the Chairman for the internal control system of Sartorius Stedim Biotech are

as follows:

- Prevent risks that would endanger the quality of the assets of Sartorius Stedim Biotech or even its existence;

- Ensure that the executive management activities, the transactions completed and the conduct of employees comply with the guidelines defined by executive management, applicable laws and regulations, the fundamental values, standards and internal rules of the business and the ethical codes and conventions of the healthcare industry;

- Ensure that accounting and financial information and management data provided to the executive management of the company accurately reflect the operations of Sartorius Stedim Biotech;

- Prevent risks arising from operations, errors or fraud, especially in the accounting and financial area.

Scope of Internal Control

The internal control system described covers the parent company and its affiliates.

Components of Internal Control

Environment for Internal Control

The core of any business is its people (their individual attributes, including integrity, ethical values and expertise) and the environment in which they operate. They are the engine that drives the organization and the foundation that supports the company.

Risk Assessment Process – Risk Mapping

The company must be aware of, and deal with, the risks it faces. It must set itself objectives and integrate them into its sales, production, marketing, financial and other activities so that the organization operates in concert. It must also establish mechanisms to identify, analyse and manage the related risks.

Control Activities

These control activities are undertaken at every level of the Group to ensure that internal control is efficient: checking the accuracy, completeness, authorization, validation and recording of transactions and ensuring that different people discharge different duties so as to reduce the risk of errors or fraud.

Information and Communication

The availability of accurate, reliable and complete information is essential both to achieve business objectives and to enable proper reporting to all parties concerned in compliance with the applicable laws and regulations.

Monitoring, Control and Management

Responsibilities and authorities must be defined and understood at all levels of a company for internal control to function effectively. Duties must be assigned in such a way that a person's work is always checked and approved by a different person. Where the size of the local unit concerned permits, responsibility for initiating, authorizing, recording and processing transactions must always be assigned to different individuals.

Unit management is responsible for maintaining internal checks and internal control at all times.

Internal Controlling Roles

Executive Management

The Chairman and Chief Executive Officer is responsible for the internal control system and management at all levels. He is also responsible for the development, operation, monitoring and management of the internal controlling systems and for providing the necessary assurances that these steps have been implemented.

Audit Committee

The Audit Committee is responsible for carrying out any necessary reviews and evaluations of the internal controlling procedures, including those relating to financial information, and also assists with the preparation of the Group's consolidated financial statements. For further information about the Audit Committee, see page 91.

Risk Management

The Sartorius Stedim Biotech Group is inevitably exposed to a wide variety of risks by the nature of its operations around the world. Accordingly, an internal risk management system has been set up to help identify, assess and manage these risks efficiently. Within this risk management system, the Central Risk Management function regularly studies current issues of risk management with representatives and experts of different departments. This enables the Audit Committee to provide executive management with an overview of the risk to which the company is exposed, enabling it to take appropriate action when required.

Internal Auditing Department

Based on the annual audit plan approved by the Audit Committee, the Internal Auditing Department (IA) evaluates and improves the effectiveness of the organisation's governance, risk management and the internal controls in all Sartorius Group companies. As part of the internal control system IA contributes to the compliance with internal and external rules and standards. Based on the internal audits performed during the year IA compiles major findings and respective recommendations which are presented to the Audit Committee by the Compliance Officer of Sartorius Group at least once a year or ad-hoc, if necessary.

Finance and Controlling Departments

The Finance and Controlling Departments track and monitor operations and projects to optimize the Group's profitability and cash flow, providing both internal and external stakeholders with reliable information.

These two departments define the Group's accounting rules and methods and its principle financial processes (multi-year business plan, budget, etc.) as well as reporting tools, in order to monitor and support the day-to-day business.

Procedures for Preparing the Group Financial Statements and Other Accounting and Financial Information

The accounts of affiliates are prepared in accordance with the Group's accounting policies. The data is then adjusted, where necessary, to produce company accounts that comply with the applicable local legal and tax provisions. Integrated consolidation software is used both for management reporting purposes and to produce the Group financial statements.

Since 2013, the Group has decided to implement a hard-close process as of November 30 in order to anticipate and improve the annual audit.

Accounting Standards

The consolidated financial statements are prepared in accordance with IFRS accounting standards as currently adopted by the European Union. The consolidated financial statements comply with accounting rules and methods as detailed in the Notes to the Consolidated Financial Statements.

Roles of the Group's Finance and Controlling Departments

The Finance and Controlling Departments check the quality of the reporting packages submitted by affiliates, focusing primarily on the following elements: checking corporate data and consolidated adjustments entered locally, inter-company eliminations, the accounting treatment of non-recurring transactions for the reporting period, and verifying principal movements between the opening and closing balance sheets to prepare the cash flow statement.

The Finance Department also verifies the results of procedures, including currency translation, intercompany eliminations, etc.

Key points of review include the preparation and validation of the statement of changes in shareholders' equity and the cash flow statement.

Financial Information and Reporting

The Group's rules and procedures in relation to financial reporting and accounting are set out in the Accounting and Reporting Manual. Application of and compliance with these principles, rules and procedures are the direct responsibility of the finance director of each affiliate. They must ensure that information provided via the Management Information System complies fully with all applicable disclosure requirements.

Executive Management reviews the effectiveness of the internal controlling of financial reporting regularly. In particular, it verifies that transactions have been recorded consistently, in accordance with IFRS international accounting standards as applied by the Group and as set out in the Accounting and Reporting Manual, in order to ensure the pertinence of transactions and assets recognized within the times set.

Internal Control in 2021

We continue to review all of our policies, internal procedures and organizational measures and up-date them with the view of continuous improvement.

Code of Conduct and Anti-Corruption Code

Sartorius Code of Conduct defines the requirements we place on our employees with respect to responsible conduct. The code helps employees to act ethically and in accordance with the law in their daily work.

Sartorius Code of Conduct covers compliance with international social and environmental standards, general rules of conduct and dealing with conflicts of interest.

Sartorius Anti-Corruption Code forms the basis for raising employee awareness about corruption risks.

We ensure that our employees are familiar with the Anti-Corruption Code and the Code of Conduct by asking them to take part in an online training course. The course teaches employees how to deal with ethically or legally problematic situations.

A complaint system ensures that employees and external third parties can report cases of damaging conduct, such as corruption, discrimination or sexual harassment. The compliance team can be contacted face-to-face, via a telephone hotline, the department’s electronic mailbox or – in the case of anonymous reports – the whistleblower system. The relevant contact options are listed on the intranet and are thus available company-wide. They are also available on the company’s website and can thus be accessed by external persons concerned.

Corporate Transactions

The Company complies with Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "Market Abuse Regulation") and the AFEP-MEDEF code, as amended in January 2020. Thus, transactions involving the purchase or sale of the company’s securities or financial instruments are prohibited during the periods between the date on which managers, persons considered managers under the law, and any person having regular or occasional access to privileged information are aware of precise information on the course of business or prospects that, if made public, could have a significant influence on the price and the date on which the information is made public.

In addition, pursuant to Article 19 of the Market Abuse Regulation, they are also prohibited for a period of thirty calendar days prior to the date of publication of the company's annual and half-yearly financial statements.

In accordance with the Market Abuse Regulation and the recommendations of the AFEP-MEDEF code, hedging transactions of any kind on the company's shares in connection with stock options are prohibited.

In addition, transactions in the Company's shares by the persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code must be reported to the Autorité des Marchés Financiers (the "AMF") in accordance with the procedures and time limits set out in Article 223-22-A et seq. of the AMF's General Regulations and Article 19 of the Market Abuse Regulation. These statements are available on the AMF website (www.amf-france.org).

During the year ended December 31, 2021, the Members of the Board and persons mentioned in Article L.621 – 18 – 2 of the French Monetary and Financial Code have not carried out transactions on the company`s shares. In accordance with the recommendations of the AFEP-MEDEF Code and the Autorité des Marchés Financiers Recommendation No. 2010 - 07 of November 3, 2010, hedging transactions of any kind on the company's shares with regard to stock options are prohibited.

Mid-Term Prospects

The Group will continue to work on Internal Control issues, by strengthening its approach to risk mapping and risk management. This process is based on elements of the AMF Internal Control Reference Framework.

Forecast Report

Biopharmaceutical Industry Maintains Dynamic Growth

Strong, long-term trends drive growth in the pharmaceutical industry, which is almost entirely independent of business cycles. EvaluatePharma estimates that the global pharmaceutical market will grow by around 6% annually for the period up to 2026. Within the pharmaceutical market, the biopharma segment has been enjoying particularly strong performance for years and will continue to outperform the market according to various forecasts. For the period up to 2026, the compound annual growth rate is projected at about 8% to 11%. This would equate to an increase in market volume to more than €520 billion. The share of biological medications and vaccines in the total revenue generated by the global pharmaceutical market is forecasted to rise from 34% to 37% in this period.

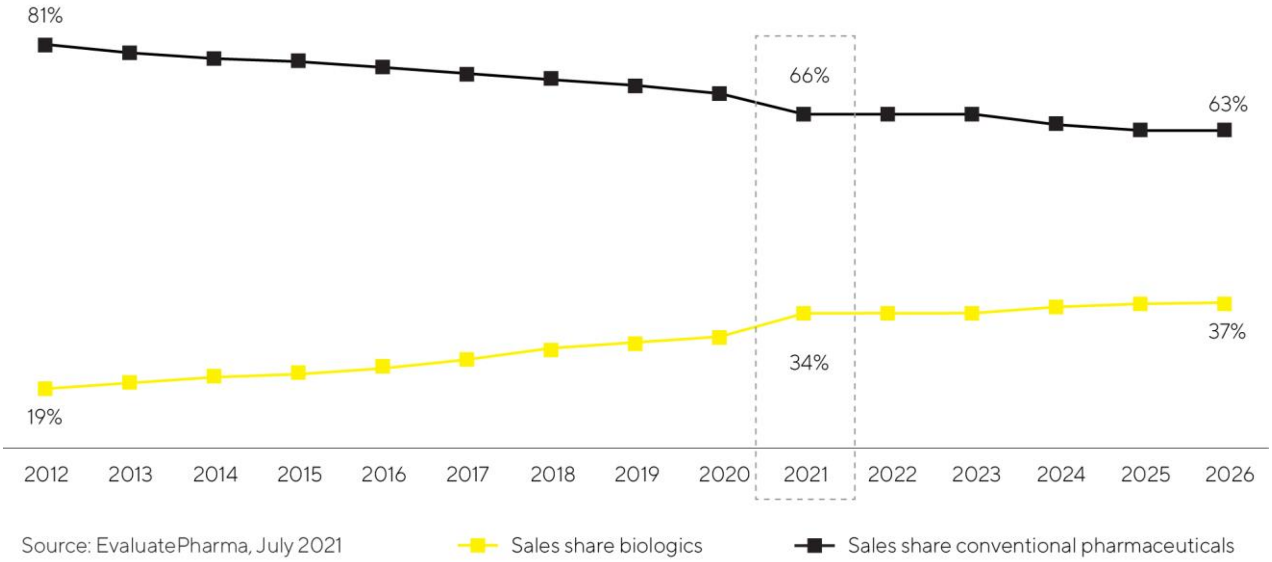
Revenues from the currently approved coronavirus vaccines and Covid-19 therapeutics are likely to reach approximately the prior year's level in 2022 and then fall in subsequent years according to one data analytics company. For 2022, the leading manufacturers of bioprocessing technology also expect pandemic-related business at approximately the same level as in the prior year. Due to the exceptionally strong growth in the reporting period and the resulting high basis for comparison, the rates of increase are, however, likely to be lower. Delayed approval of new drugs as a result of the interruption of clinical trials as well as possible normalization of the inventory coverage of some biopharma companies could have a dampening effect on further growth in the next few years.

Regionally, the most dynamic market will likely continue to be China. Positive regulatory and political conditions, a constantly rising number of local biotech companies and increasing demand for advanced biopharmaceuticals have been fueling above-average growth for several years now. This trend could continue as a result of the huge amount of catch-up potential in the market and the improved availability of biotech medications. Considerable growth in the United States and Europe is also anticipated, driven in particular by a growing need for medications for aging societies as well as the rising number of patients. In addition, more and more medications are being approved. For example, biopharmaceuticals are increasingly being used in yet-to-be fully explored therapeutic areas and in the treatment of rare diseases that have so far been incurable. The pharma industry is increasingly concentrating on advanced therapies such as cell and gene therapeutics or biotechnologically processed tissue products. At the end of 2021, approximately 1,000 such compounds were in clinical development, so this area offers significant growth potential over the mid to long term. Innovative types of therapy for regenerative medicine and new substance classes, such as antibody-drug conjugates (ADCs) or mRNA-based drugs, are increasing the number and range of approved biopharmaceuticals in the long term and necessitating investments in innovative production technologies. As a result, they are key growth drivers.

This relatively young biopharmaceuticals segment is driving sector growth with its high innovative power, as reflected in the strong research and development pipelines. Of the estimated 10,000+ medications in R&D pipelines, over 40% are based on biological manufacturing processes. These include more than 1,700 biosimilars and biobetters, which are generic versions of reference biologics with comparable or better efficacy or fewer side effects than the original compounds.

Biosimilars are contributing increasingly to the growth of the biotechnology market. Current estimates indicate that by 2025, the market could grow by an annual average of 32% and reach a volume of around €41 billion. The significantly lower prices of biosimilars, particularly in emerging and developing countries, are creating new, affordable therapy options and are projected to result in increased demand and rising production volume. The development of national production capacities to meet the growing demand for medications is receiving political support in these countries and is fueling the establishment of local biotech companies. The biosimilars market in industrialized countries is also likely to expand considerably in the coming years due to the expiration of patents for high-selling biopharmaceuticals and an increasing number of approved biosimilars. While such generic medications have been widely used in Europe for many years and have been able to gain significant market share in some areas, progress in the USA has been rather slow until now due to regulatory, patent-law-related, and marketing hurdles. In the next few years, however, the development of increasing usage of biosimilars is likely to accelerate. Further market penetration of biosimilars could thus more than triple sales volume by 2025.

Biopharmaceuticals Are Gaining Importance - Growing Share of Sales in the Global Pharmaceutical Market



The biopharmaceutical industry must meet growing demand for medications while producing an increasing number of approved medications and ensuring new types of therapy. For these reasons, industry observers expect that worldwide bioreactor capacities will continue to expand in the years to come. At the same time, the industry faces rising cost pressure. This increases the significance of innovations for boosting flexibility and efficiency in biopharmaceutical research and production. In the future, the biopharmaceutical market will shift away from a low number of especially high-selling medications that account for a majority of total production volume towards an expanding range of products for smaller groups of patients. Technological progress leads to ongoing improvements in the productivity of biopharmaceutical production processes. Therefore, according to the research and consulting institute BioPlan, many manufacturers will likely rely increasingly on flexibly usable single-use technologies for the commercial production of many new medications. Particularly in the case of relatively small batches, single-use equipment and technologies already ensure more cost-effective production than conventional stainless-steel units and have a better environmental footprint. To master these challenges, more and more pharmaceutical companies are relying on digitalization and automation as well as innovative software solutions for controlling and optimizing their processes. A further trend is process intensification in which several process steps, called unit operations, are interconnected and a smooth transition is created, among other things, enabling greater product quantities to be manufactured faster while achieving higher quality.

Further Growth Expected in the Laboratory Market

Various market observers expect the market for laboratory instruments and consumables to grow by about 4% to 5% annually in the next few years and to reach a volume of around €71 billion in 2024. The sector is also expected to grow in the current year, but at a lower rate of increase than in 2021 due to high prior-year comparables. The demand for certain product groups, which was particularly high in the reporting year in connection with coronavirus test kits, is expected to decline in 2022.

Regarding end markets, the greatest dynamics will probably continue to be generated by the pharmaceutical and biopharma industries, in particular, as a result of continuous research into and approval of new medications, the high momentum of scientific and technological innovations, and strong growth in China. For instance, EvaluatePharma expects sector-specific research spending to climb annually by 4.2% during the period from 2021 to 2026. According to market studies, the product area of bioanalytical instruments should particularly benefit from this and further grow at an above-average rate within the laboratory market.

Budget increases for academic and public-sector research institutions are also expected to act as growth drivers in some countries. On the other hand, the pandemic and potential lockdowns or temporary production shutdowns and any unexpected slowdown in global economic growth still pose risks to demand from industrial end markets. Market observers continue to expect Asian countries, such as China and India, to generate the highest growth rates. Stricter regulatory requirements in a range of industries are also stimulating increased demand for instruments used in sample analysis and quality control. In addition, investments in laboratory infrastructure are becoming more attractive, especially in China, as a result of government-supported efforts to promote innovativeness in several key industries. The country invested more in research and development than the USA for the first time in 2021, as a result of which its share of R&D spending further increased.

Sources: BioPlan: 18th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production; IQVIA Institute: Global Medicine Spending and Usage Trends, April 2021; EvaluatePharma: World Preview 2021, Outlook to 2026, July 2021; SDi: Global Assessment Report 2020, June 2021; www.fda.gov

Future Business Development

Sartorius Stedim Biotech expects dynamic performance for the full year of 2022 as well. Consolidated sales revenue is thus projected to increase by about 15% to 19%. The acquisitions closed or agreed upon in 2021 are forecasted to contribute about 2 percentage points of non-organic growth to this increase. Following the jump in profitability in 2021, the company expects its underlying EBITDA margin to stay at a similarly high level and to reach more than 35%.

Regarding pandemic-related business, management projects sales revenue for 2022 at the previous year's level of around €500 million.

The margin targets already include expenses for measures to reduce the company's CO_2 emission intensity; these expenses will account for about 0.5% of consolidated sales revenue in 2022.

Against the backdrop of strong organic growth, Sartorius Stedim Biotech is currently expanding its capacities considerably in all regions. Accordingly, capital expenditures in relation to sales revenue, the CAPEX ratio, is estimated to be around 14.5%.

The ratio of net debt to underlying EBITDA is expected to be around 0.2 at year-end, without taking any potential further acquisitions into account. All forecasts are based on constant currencies, as in the past years, and assume that the global economy as well as supply chains will remain stable.

Financial Statements of the Parent Company Sartorius Stedim Biotech S.A. as of December 31, 2021

Financial Statements of the Parent Company

Sartorius Stedim Biotech S.A. is the parent company of the Group. The company is a mixed holding Company. The company from now on is managing investments of the Group and real estates for the French Companies.

In 2021, sales revenue generated at Sartorius Stedim Biotech S.A. was €K 2,110 compared to €K 1,877 in 2020. The operating profit is €K -8,939 versus €K -4,623 K in 2020. The net financing income totalled €K 123,045 versus €K 85,043 in 2020.

The net profit for 2021 is €K 115 521 compared to €K 81,227 in 2020.

Appropriation of the Net Profit

The ASM will suggest to appropriate the net profit of €115,521,400 for the reporting year of 2021 as follows:

- The following amount is to be added to this balance: Year-earlier profit carried forward: €75,362,590
- This would yield a distributable profit of €190,883,990
- Total amount of dividends to be disbursed to shareholders: €116,142,805 excluding treasury shares
- Balance resulting from disbursement: €74,741,185

The remaining amount of €74,741,185 is to be carried out to the next year.

Dividends of the last three financial years (information updated as of 1st January 2021)

The table below lists the amount of the dividend per share distributed, since 2018, as well as the applicable tax provisions.

Exercise	Dividend[1]	Amount eligible for the 40% abatement	Amount not eligible for the 40% abatement	Dividend per shares[1]
Dec. 31, 2020	62,681,786	62,681,786	0	0.68 €
Dec. 31, 2019	31,341,265	31,341,265	0	0.34 €
Dec. 31, 2018	52,540,761	31,341,265	0	0.57 €

1 Prior deduction of social contribution on the dividend paid to physical person.

Proposition of dividend for the 2021 financial year

The Board of Directors has decided to propose on the 24th of March 2022 Annual Shareholders' Meeting a net dividend of €1.26 per share for the 2021 financial year in comparison with €0.68 for 2020.

The dividends are distributed to the shareholders based on the proportion of the capital they hold.

The dividend will be paid on 31 March 2022.

Dividend distribution policy

The company has a policy of dividend distribution linked to the Group's profit over the financial year concerned on the one hand and to the Group's predictable evolution and profitability on the other hand.

On the 24th of March 2021, the Shareholders' Meeting voted a net dividend of €0.68 per share. The payment of the dividend was done on March 31, 2021.

Dividends and interim dividends paid and unclaimed are prescribed in favour of the State five years after their date of payment (article 2277 of the Civil Code).

Elements likely to have an impact in the event of a public offer

According to article L. 225-100-3 of the French Commercial Code, an element is likely to have an impact in the event of a public offer: the first shareholder of Sartorius Stedim Biotech S.A. holds a significant percentage of its capital and voting rights.

Sartorius Stedim Biotech S.A. Share Capital

Share Capital as of December 31, 2021

As of 31 December 2021, the share capital amounts to eighteen million four hundred and thirty-six thousand thirty-eight euros (€18,436,038). It is divided into twenty-two million one hundred and eighty thousand one hundred and ninety (92,180,190) shares worth twenty cents euros (€0.20) each, all fully subscribed and paid up (Heading I, Article 6 of the bylaws), all of which are entitled to the dividend for the financial year 2020, with the exception of shares held by the Company.

Date	Nature of the transaction	Share par value	Share capital increase	Share premium	Number of new shares	Number of shares after the transaction	Share capital after the transaction
Year 2015	Exercise of share subscription options	1.00	8,000.0	174,880.0	8,000.0	15,367,238	15,367,238.0
Year 2016	Reduction of Capital: Cancellation of Treasury Shares	1.00	–1,642,095.0		–1,642,095.0	13,725,143	13,725,143.0
Year 2016	Increase of Capital: new actions created	1.00	1,638,222.0		1,638,222.0	15,363,365	15,363,365.0
Year 2016	Increase of Capital: nominal value change	0.20	3,072,673.0		3,072,673.0	92,180,190	18,436,038.0
Year 2017						92,180,190	18,436,038.0
Year 2018						92,180,190	18,436,038.0
Year 2019						92,180,190	18,436,038.0
Year 2020						92,180,190	18,436,038.0
Year 2021						92,180,190	18,436,038.0

Sartorius Stedim Biotech S.A. Shareholdings as of December 31, 2021

Situation of Sartorius Stedim Biotech S.A. Shareholdings

Shareholders	Shares	Voting rights
More than 50%	Sartorius AG	Sartorius AG
More than 10% but less than 50%	None	None
More than 5% but less than 10%	None	None

Over the past three years, the ownership of Sartorius Stedim Biotech S.A. share capital has been distributed as follows:

	December 31, 2019			December 31, 2020			December 31, 2021		
Shareholders	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Sartorius AG	68,450,400	74.3%	84.5%	68,044,513	73.8%	84.3%	68,044,513	73.8%	84.8%
Single voting rights									
Double voting rights	68,450,400	74.3%	84.5%	68,044,513	73.8%	84.3%	68,044,513	73.8%	84.8%
Single voting rights									
Double voting rights	0	0.0%	0.0%						
Total Sartorius Group	68,450,400	74.3%	84.5%	68,044,513	73.8%	84.3%	68,044,513	73.8%	84.8%
Treasury shares									
Personnel and other shareholders									
General public	23,729,790	25.7%	15.5%	24,135,677	26.2%	15.7%	24,135,677	26.2%	15.2%
Single voting rights	22,439,112	24.3%	13.9%	22,844,999	24.8%	14.1%	23,833,997	25.9%	14.8%
Double voting rights	1,290,678	1.4%	1.6%	1,290,678	1.4%	1.6%	301,680	0.3%	0.4%
Total shares	92,180,190	100.0%	100.0%	92,180,190	100.0%	100.0%	92,180,190	100.0%	100.0%

Legal Disclosure of Thresholds Crossed

No legal disclosure of thresholds crossed has been registered during the fiscal year under study.

	Shares	% Issued Capital	Voting rights	% Voting rights
Sartorius AG	68,044,513	73.8	136,089,026	84.8
Total Sartorius AG	68,044,513	73.8	136,089,026	84.8

Control of the Company as of December 31, 2021

Sartorius AG holds, directly or indirectly, 73.8% of the share capital and 84.8% of the outstanding voting rights. Treasury shares are without voting rights.

Staff Shareholdings

None

Treasury Shares Held by Sartorius Stedim Biotech S.A.

None

Unpaid Capital

None

Authorized but Unissued Capital

None

Securities Not Representative of the Share Capital

None

Authority granted by the Annual Shareholders' Meeting to the Board of Directors still valid.

Delegation granted for increase in Capital by the Shareholder’s Meeting to the Board of Directors

Object - Duration	Limit	Use in 2020
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right to the allotment of the debt instruments, with preferential subscription rights of the shareholders. (EGM 06/24/2020 – Resolution n°11) Granted for a period of 26 months as from 24/06/2020	The limit is €4,000,000 corresponding to the maximum nominal amount of the increase of the share capital and to the maximal nominal amount of the debt instruments and €500,000,000 on the maximum overall limit of the maximum nominal amount of the debt instruments. It being specified that the limits of the nominal amount of the capital increases and debt instrument, with or without preferential subscription rights of the shareholders, set from the twelfth (12th) to the seventeenth (17th) resolutions submitted to this Shareholders’ Meeting shall be deducted from this overall limit	None
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right of the allotment of debt instruments, without preferential subscription rights of the shareholders – through public offerings,other than those referred to in the Article L. 411-2 of the French Monetary and Financial Code. (EGM 06/24/2020 – Resolution n° 12) Granted for a period of 26 months as from 24/06/2020	The limit is deducted on the overall limit of €4,000,000 (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None
Ability to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders - through public offers addressed exclusively to qualified investors or to a restricted circle of investors as defined in the article L. 411-2 of the French Monetary and Financial Code. (EGM 06/24/2020 – Resolution n° 13) Granted for a period of 26 months as from 24/06/2020	The limit is deducted on the overall limit of €4,000,000 (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None
Ability to increase the number of shares and/or securities giving access to the share capital of the Company to be issued in the event of a share capital increase with or without preferential subscription rights of the shareholders. (EGM 06/24/2020 – Resolution n° 14) Granted for a period of 26 months as from 24/06/2020	The limit amount 15% of initial issue of shares, pursuant to the resolution n°11 to 13 described above.	None
Ability to issue shares and/or securities giving access to the share capital of the Company, as consideration for securities tendered through public exchange offers initiated by the Company, without preferential subscription right of the shareholders.(EGM 06/24/2020 – Resolution n° 15) Granted for a period of 26 months as from 24/06/2020	The limit is deducted on the overall limit of 10% of the share capital of the Company at the moment of the capital increase (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None
Ability to increase the share capital through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted. (EGM 06/24/2020 – Resolution n° 16)	The limit is €4,000,000 (corresponding to the maximum nominal amount of the increase of the share capital); It is a independent limit.	None

Granted for a period of 26 months as from 24/06/2020		
Ability to issue shares and/or securities giving access to the share capital giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders and reserved for members of saving plans. (EGM 06/24/2020 – Resolution n° 17) Granted for a period of 26 months as from 24/06/2020	The limit is €4,000,000 corresponding to the maximum nominal amount of the increase of the share capital; it is an independent limit.	None
Ability to reduce the capital by cancelling shares acquired under buyback program (EGM 06/24/2020 - Resolution n°18) Granted for a period of 18 months as from 24/06/2020	The limit is of 10% of the capital of the Company and by period of 24 months.	None
Ability to grant free new or existing shares to the benefit of employees or corporate officers (EGM 06/24/2020 - Resolution N°19) Granted for a period of 38 months as from 24/06/2020.	The limit amount of 10% of the Company's share capital calculated on the attribution date	None

Other Securities Giving Access to the Share Capital

None

Stock Options

None

Share Capital Dilution

None

Share Subscription Options Granted to Each Senior Executive of the Company and Options Exercised by Them in Fiscal 2021

None

Share Subscription Options Granted to the Ten Top Non-senior Executive Beneficiaries and Options Exercised by Them in the 2021 Fiscal Year

None

Options Exercised During the Fiscal Year

All options have been exercised in 2015. The stock option plans are now expired.

in €	2020	2019	2018	2017	2016
Dividend per share for the fiscal year	0.68	0.34	0.57	0.46	0.42
Number of shares	92,180,190	92,180,190	92,180,190	92,180,190	92,180,190
Dividend corrected per share[1]	0.68	0.34	0.57	0.46	0.42

1 Compared to the number of shares as of December 31, 2017

Share Subscription Plan

The stock option plans are detailed in the tables above. The authority delegated to the Board of Directors for setting up a new plan has recently expired. The Board of Directors no longer has any such delegated authority to set up any new plan.

Share Subscription Warrants

Sartorius Stedim Biotech S.A. has not issued any share subscription warrants.

Pledging of Shares

No Sartorius Stedim Biotech S.A. shares were pledged.

Pledging of Assets

None

Senior Executives

Information on Sartorius Stedim Biotech S.A. senior executives and a list of the positions they hold or have held over the past five years are included in the Corporate Governance report.

Directors’ Fees

Directors’ fees are calculated on an annual basis. The method of calculating these fees remains the same. It is as follows.

The directors receive directors' meeting attendance fees whose amount and allocation are established by the Board of Directors in consideration of the limits set by the ASM:

- Each Director receives a fixed remuneration of €35,000 per year, to be paid after the annual financial statements have been adopted by the Annual Shareholders’ Meeting and which is due for payment after the Annual Shareholders’ Meeting. The chairman of the Board receives twice this amount. Furthermore, members of the Board receive an attendance fee of €1,200 per meeting and reimbursement of their expenses in addition to the annual remuneration.

- For their membership to the Audit Committee, each Director receives a lump-sum amount of €6,000 per full year of membership in addition to the attendance fee of €1,200. If they chair the committee of the Audit Committee, instead of this, they receive a lump-sum amount of €12,000 per full year that they hold the chairperson in addition to the attendance fee.

- For their membership to the Remunerations & Nominations Committee, each Director receives a lump-sum amount of €4,000 per full year of membership in addition to the attendance fee of €1,200. Insofar as they hold the chair of the Remunerations & Nominations Committee, instead of this, they receive a lump-sum amount of €8,000 per full year that they hold the chairperson in addition to the attendance fee.

The remuneration for the activities on any committee is due together with the remuneration under

- the terms of previous Subsection hereof.

- Any value-added tax is reimbursed by the corporation, insofar as the members of the Board are entitled to invoice the corporation separately for the value-added tax and they exercise this right.

- All these resolutions will not be applied to the Directors that got an executive top management activity at the group level, as well as for the Director(s) representing the employees. In this context, the executive corporate officers, as well as the Director(s) representing the employees will not receive any remuneration for their membership.

A total of €317,400 has been provisioned in directors' fees for 2021 (payment en 2022).

Compensation of the Executive Management Team

		Base | fixed salaries € in K	Annual incentive € in K	Long Term Incentive € in K	Other	Stock options € in K	Departure Indemnity € in K	Directors' meeting attendance fees € in K
Total 2020	1,776.0	451.5	273.0	1,044.0	7.5	0.0	0.0	0.0
Total 2021	2,002.5	500.0	360.0	1,112.5	30.0	0.0	0.0	0.0
Joachim Kreuzburg[1] 2020	1,776.0	451.5	273.0	1,044.0	7.5	0.0	0.0	0.0
Joachim Kreuzburg[1] 2021	2,002.5	500.0	360.0	1,112.5	30.0	0.0	0.0	0.0

1 For more details please refer to the Chapter Corporate Governance on pages 71 to 102.

Independent Auditors

The independent auditors for Sartorius Stedim Biotech S.A. are:

- KPMG S.A., represented by Nicolas Blasquez.

- Deloitte & Associés, represented by Christophe Perrau.

Payment Terms for Trade Payables & Receivables

	Article D. 441-1st : Invoices received but not paid at the date of the end of the exercicze whose term has expired						Article D. 441-2nd: Invoices sent but not paid at the date of the end of the exercize whose term has expired					
	0 day (indicative)	1 à 30 days	31 at 60 days	61 at 90 days	91 days and after	Total	0 day (indicative)	1 à 30 days	31 at 60 days	61 at 90 days	91 days and after	Total
(A) Repartition of late payment												
Number of concerned invoices	7	0	0	0	11	18	1	1	0	0	0	2
Total Amount of concerned invoices (Including all taxes)	110,705	0	0	0	31,507	142,212	–123,735	–79,271	0	0	0	–203,006
Percentage of Total amount of purchases including taxes for the exercize	1%	0%	0%	0%	0%	1%						
Percentage of sales including taxes for the exercize							5%	3%				8%
(B) Invoices excluded from (A) relating to disputed and and contentious Receivables non recorded												
Number of invoices excluded	0					0	0					0
Total amount of excluded invoices including taxes	0					0	0					0
(C) Reference payment terms used (Contractual or statutory period - article L. 441-6 or article L. 441-3 of Commerce Code)												
Payment terms used for the payment term calculation			Contractual time limit:		30 days				Contractual time limit:		30 days	
			Legal time limit:						Legal time limit:			

Five-Year Financial Results of the Parent Company Sartorius Stedim Biotech S.A.

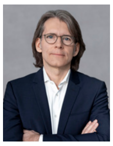
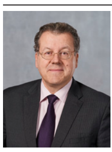
€ in K	2017	2018	2019	2020	2021
Share capital at end of period					
Share capital (capital stock)	18,436	18,436	18,436	18,436	18,436
Number of shares outstanding	92,180,190	92,180,190	92,180,190	92,180,190	92,180,190
Transactions and financial performance					
Sales revenue (excl. VAT)	2,198	1,999	2,116	1,876	2,110
Profit before tax, employee profit sharing plan, amortization, depreciation and provision expenses (and reversals)	55,840	54,135	57,230	81,367	115,005
Income tax	5,552	3,316	−443	−745	−1,416
Contribution to employee profit-sharing plan	0	0	0	0	0
Net profit	49,463	49,521	56,834	81,227	115,521
Dividends paid or proposal of dividend	38,713	42,403	52,541	31,341	62,683
Earnings per share					
EPS after tax and employee profit-sharing, but before amortization, depreciation and provision expenses	0.55	0.55	0.63	0.89	1.26
EPS after tax and employee profit-sharing, amortization, depreciation and provision expenses	0.54	0.54	0.62	0.88	1.25
Dividend per share	0.42	0.46	0.57	0.34	0.68
Personnel					
Workforce size	0	0	0	0	0
Personnel costs	0	0	0	0	0
Social security costs	0	0	0	0	0

Corporate Governance

03

The Board of Directors and its Committees

The Board of Directors

	Name	Mandate	Age	Independent[1]	First appointement	Expiration of current mandate[2]	Audit Committee member	Remunerations & Nominations Committee member
	Joachim KREUZBURG	Chairman and Chief Executive Officer	56		2007	2022		
	Pascale BOISSEL	Director	55	•	2019	2022	•	
	Christelle BAUDERE	Director representing employees	47		2021	2024		
	Susan DEXTER	Director	66	•	2015	2024		•
	René FÁBER	Director	46		2019	2022		
	Anne-Marie GRAFFIN	Director	60	•	2015	2024	•	•
	Lothar KAPPICH	Director	64		2017	2022	•	•
	Henri RIEY	Director	60		2007	2022	•	•

1 In accordance with the recommendation N° 8 of the AFEP-MEDEF code
2 Directors are appointed until the date of the Annual General Shareholders' Meeting called to approve the financial statement of the previous fiscal year ending.

The Company is administered by a Board of Directors composed of eight members, three of whom are independent. The directors are appointed for a three-year period.

The organization of the works of the Board of Directors and its composition must be suited to the shareholding structure, to the size and the nature of the activity of Sartorius Stedim Biotech S.A. and the particular circumstances it can face.

Composition of the Board of Directors as of 31 December 2021

For historical reasons due to the shareholding structure of the Company, the composition of the Board of Directors and its Committees reflected the aim by our reference shareholder of a long-lasting balance between the Directors representing these shareholders, the independent directors and the executive directors.

Our controlling shareholder takes its own responsibility towards the other shareholders, direct and distinct from the Board of Directors' one. It takes particular care to avoid possible conflicts of interests in the transparency of the information provided to the market and to fairly take all interests into account, see below the paragraph on the balance of powers and the composition of the Board of Directors on page 71.

The Board of Directors considers, on a yearly basis, the balance in its composition and that of the Committees it has established, in particular in the representation of women and men, nationalities, balance of powers and diversity of skills by taking appropriate measures to guarantee to the shareholders and to the market that its missions are carried out with the necessary independence and objectivity. It makes public, via the following sections of this Universal Registration Document the objectives, methods and results of its politics on these subjects. It is nevertheless necessary to consider, in particular, that these principles are established under the condition that the beneficial owner of the controlling shareholder is ultimately a community of heirs that has certain restrictions to observe with regards to the control of Sartorius group, including the Company. The community of heirs will continue to be bound to those restrictions until July 2028. Therefore, a certain dependency of SSB S.A. vis-à-vis the controlling shareholder will remain in place at least until July 2028, although the Company and its controlling shareholder are both listed companies.

Joachim Kreuzburg

Chairman and Chief Executive Officer

Date of birth: 22 April 1965
Nationality: German

First appointment: 29 June 2007
Mandate renewed: 26 March 2019
Appointed until: date of the Annual General Shareholders' Meeting in 2022 to approve the financial statements for the fiscal year ending 31 December 2021

Number of Sartorius Stedim Biotech Shares held: 6

Other current directorships and positions within the Group:

Chairman of the Executive Board (Vorstand) of Sartorius AG;
Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;
Managing Director of Sartorius Lab Holding GmbH;
Managing Director of SWT Treuhand GmbH;
Managing Director of SI Weende-Verwaltungs-GmbH;
Managing Director of SI Grone 1-Verwaltungs-GmbH;

Managing Director of SIV Grone 2 GmbH;
Managing Director of Sartorius Ventures GmbH;
Chairman of the Advisory Board of LabTwin GmbH;
Chairman of the Board of Directors of Sartorius North America Inc.

Past directorships (held during the past five years) within the Group:

Vice Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;
Managing Director of Sartorius Weighing Technology GmbH;
Managing Director of Sartorius Corporate Administration GmbH;
President and Chairman of the Executive Committee of Sartorius Stedim FMT S.A.S;
Member of the Board of Directors of Essen Instruments, Inc.;
Chairman of the Board of Directors of Sartorius Stedim North America Inc.;
Member of the Board of Directors of IntelliCyt Corporation;
Chairman of the Board of Directors of Sartorius Stedim Filters Inc.;
Member of the Board of Directors of Denver Instrument (Beijing) Co. Ltd.;
Member of the Board of Directors of Sartorius Stedim Japan K.K.;
Member of the Board of Directors of Sartorius Stedim Lab Ltd.;
Member of the Board of Directors of Sartorius Stedim BioOutsource Ltd.

Other current directorships and positions outside the Group:

Member of the Supervisory Board (Aufsichtsrat) of Carl Zeiss AG, Germany;
Member of the Administrative Board (Verwaltungsrat) of Ottobock Management SE, Germany;
Member of the Economic Advisory Board (Wirtschaftsbeirat) of Norddeutsche Landesbank, Germany.

Past directorships (held during the past five years) outside the Group:

Chairman of the Advisory Board (Beirat) of Otto Bock Holding GmbH & Co. KG, Germany;
Vice Chairman of the Supervisory Board (Aufsichtsrat) of Ottobock SE & Co. KGaA, Germany;
Member of the regional Advisory Board (Regionalbeirat) of Commerzbank AG, Germany.

Educational and professional background:

Diplom-Maschinenbau-Ingenieur, Dr. rer. pol. (University degree in mechanical engineering, doctorate in economics)

1992–1995	Research associate at the Institute for Solar Energy Research in Hamelin, Germany
1995–1999	Research associate at the Faculty of Economics and Management at the University of Hanover, Germany
Since 1 May 1999	Sartorius AG, Goettingen, Germany. Most recent position before promotion to the Executive Board: Vice President, Finances and Investor Relations
Since 11 Nov. 2002	Member of the Executive Board of Sartorius AG, Goettingen, Germany
1 May 2003, to 10 Nov. 2005	Spokesman (Sprecher) of the Executive Board of Sartorius AG, Goettingen, Germany

Since 11 Nov. 2005	CEO and Executive Board Chairman of Sartorius AG, Goettingen, Germany; currently responsible for Group Strategy, Human Resources, Corporate Research, Legal Affairs & Compliance, Communications

Lothar Kappich

Non-executive member
Date of birth: 15 February 1957
Nationality: German

First appointment: 14 September 2017
Mandate renewed: 26 March 2019
Appointed until: the 2022 Annual General Shareholders' Meeting approving the financial statements for the fiscal year ending 31 December 2021

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:

Chairman of the Supervisory Board of Sartorius AG.

Past directorships (held during the past five years) within the Group:

Member of the Supervisory Board of Sartorius AG.

Other current directorships and positions outside the Group:

None

Past directorships (held during the past five years) outside the Group:

Managing Director of ECE Projektmanagement GmbH & Co. KG, Germany.

Educational and professional background:

Doctorate (Dr. rer. pol.) in economics (subject of the doctoral dissertation: Theory of International Business Activity)

1988-1990	Controller in the Central Controlling Department from Schering AG in Berlin
1990-2017	ECE Projektmanagement G.m.b.H. & Co. KG in Hamburg, latest position Managing Director of ECE's HR & Corporate Services as well as Managing Director of numerous subsidiaries at the ECE group
2007-2017	Member of the Supervisory Board of Sartorius AG, Goettingen
Since 2017	Chairman of the Supervisory Board of Sartorius AG, Goettingen

René Fáber

Non-executive member [1]
Date of birth: 18 July 1975
Nationality: Slovak

First appointment: 26 March 2019
Appointed until: the 2022 Annual General Shareholders' Meeting approving the financial statements for the fiscal year ending 31 December 2021

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions within the Group:

Member of the Executive Board of Sartorius AG;
Vice Chairman of the Supervisory Board of Sartorius Stedim Biotech GmbH;
Chairman of the Supervisory Board of Xell AG;
Chairman of the Advisory Board of Sartorius CellGenix GmbH;
Member of the Board of Directors of Sartorius Korea Biotech Co., Ltd.;
Member of the Board of Directors of Sartorius Korea Operations LLC;
Member of the Board of Directors of Sartorius Stedim Japan K.K.;
Member of the Board of Directors of Sartorius Stedim (Shanghai) Trading Co., Ltd.;
President and Chairman of the Executive Committee of Sartorius Stedim FMT S.A.S.;
Chairman of the Advisory Board of BIA SEPARATIONS d.o.o.

Past directorships (held during the past five years) within the Group:

Managing Director of Sartorius Stedim Biotech GmbH;
Managing Director of Sartorius Stedim North America Holding GmbH;
Member of the Advisory Board of BIA SEPARATIONS d.o.o.

Other current directorships and positions outside the Group:

Member of the Advisory Board of Curexsys GmbH, Germany.

Past directorships (held during the past five years) outside the Group:

None

Educational and professional background:

Master degree in chemistry at the Technical University in Bratislava, Slovakia
PhD in polymer chemistry at the Technical University of Munich, Germany

1 As from February 9, 2022, Deputy Director

2001 – 2002	Scientist at French specialty chemical group Rhodia, Slovakia
2002 – 2004	Post-doctoral researcher at Vivascience
2004 – 2018	Various positions at Sartorius Group (esp. Sartorius Stedim Biotech GmbH, Germany)
2004-2006	Scientist R&D Membrane Modification
2006-2010	Director development and production of surface modified membranes
2010 – 2013	Vice President R&D Process Technologies
2012 – 2014	Value Creation Agent in Supplier Relationship Center of Roche and Genentech, San Francisco, USA
2014 – 2017	Vice President Marketing and Product Management Filtration Technologies
2016 – 2018	Key Account Manager Roche/Genentech
2017 – 2018	Vice President Marketing and Product Management Fermentation Technologies
2018	Head of Product Development, Bioprocess Solutions Division
Since 2019	Head of Bioprocess Solutions Division of Sartorius Group, Member of the Executive Board of Sartorius AG, Germany

Henri Riey

Non-executive member
Date of birth: 5 November 1961
Nationality: Monegasque

First appointment: 29 June 2007
Mandate renewed: 26 March 2019
Appointed until: date of the Annual General Shareholders' Meeting in 2022 to approve the financial statements for the fiscal year ending 31 December 2021

Number of Sartorius Stedim Biotech shares held: 16

Other current directorships and positions outside the Group:

President of Aidea;
President of Groupe HR S.A.S.;
President of Association Monegasque de Cindynique;
Director and secretary-treasurer of The Princess Grace Foundation (Monaco).

Educational and professional background:

Diplôme Institut Supérieur de Gestion (France)
(degree earned at the French Higher Institute of Business Management "Institut supérieur de gestion")

1985–1988	Fund Manager at Paribas bank
1988–1996	Fund Manager, responsible for the European Equity Fund Management Team at Barclays Bank, France
1996–1999	Head of Research of Barclays Asset Management Europe
1999–2004	Executive Vice President of Barclays Asset Management; in charge of all fund management businesses
2004-2013	CFO of Hendyplan S.A.

Anne-Marie Graffin

Non-executive member
Independent Director
Date of birth: 3 May 1961
Nationality: French

First appointment: 7 April 2015
Mandate renewed: 24 March 2021
Appointed until: date of the Annual General Shareholders' Meeting in 2024 to approve the financial statements for the fiscal year ending 31 December 2023

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the Group:

Member of the Supervisory Board of Valneva SE;
Member of the Supervisory Board of Nanobiotix S.A.;
Member of the Supervisory Board of M2Care S.A.S.;
Managing Director of SMAG Consulting S.A.S.

Past directorships (held during the past five years) outside the Group:

None

Educational and professional background:

Graduated from ESSEC (Ecole Supérieure des Sciences Economiques et Commerciales)

1984-1987	International Distillers and Vinters, France Products Manager
1988-1990	URGO Laboratories Marketing Manager
1991-1995	RoC S.A (Johnson & Johnson) - Head of International Marketing Group
1998-2000	Sanofi Pasteur MSD - France Products Manager Adults Vaccines
2001-2005	Sanofi Pasteur - Head of range then Europe Adults Vaccines Marketing Director
2006-2008	Sanofi Pasteur MSD - Executive Director Business Management
2009-2010	Sanofi Pasteur MSD - Vice President Business Management
Since 2011	Managing Director SMAG Consulting S.A.S. - Advice Biotech and Medtech Strategy Management

Susan Dexter

Non-executive member
Independent Director
Date of birth: 11 October 1955
Nationality: American

First appointment: 7 April 2015
Mandate renewed: 24 March 2021
Appointed until: date of the Annual General Shareholders' Meeting in 2024 to approve the financial statements for the fiscal year ending 31 December 2023

Number of Sartorius Stedim Biotech shares held: 6

Other current directorships and positions outside the Group:

None

Past directorships (held during the past five years) outside the Group:

None

Educational and professional background:

Degrees and Certifications: BS in Immunology and Marketing (double major, honors), American University, Washington, D.C., USA
Harvard University Negotiation Course for Lawyers, Harvard University, Cambridge, Massachusetts, USA
Finance for non-financial Managers, Harvard University through Dow Chemical Company internal training program

1975-1980	University of Massachusetts Medical School, Research, mammalian cell culture, animal toxicology studies, basic research
1980-1986	Collaborative Research, Biotechnology Sales in emerging markets for bioprocessing supplements and raw materials for biomanufacturing
1986-1998	Celltech Biologics, Lonza Biologics, Business Development-bioprocessing and manufacturing of biotechnology based biotherapeutics
1998-2004	Collaborative BioAlliance, Dow Chemical Company (Dow Biotechnology Contract Manufacturing Services) - Vice President, Business Development for microbial fermentation services, technologies and implementation of single use bioprocessing technologies
2004-2008	Xcellerex, Inc. (now GE Healthcare), Chief Business Officer; CMO services using fully integrated single-use bioprocessing technology, sales of single use bioprocessing technologies
2008-2020	Latham Biopharm Group, Managing Director; Due Diligence, Acting VP Business Development for multiple CMO's offering contract manufacturing services to the biotechnology life sciences industry, strategic consulting, single-use disposable technology implementation, project management and high-level business development and marketing, Advisor and speak for BioProcess International, Outsourced Pharma

Since 2020	Sonnet Biotherapeutics, Inc., Chief Technical Officer | Non-clinical | CMC | Supply Chain. Responsible for product development for Sonnet's pipeline of biotherapeutic cytokine assets for treatment of solid tumor cancers

Pascale Boissel

Non-executive member
Independent Director
Date of birth: 15 October 1966
Nationality: French

First appointment: 26 March 2019
Appointed until: date of the Annual General Shareholders' Meeting in 2022 to approve the financial statements for the fiscal year ending 31 December 2021

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions outside the Group:

Member of the Board of Directors of Poxel S.A.;
Member of the Supervisory Board of Innate Pharma S.A.

Past directorships (held during the past five years) outside the Group:

None

Educational and professional background:

Graduated from HEC (Ecole des hautes Etudes de Commerciales) : MBA in Finance & Audit
Graduated with a CPA diploma (diplôme d'expertise comptable & commissariat aux comptes)

2009-2012	IPSOGEN – Chief Financial Officer
2012-2016	BIOASTER Institute – Chief Financial Officer & Deputy Chief Executive Officer
2017-2018	ENYO PHARMA – Part time Chief Financial Officer
Since 2017	NOVADISCOVERY – Part time Chief Financial Officer

Christelle Baudere

Non-executive member
Director representing the Employees
Date of birth: 15 November 1974
Nationality: French

First appointment: 1 January 2021
Appointed until: date of the Annual General Shareholders' Meeting in 2024 to approve the financial statements for the fiscal year ending 31 December 2023

Number of Sartorius Stedim Biotech shares held: 1

Other current directorships and positions outside the Group:

None

Past directorships (held during the past five years) outside the Group:

None

Educational and professional background:

1996	Bachelor in Economic and Social Sciences
1998	High school Degree in Management Assistant
2009-2010	Les Oasis de Plan d'Eau – Executive Assistant
2010-2011	Vinci Group – Executive Assistant
2011-2019	Sartorius Stedim FMT SAS – Executive Assistant to Operations
Since 2019	Sartorius Stedim FMT SAS - Manager of Indirect Purchasing for Corporate Sourcing

Registered Addresses

With regards to their social mandates, the members of the Board of Directors are domiciled at the Company's headquarters.

One Director representing employees since September 2019

One Director representing employees is member of the Board of Directors. Mrs Christelle Baudere was appointed by the Work Council's decision of the CSE dated 27 November 2020, effective as from January 1st, 2021. She holds the duties of Manager of indirect purchasing. She was appointed for a 3-year term. Like any new Director, the Director representing employees followed an induction course intended to perfect her knowledge of the Company's organisation and activities, which involved in particular individual interviews with the Group's main senior managers.

The Director representing employees does not receive Directors' fees as a Director representing the employees. The components of her remuneration as an employee are not published.

Independent Directors

The Company being controlled by a majority shareholder, the portion of independent administrator board members should be at least a third of the Board of Directors. As of 31 December 2021, the Board of Directors of Sartorius Stedim Biotech S.A. is composed of 43% of independent members under the independence criteria defined by the APEF-MEDEF code.

Pursuant to the principles of good corporate governance, the independent members may not be principal shareholders, employees, former Group employees, suppliers or bankers of the Group or major customers, nor may they have any other link likely to impair their judgment.

In accordance with the internal rules of the Board of Directors and in application of the AFEP-MEDEF code, the independence of directors is assessed each year with respect to the following criteria.

An independent director:

- May not be an employee or senior executive employee or director of his or her parent company or of one of its consolidated companies and may not have been so during the five previous years (criterion 1);

- May not be a senior executive of a company in which the company directly or indirectly holds a director's position or in which an employee as such or a senior executive of the company (either currently or having been so for less than five years) holds a director's position (criterion 2);

- May not be a significant client, supplier, business banker or investment banker of the company or of its group, for which the company or its group represents a significant part of its business (criterion 3);

- May not have any close family ties with one of the senior executives (criterion 4);
- May not have been a statutory auditor of the company for the five past years (criterion 5);
- May not have been a director of the company for more than twelve years (criterion 6).

In addition to the abovementioned criteria, the Board of Directors analyses other factors, such as the ability to understand the issues and risks, prior to making a decision on whether a director qualifies as independent.

As part of the Assessment of the Board of Directors, the Board of Directors goes through all the criteria listed above and currently it states that it has three independent directors: Mrs. Pascale Boissel, Mrs. Susan Dexter, and Mrs Anne-Marie Graffin.

	Not an employee or executive officer	No cross-directorships	No significant business relationships	No family links	Not a statutory auditory	First appointement	Not a director for over 12 years	Classification adopted
Joachim Kreuzburg	No	No	Yes	Yes	Yes	2007	No	Not independent
Pascale Boissel	Yes	Yes	Yes	Yes	Yes	2019	Yes	Independent
Christelle Baudere	No	Yes	Yes	Yes	Yes	2021	Yes	Not independent
Susan Dexter	Yes	Yes	Yes	Yes	Yes	2015	Yes	Independent
René Fáber	No	No	Yes	Yes	Yes	2019	Yes	Not independent
Anne-Marie Graffin	Yes	Yes	Yes	Yes	Yes	2015	Yes	Independent
Lothar Kappich	Yes	No	Yes	Yes	Yes	2017	Yes	Not independent
Henri Riey	Yes	Yes	Yes	Yes	Yes	2007	No	Not independent

Balanced representation of women and men

Each year, the Board of Directors examines the desired balance in its composition and that of its committees, seeking in particular a balanced representation of men and women, and a wide diversity of skills and nationalities, reflecting as best it can both the highly technical and global nature of the company's business.

Specifically, as regards the threshold of 40% women to be reached under the provisions of Article L. 225-18-1 and L 22-10-3 of the French Commercial Code, the Board of Directors has put significant effort into searching for skilled, independent and dedicated female directors with a proven level of expertise in biotechnologies or related industries. As of 31 December 2021, the Board of Directors of Sartorius Stedim Biotech S.A. is composed of 43% of women.

Assessment of the Board of Directors

The internal rules of the Board of Directors require that once a year the Board devotes an item on its agenda to discuss its functioning and ensures that a formal assessment is carried out. For this purpose, in December 2021, members of the Board completed a questionnaire on the following topics:

- the Board's composition;
- the mode and structure of governance;
- the effectiveness of the Board of Directors;
- the Board's working methods;
- the areas of competence of the Board's members;
- areas for improvement.

Consistent with last year's efficiency review, the results are satisfactory in terms of flow of information, active participation of each Board members, quality of the Committee's work. Those answers are reflecting the high-quality teamwork of Board members and their convergence of views.

Board of Directors' internal regulations and balance of powers

As the functions of Chairman of the Board of Directors and Chief Executive Officer are combined under a monist structure, the Board of Directors has enacted an internal regulation to ensure the balance of powers. According to such internal regulations, the CEO and/or Deputy CEO cannot make certain decisions without the prior authorisation of the Board of Directors. It is also specified that the Board of Directors meets at least once a year without the presence of the CEO.

The Board of Directors has adopted a set of internal regulations that defines and includes operating rules of operation for this body relating to its powers, members' attendance, transcations requiring approval and prior validation with a certain number of triggering thresholds. The Board of Directors approves strategic investment projects and any transaction, in particular acquisitions or disposals that are likely to materially affect the Company's results, the structure of its balance sheet or risk profile. More precisely, the Board of Directors approves in advance certain decisions of the management such as budget, investments, financing, business activities, human resources, contracts, litigation, transactions or measures that go beyond the ordinary course of business, as described in more details in page 200 of this report in the Section Other Legal Information.Besides, in order to reinforce the balance of powers, within his office of Director, each Director must ensure that there is not conflict of interest against the company. The charter sets out the rights and obligations of the Directors. It is delivered to each new Director when he takes up office. Each Director undertakes to be bound by and put into practice the rules contained in such Charter.

The directors' charter is included in the schedule of the Board of Director's internal rules and defines the rights and obligations of directors, in particular regarding the code of ethics and prevention of conflicts of interest, as described in more details in page 200 of this report in the Section Other Legal Information. The Board of Directors updated their internal rules during the meeting that took place on March 24, 2020, with the purpose of ensuring compliance with the latest legal, regulatory and statutory obligations applicable to the Company, as well as the last update of the AFEP-MEDEF governance code of January 2020.

Staggering of the mandate terms

According to the AFEP MEDEF governance code for listed companies, the staggering of terms should be organized in order to avoid renewing a group of mandates and to promote harmonious renewal of the Directors' mandates. The afferent rule relating to staggering terms was respected in the 2021 fiscal year since two expiring mandates were considered and were renewed (Mrs Anne-Marie Graffin and Mrs Susan Dexter).

Plurality of mandates

In accordance with the APEF MEDEF governance code for listed companies, an executive Director cannot exercise more than two other mandates of Director in listed companies outside its group, including foreign companies. It should in addition collect the notice from the Board before accepting a new Director mandate in a listed company.

Moreover, a Director cannot exercise more than four other mandates in listed companies outside its group, including foreign companies. This recommendation is applied during the nomination or the renewal of the Director's mandate.

Procedures established and followed by the Committees are set up within their respective internal regulations.

Committees' members are appointed by the Board of Directors. A special attention is paid by the Board of Directors to the nomination of renewal of the mandate of the Chairman of the Audit Committee, upon recommendation of the Remunerations and Nominations Committee.

Other Information

The Board of Directors met ten times during 2021 fiscal year.

The preparation and holding of the meetings of the Board of Directors and its Committees require significant availability and investment by the Directors. In 2021, the attendance rate at Board meetings was 99% on average. The individual attendance rate at Board and Committee meetings is specified below.

The allocation of Directors' fees, based on the rate of attendance by each of the Directors at Board meetings and presence at the meetings of its various Committees, is described in page 105 of the present Universal Registration Document.

	Board of Directors	Audit Committee	Remunerations and Nominations Committee
Joachim Kreuzburg	100%		
Pascale Boissel	90%	100%	
Christelle Baudere	100%		
Susan Dexter	100%		100%
René Fáber	100%		
Anne-Marie Graffin	100%	100%	100%
Lothar Kappich	100%	100%	100%
Henri Riey	100%	100%	100%
Average 2021	99%	100%	100%

In accordance with the bylaws of the Company, each Director owns personally at least one share of the Company.

To the Company's knowledge, all Directors fulfil the below mentioned thresholds with regards to numbers of mandates in listed companies:

- For the executive Directors: maximum of two mandates in companies not belonging to the group,

- For non-executive Directors: maximum of four mandates in companies not belonging to the group.

To the company's knowledge, within the last five years, no member of the Board of Directors:

- has been convicted of fraud during the last five years or has been subject to any official public investigation or sanction by statutory regulatory authorities;

- has been associated in his | her capacity of manager in any bankruptcy, receivership or liquidation for the past five years;

- has been disqualified by a court from acting in the capacity of a member of an administrative, management or supervisory body of an issuer or from acting in the capacity of a management executive or conducting the business of any issuer for the past five years.

To the Company's knowledge, no family relationships exist among the members of the company's Board of Directors.

Furthermore, to the Company's knowledge, there is no conflict of interest between any duty of the members of the Board of Directors and their private interests and | or other duties. A Director must inform the Board as soon as he/she is aware of any conflict of interests, or even the possibility of a potential conflict, and must refrain from any participation in discussions on the relevant subject matter and from voting on any associated resolutions.

To the Company's knowledge, no settlement or agreement has been reached with shareholders, clients, suppliers or others to appoint a member of the Board of Directors.

Measures taken to ensure that control is not done in an abusive way are the following:

- Three members of the Board of Directors out of seven are independent directors. (it being specified that pursuant to Article 9.3 of the AFEP-MEDEF Code, the Director representing employees is not taking into account when determining this ratio) .

- Two independent members of the Board out of four are members of the Audit Committee, one of them being the Chairwoman of such committee.

- Two independent members of the Board out of four are members of the Remunerations and Nominations Committee.

Conditions for Preparation and Organization of the Work of the Board of Directors

Internal Rules and Regulations

The procedures governing the organization and functioning of the Board of Directors are defined by the internal Regulations of the Board, described in page 71 of this Report.

The Internal Rules and Regulations currently applicable have been adopted on March 24, 2020, with the purpose of ensuring compliance with the latest legal, regulatory and statutory obligations applicable to the Company, as well as the last update of the AFEP-MEDEF governance code of January 2020.

The Board of Directors deals with all matters concerning the proper operation of the company and takes decisions on subjects that concern it.

Its Missions

The main missions of the Board of Directors are as follows:

- The Board of Directors shall define the company's strategic goals and assess them from an overall perspective at least once a year, as proposed by the CEO, and ensure that these goals are implemented. It shall also appoint the corporate officers responsible for managing the company in pursuit of this strategy and review all delegations of authority;

- The Board of Directors shall review the management of the Group and monitor the quality of information provided to shareholders and to the market through the financial statements or when material events occur, especially about the company's shareholdings;

- The Board of Directors is responsible for approving all strategic investment projects and any transaction, in particular acquisitions or disposals, likely to materially affect the company's results, the structure of its balance sheet or risk profile;

- The Board of Directors will beforehand decide for each significant transaction outside the scope of the announced strategy;

- The Board of Directors shall deliberate prior to making any changes to the management structure of the company, and shall be informed of the principal organizational changes;

- The Board of Directors shall examine the corporate and consolidated accounts and approve the management report and the sections of the annual report dealing with corporate governance and those setting out the company's policies with respect to remuneration and stock options;

- Although it is not a modification of the corporate purpose of the Company, the Board of Directors must seize the Shareholders' Meeting if the transaction concerns a preponderant share of the assets or the activities of the group;

- The Board of Directors shall convene annual shareholders' meetings and propose changes to the articles of association.

The missions mentioned above summarize the internal regulation of the Board of Directors.

Activity Report of the Board of Directors for the 2021 Fiscal year

The Board reviewed and approved the company and consolidated accounts for 2020.

The Board of Directors considered and debated on the following at its meetings:

- Strategic direction and major Group projects
- The annual, half-year and quarterly financial statements
- Budgets presented by executive management
- Information on the financial structure and cash flow items
- Significant off-balance sheet commitments
- Risk indicators for the Group
- Stock market performance
- Self-assessment of the Board members
- Elements of remuneration due or attributed
- Renewal of Mandates
- General Shareholders Meeting preparation and governance topics
- Approval of several acquisitions projects

Information to be provided to Directors

Before each Board Meeting, Directors receive a report on the agenda items that require prior consideration, in due time and following notification.

Preliminary figures of the annual and interim statements are generally sent to all Directors at least one week before the meeting of the Audit Committee, which is always held on the day of or on the day before the Board meeting.

In addition to Board meetings, the Chairman regularly informs the Directors of any event or development that may have a material impact on Group operations or on any information previously communicated to the Board.

The members of the Board of Directors receive a copy of each press release published by the Company. The Directors may, at any time, request further information from the Chairman of the Board, who shall assess the relevance of the request.

The Audit Committee and the Remuneration and Nomination Committee are responsible for studying and making preparations for the Board’s main deliberations in order to improve the Board’s efficiency.

Under no circumstances do these Committees relieve the Board which has the only legal power of decision nor are allowed to cause division within its college which is and stays responsible of the accomplishment of its missions. The Committees don’t replace but are an emanation of the Board of Directors facilitating its work.

The Committees of the Board may consult, in the performance of their functions, any of the main company’s executive officers after having informed the Chairman of the Board of Directors and subject to reporting back to the Board.

The Committees of the Board may request external technical studies relating to matters within their competence, at the expense of the Company, after having informed the Chairman of the Board of Directors or the Board of Directors itself and subject to reporting back to the Board.

In the event the Committees solicit the services of external counsels (e.g. the Remuneration Committee for the purpose of gathering information related to systems and levels of remunerations applicable within the main markets), the Committees shall ensure the objectiveness of the sought advice.

Each Board of Directors meeting is preceeded with at least one meeting of one of the two committees, depending on the addressed topics. The Committees remain accountable to the Board of Directors and address to them their position, advice and recommendations.

Procedures established and followed by the Committees are set up within their respective internal regulations.

Committees' members are appointed by the Board of Directors. A special attention is paid by the Board of Directors to the nomination of renewal of the mandate of the Chairman of the Audit Committee.

Further, in compliance with Article 11.3 of the AFEP-MEDEF Code, the Board of Directors hold a meeting without the presence of the CEO.

The Audit Committee

The Audit Committee assists the Board of Directors in areas relating to accounting policy, reporting, internal and external control, financial communication and management of the risks to which the company is exposed.

Audit Committee duties

Regarding accounting policy and internal control, the Audit Committee has the following duties:

- To proceed as soon as possible, and in any event prior to examination of the annual parent company financial statements and, where appropriate, the consolidated financial statements by the Board of Directors, with the review of all the financial, interim and annual parent company and, where appropriate, consolidated financial statements, including their notes and, where appropriate, the management report presented by the Board of Directors to the General Meeting of Shareholders called to approve the financial statements for the year ended and to present its observations to the Board of Directors. During the examination of the financial statements, the Committee pays particular attention to significant transactions that could have given rise to a conflict of interests;

- To ensure the pertinence of the selected methods and accounting procedures chosen by the company and to check their proper application;

- To check the accounting treatment of any significant transaction made by the company;

- To ensure that the internal procedures for data collection and control are sufficient to ensure the quality and reliability of the annual parent company financial statements and, where appropriate, the company's consolidated financial statements;

- To examine the scope of the consolidated companies and, where appropriate, the reasons for which any companies are not included.

Regarding external control, the Audit Committee has the following duties:

- To submit to the Board of Directors recommendations concerning the Statutory Auditors in view of their appointment or renewal by the General Meeting of Shareholders, to analyse and issue an opinion on the definition, extent and timetable of their assignment and their fees. For this purpose, the Committee steers the selection procedure for the Statutory Auditors and submits to the Board of Directors a recommendation on the Statutory Auditors proposed for appointment by the General Meeting of Shareholders. The Committee proposes to the Board the selection procedure and, in particular, whether a call for tender should be issued. It supervises the call for tender and approves the specifications and the selection of the companies consulted, taking care to select the "best bid" and not the "lowest bid";

- To ensure the independence of the Statutory Auditors.

Regarding risk analysis and prevention, the Audit Committee has the following duties:

- To analyse all disputes, including fiscal, that may have a significant impact on the parent company financial statements and, where appropriate, the company's consolidated financial statements, or its financial position;
- To examine the company's exposure to significant financial risks. The Committee examines the risks and significant off-balance sheet commitments and assesses the importance of malfunctions or weaknesses that it is made aware of and informs the Board, as appropriate;
- To review the conclusions of internal audit reports;
- To verify the satisfactory application of internal controls and information reporting procedures.

Regarding financial communication, the Audit Committee's duties include reviewing the company's financial communication projects relating to the annual and interim parent company financial statements, as well as quarterly sales.

Given the extent of its remit, the Audit Committee consults with the Statutory Auditors, but also with the Finance, Accounts and Treasury Directors. These meetings may be held, at the Committee's request, without the Company's executive bodies being present.

Composition of the Audit Committee

The Audit Committee comprises at least three members chosen by the Board of Directors for their accounting and finance expertise, of whom one must be an independent member.

The independence criteria retained by the Audit Committee's internal rules are based on those proposed by the recommendations of the AFEP MEDEF code and the Ethics code and adapted to suit the company's size, organization and means.

Audit Committee's internal rules

The Audit Committee has adopted a set of internal rules and a charter designed to provide a framework for its duties and operation and, in particular, to ensure the implementation and application of independence criteria for its members. It also includes the conditions for remuneration of the latter.

As of 31 December 2021 , the Audit Committee has four members:

- Mrs. Pascale Boissel, Chairwoman of the Committee
- Mrs. Anne-Marie Graffin
- Mr. Lothar Kappich
- Mr. Henri Riey

The Chairwoman of the Audit Committee is independent.

The Chairman of the Board of Directors, who is also the CEO of the Group, is a permanent guest of the Audit Committee, but has no voting rights.

The Head of Controlling of BPS division is also present and acts as the secretary of the meetings. The Audit Committee met five times during fiscal 2021.

Activity report of the Audit Committee for the 2021 financial year

The Committee reviewed and approved the parent company and consolidated financial statements for 2020.

During its meetings, the Audit Committee addressed and discussed the following points in particular:

- Annual and half-yearly financial statements and quarterly data
- Study and review of the 2021 budget
- Study and review of budget 2022
- Review of the various Company management reports and group management reports, as well as the Universal Registration Document
- Information relating to the financial structure and cash position
- Indicators of risks within the group
- Internal audit compliance report
- Stock market evolution
- Borrowings contracted

Remuneration and Nomination Committee

Remuneration and Nomination Committee duties

The Remuneration and Nomination Committee's purpose is to assist the company's Board of Directors in setting the remuneration policy for corporate officers and, in particular, relating to incentive mechanisms (allocation of stock options and bonus shares) that the company may implement.

During the year, the Remuneration and Nomination Committee may consult all the company's executive members, after it has informed the Chairman of the Board of Directors, and must report on this to the Board.

The Remuneration and Nomination Committee's duties also include assisting the Board of Directors with the appointment or renewal of Board members. In its works, the Remuneration and Nomination Committee considers possible succession plans that make it possible to respond to unforeseeable replacements (illness, death, unexpected resignation).

Composition of the Committee and functioning

As of 31 December 2021 , the Remunerations and Nominations Committee has four members:

Mr. Lothar Kappich, appointed member of the Remunerations of Nominations Committee during the Board of Directors meeting that took place on October 10, 2017, was appointed Chairman of the Committee by its members during the meeting held on 15 February 2018. His mandate as Chairman of the Committee was renewed on March 26, 2019.

- Mrs. Anne-Marie Graffin
- Mrs. Susan Dexter
- Mr. Henri Riey

Two of the four members of the Remuneration and Nomination Committee are independent.

Additionally the Head of Controlling of BPS division is also present and acts as the secretary of the meetings. Besides the Director representing the Employees also attend the meetings of the Remuneration and Nomination Committee.

The Remunerations and Nominations Committee met twice in the 2021 fiscal year.

Report on the activities of the Remuneration and Nomination Committee for the 2021 financial year

- Approval of annual remuneration of non-executive directors in 2020
- Assessment of the criteria for the remuneration of Directors in 2020 (including the Assessment of the criteria for fixed, variable, extraordinary and other forms of remuneration for the CEO, allocated in 2020 by Sartorius AG)
- Approval of the Directors' remuneration policy for 2021 described on page 105
- Discussion on succession plans and Board Member mandates renewal.

Report on Corporate Governance

1. Regulated Agreement

The Company has decided to continue the services agreement between the Company and Sartorius AG, made effective retroactively since January 1st, 2015 and adopted by the Annual Shareholders' meeting of April 4th, 2017, and covering the recharge of services of the Company's Officers.

The said agreement contains the following modalities:

1. Nature: General assistance and administrative services
2. Purpose: formalization of the recharges between the Company and its parent company.
3. Amounts invoiced in the two past years:

For Mr. Joachim Kreuzburg:

Year 2020: 761 917€

Year 2021: 883 200 €

For René Fáber:

Year 2020: 608 400€

Year 2021: 511 599 €

Taking into account the results of the vote of the 4th resolution of the shareholders' meeting held on March 24, 2021 on the approval of this regulated agreement, the Board of Directors, in its meeting held on February 9, 2022, upon proposal of the Remuneration and Nomination Committee, has (i) reviewed and decided remuneration policies of the executive corporate officers for the 2022 financial year and (ii) decided to terminate the abovementioned services agreement and not to renew it for the 2022 financial year.

Details on the remuneration policy and payment of the corporate officers are described in the Section Remuneration of the Members of the Board, page 105.

2. Other Information

Information required by Article L 22-10-9 of the French Commercial Code

The information referred to in Article L. 22-10-9 of the French Commercial Code is described in the chapter entitled "Remuneration of Directors" in the 2021 Universal Registration Document (page 105).

In accordance with the provisions of Article L. 225-100 II of the French Commercial Code, this information will be submitted for shareholder approval at the shareholders' Meeting of 29 March 2022, in its sixth (6th) resolution.

Remuneration of the Chairman and Chief Executive Officer for the financial year 2021

The fixed, variable and exceptional items making up the total remuneration and benefits of all kinds due or awarded to Mr. Joachim Kreuzburg, Chairman and Chief Executive Officer, for the financial year ended December 31, 2021, are described in the chapter entitled "Remuneration of Directors" in the 2021 Universal Registration Document (page 105).

In accordance with the provisions of Article L. 225-100 III of the French Commercial Code, these items will be submitted for shareholders' approval at the shareholders' meeting of March 29, 2022, in its seventh (7th) resolution (ex post vote)

Remuneration policy for the Chairman and Chief Executive Officer for the 2022 financial year

The remuneration policy for the Chairman and Chief Executive Officer for the 2022 financial year, mentioned in Article L. 22-10-8 of the French Commercial Code, is set out in the chapter entitled "Remuneration of Directors" in the 2021 Universal Registration Document (page 105).

This remuneration policy will be submitted for shareholders' approval at the shareholders' meeting of March 29, 2022, in its eighth (8th) resolution (*ex ante* vote).

Remuneration policy for the Deputy Chief Executive Officer for the 2022 financial year

The remuneration policy for the Deputy Chief Executive Officer for the 2022 financial year, mentioned in Article L. 22-10-8 of the French Commercial Code, is set out in the chapter entitled "Remuneration of Directors" in the 2021 Universal Registration Document (page 105).

This remuneration policy will be submitted for shareholders' approval at the shareholders' meeting of March 29, 2022, in its ninth (9th) resolution (*ex ante* vote).

Corporate Governance Code / AFEP MEDEF

Since the 2008 fiscal year, the Sartorius Stedim Biotech S.A. Board of Directors decided to follow the AFEP-MEDEF recommendations, as revised in January 2020, as the reference code for corporate governance (see www.medef.fr).

The AFEP-MEDEF Corporate Governance Code (the "Code") defines a set of regulations for good and responsible corporate governance. It follows the "comply or explain" principle that is implemented in most countries of the European Union. If a listed company does not comply with a recommendation of this Code, it must explain this in its corporate governance report.

In accordance with article 27.1 of the Corporate Governance Code for listed companies in effect from the presented date (the "Code"); listed companies referring to the code are required to precisely identify, in their Universal Registration Document, the application of these recommendations. In case of non-application of one of these provisions, companies are required to provide a comprehensible, relevant and circumstantial explanation according to the rule "apply or explain". It is recommended by the AMF (recommendation n°2014-08 of 22 September 2014) that companies indicate in a specific table each recommendation that are not applied and the related explanations.

Specific table on recommendations of the AFEP MEDEF Code for the Governance of listed Companies

Article	Deviations of the provisions of the Code	Explanations
3.2 - 3.4	Disclosure of the option selected It is essential for the shareholders and third parties to be fully informed of the choice made between separation of the offices of Chairman and Chief Executive Officer and maintenance of these positions as a single office.	The Board of Directors has opted for the Chairman's functions meeting of the Board Committee and as Chief Executive Officer in order to simplify the company operational management and increase its effectiveness. This organization turned out to be a factor of efficient governance considering the organization of the Sartorius Stedim Biotech Group. Mr. Joachim Kreuzburg is Chairman of the Board and CEO of Sartorius AG, the parent company of the group. He is on one hand bound to the controlling shareholder and on the other hand very involved in the business affairs of the Group which he particularly knows and experienced. In order to ensure a fair balance of powers, Sartorius advocates to have a certain number of identical decision-makers at the parent company and SSB SA level, so that both interests can be represented at the same hierarchical level, with the same legitimacy and level of information. To accompany this choice, specific measures are in place for a fair balance of powers (Internal Regulation, and Board Members Charter – See the Universal Registration Document in page 208 to 210 for further details and extract). The internal regulations provide that important decisions cannot be taken by the CEO or Deputy CEOs without the prior approval of Board of Directors. Furthermore, in compliance with Article 11.3 of the AFEP-MEDEF Code, one meeting of the Board of Directors, is held annually, without the executive corporate officers at the end of each year. Also, the Board of Directors is proceeding to an annual evaluation of its functioning to identify the improvements that could be made. The result of the evaluation shows that this organization is well suited for the interests of the company.
16.1	Independent directors within the Audit Committee The proportion of independent Directors on the audit committee (excluding the directors representing employee shareholders and directors representing employees, who are not taken into account) should be at least equal to two-thirds, and the committee should not include any executive director.	On December 31, 2021 50% of the Audit Committee members are independent (i.e. two members out of four). This is the direct consequence of the loss of the status of independent of one of its members during the fiscal year ended on December 31, 2019 (Mr. Henri Riey). The Audit Committee is chaired by an independent administrator: Mrs. Pascale Boissel. In view of her high experience in finance topics of the members of the Audit Committee, and in particular of its chairwoman, the Board of Directors considers that the current composition ensures the efficiency of the work of the Committee. No executive director is a member of the Audit Committee.

Article	Deviations of the provisions of the Code	Explanations
16.3	Examination deadline of the accounts between the Audit Committee and the Board of Directors.	For practical reasons, connected in particular to the presence within the Committee of a majority of non-resident members, the meetings of the Audit committee usually take place the same days as those of the Board of Directors. Taking into consideration this obligation, and in order to give to the Audit committee the possibility of achieving completely its missions, the internal rules of the Board mentions that any documents and useful information must be communicated to the Board by the Chairman and Chief Executive Officer upfront and in a sufficient delay. The files are then transmitted to the members of the Audit Committee with a sufficient upstream delay and at the latest three days before every meeting of the Committee or of the Board allowing them to have a sufficient delay for the examination of the statements before these meetings. Therefore, each member of the said committee is spending the necessary time to examine each topic and is duly enabled to require such information if needed.
17/18	The Committee in charge of Remuneration and Nomination	
17.1/18.1	Independent directors within the Remuneration and Nomination Committee It must mostly consist of independent Directors It is recommended that the Chairman of the committee should be independent. It is recommended that one of its members should be an employee Director	The Board of Directors decided to create a Remuneration and Nomination Committee. On December 31, 2021, 50% of the Remuneration and Nominations Committee members are independent (i.e. 2 members out of four). This is the direct consequence of the loss of the status of independent of one of its member during the fiscal year ended on December 31, 2019 (Mr. Henri Riey). It is further mentioned that the Chairman and Chief Executive Officer of the Board is not a member of the committee. For historical reasons related to the company share options, the composition of the specialized committee was reflecting the aim by our shareholder to reflect a balance between the directors representing the shareholders and the independent directors. Mr. Lothar Kappich was appointed Chairman of the Remuneration and Nomination Committee of the Sartorius Stedim Biotech Group for management and consistency reasons: although Mr. Lothar Kappich is non-independent, he is also the Chairman of the remunerations committee of the Sartorius Group AG . He was appointed Chairman of the Committee due to his in-depth knowledge of the Group and his experience in the area of compensation in his function at Sartorius AG, but also due to his status of being the executor of the inheritance of Mr. Horst Sartorius. The community of heirs is the beneficial owner of the controlling shareholder. Our controlling shareholder takes its own responsibility towards the other shareholders, direct and distinct from the Board of Directors' one. He takes particular care to avoid possible conflicts of interests and to fairly take all interests into account. In particular, this is explained because ultimately, the beneficial owner of the controlling shareholder is a community of heirs that has certain restrictions to observe with regards to the control of Sartorius group, including the company. The community of heirs will continue to be bound to those restrictions until July 2028. Therefore a certain dependency of SSB SA vis-à-vis the controlling shareholder will be in place, although SSB SA and the controlling shareholder are listed companies. The Director representing the employees, without being a member of the Remuneration and Nomination Committee, has been invited by the Board of Director to attend and fully

Article	Deviations of the provisions of the Code	Explanations
		participate to the meetings of the Remuneration and Nomination Committee. Discussions related to remunerations and advantages of Company's officers are therefore fully transparent and shared with the Director representing employees.
20.	Ethical rules for directors	
	The Director should be a shareholder personally and hold a fairly significant number of shares to the received Directors' fees: by default if he does hold the shares upon assuming his functions, he must use the acquired Directors' fees when acquired.	The Board of Directors has implemented these ethic principles within its internal regulations, in particular within the Director Charter, which is attached to the internal regulations. Beyond the application of Article L 225-25 of the French Commercial Code, the Board of Directors has left until now the freedom to each Director to invest significantly or not within the company.
22.	Termination of employment contract in the event of becoming a company officer	
22.1	When an employee is appointed as a company officer, it is recommended to terminate his or her employment contract with the company or with a company affiliated to the group, whether through contractual termination or resignation	This recommendation is not applicable since there are no Company's officer under an employment contract with the company. As such, there is no possible plurality of contracts. According to German law, it is not necessary to change such service contract when a person becomes a Managing Director of the company he/she works for. It should also be considered that the Sartorius Stedim Biotech Group is controlled by a German majority shareholder, and the biggest group company is a German company; therefore, in this respect German rules and regulations are very common in the whole group and have to be observed at the respective group level. This aspect relating to the service contract is supported by the information contained in the report on the remuneration of Directors as described in this Universal Registration Document.

Shareholders' Meeting

Convening

Annual (or Ordinary) General Shareholders' Meetings are those convened to take all decisions that do not result in a revision of the bylaws. Extraordinary General Shareholders' Meetings are those called to decide or authorize direct or indirect revisions to the bylaws. Special Meetings bring together the holders of a specific class of share to consider revisions to the rights of this class of share. Decisions made at the General Meetings are binding for all shareholders, even those who are absent, dissenting or legally incapable or incapacitated. General Meetings are convened by the Board of Directors or, by default, the independent auditors or a person thus empowered. General Meetings are held at the registered office or any other place stated in the notice of convocation. The forms and timescale of the notice of convocation are governed by French laws.

In 2020, in view of the Covid 19 pandemic, a first emergency health law empowered the government to take by ordinance any measure aimed at simplifying and adapting the conditions for the meeting and deliberation of general meetings and collegiate governing bodies of legal persons governed by private law. A second law extending the state of health emergency authorized the government to take specific measures on this subject. Further, in 2021, in accordance with Article 5 of Order No. 2020-321 of 25 March 2020 adapting the rules for meetings and deliberations of the meetings and governing bodies of legal persons and entities due to the Covid-19 pandemic, as amended and extended by Order No. 2020-1497 of 2 December 2020 extending and amending Order No. 2020-321 of 25 March 2020, Sartorius held its annual shareholders meeting on March 24, 2021, in closed doors session (huis clos).

The notice of meeting and the notice of convocation were published in the BALO on February 12 and March 5, 2021 respectively. The documentation relating to the shareholders'meeting held on 24 March, 2021 was posted on the company's website, as prescribed by law.

Agenda

The notices and letters of call shall indicate the indications required by the law, particularly the agenda, the company electronic address where written questions of Shareholders may be sent and, eventually the mention of the obligation to collect the opinion or the prior approval of the mass of securities shareholders giving access to the share capital.

The meeting may only deliberate on the matters placed on the agenda. It may, however, remove one or more directors at any time.

One or more shareholders representing the percentage of share capital required by law may, under the conditions and time limits set forth by law, require the inclusion on the agenda of draft resolutions.

In accordance to the Articles R 225-71 to R 225-74 of the French Commercial Code, requests made by the Shareholders to register draft resolutions on the agenda and written questions are sent to the Headquarters by registered letter with recorded delivery beginning on the publication of the Meeting announcement and until 25 days before the General Meeting, or in a delay of 20 days beginning on the publication of the Meeting announcement, when this one is published more than 45 days before the General Meeting (date of reception of the request by the company will be taken into account).

The request of a new item on the agenda must be motivated. The request to register draft resolutions is provided with the text of draft resolutions, which may have a short explanation of reasons. These requests are subject to justification of possession or representation of required Share capital, in accordance to regulatory rules).

Moreover, in accordance to the Articles L. 2323-67 paragraph 2 of the French Labor Code, requests of draft resolutions made by the Work Council, to be added on the agenda, are sent in the next 10 days following the publication of the Meeting announcement.

If the meeting has been unable to make a valid decision due to a lack of the required quorum, the second meeting and, where appropriate, the second meeting adjourned are called at least ten days in advance in the same form as the first meeting.

Exceptionally, due to the Covid 19 pandemics, the shareholders’ meeting of March 24, 2021, was held in closed session, filmed, broadcasted live, recorded and is available since then, on the Sartorius website. [https://www.sartorius.com/en/company/investor-relations/sartorius-stedim-biotech-sa-investor-relations/shareholders-meeting].

Admission to Meetings — Powers

Every shareholder has the right to attend General Meetings and to participate in the discussions, in person or by proxy, regardless of the number of shares held, on simple proof of identity and the ownership of shares. The right to participate in a General Meeting is subject to the condition that the shares must be recorded, in the name of the shareholder or the shareholder's appointed broker, either in the nominative share accounts held by the company or in the bearer share accounts held by the authorized broker, by zero hours, Paris time, on the second working day prior to the meeting. The recording or registration of the shares in the bearer share accounts held by the authorized broker must be confirmed by a share certificate provided by the broker. This share certificate must be attached to the postal voting form, the proxy form or the application for an admission pass, issued in the name of the shareholder or on behalf of the shareholder represented by the appointed broker. A certificate must also be supplied to shareholders who wish to attend the General Meeting in person but who have not received an admission pass by zero hours, Paris time, on the second working day prior to the meeting.

A Shareholder may be represented by another Shareholder, his or her spouse or by the partner with who he or she signed a Civil Partnership. Furthermore, he or she may be represented by any other moral or physical person of his choice in accordance to the Articles L. 225-106 to -106-3 of the Commercial Code; in that aim, the representative must present valid proof of proxy.

The legal representatives of shareholders who are legally incapable or incapacitated and individuals representing corporate shareholders take part in meetings, whether or not they are shareholders.

All Shareholders may also have a postal voting, using a registration form and sent to the company according to the law and regulations; to be acceptable this registration must be received by the company three days before the date of the Meeting.

In case of remote voting using an electronic vote, or a proxy vote given by electronic signature, this vote is made according to the conditions of the current regulations.

All legal documents relative to legal information for shareholders are made available to them at the registered office of the company, as well as on the internet website [https://www.sartorius.com/en/company/investor-relations/sartorius-stedim-biotech-sa-investor-relations/shareholders-meeting].

Considering the Covid 19 pandemic, and as per French Ordinance N°. 2020-318 , No. 2020-321 of March 25, 2020, and Order No. 2020-1497 of December 2, 2020, Sartorius has held its annual shareholders' meeting on March 24, 2021 in closed session (i.e. without the physical presence of the shareholders or of other persons entitled to attend). All the votes have been performed by correspondence, and the convening to the annual shareholders' meeting has been carried out on a video-based annual shareholders' meeting (ASM) on Wednesday, March 24, 2021, at 14:00 p.m. (CEST).

The Board of Directors had decided at its meeting of 5 February 2021 that the shareholder' meeting would be held in closed session and broadcast live on the company's website. This decision was taken in accordance with French Order no. 2020-321 of 25 March 2020 and Order No. 2020-1497 of 2 December 2020, which adapted the rules relating to shareholder meetings and conferences during the period of a state of health emergency.

As the shareholders' meeting was held in closed session, persons who are normally entitled to attend the shareholders' meeting were informed that it would not be possible to ask questions or submit draft amendments or new resolutions during the shareholders' meeting. In accordance with the procedure described below, shareholders were therefore invited to exercise their postal voting rights prior to the shareholders' meeting.

Shareholders had the opportunity to vote by mail using the Company's paper voting form. Registered shareholders used the voting form attached to their notice of meeting or by VOTACCESS; bearer shareholders requested the voting form and a shareholder certificate from the financial intermediary that manages their shares. They could vote by mail or by VOTACCESS.

In view of the Covid 19 pandemic, which could increase postal delays, it was recommended that the voting form be returned as soon as possible. Due to measures limiting gatherings and travel, it was not possible to request an admission card or to appoint a third party as proxy for a physical participation to the ASM.

The shareholders were not present in person, so they did not have the opportunity to ask questions at the ASM. Therefore, the shareholders had the right to send written questions, which will be answered during the ASM and in the view of the situation, written questions received up to before the end of the second business day preceding the date of the general meeting could have been taken into consideration.

Delegation granted for increase in capital by the Shareholders' meeting to the Board of Directors

Delegation of competence

Object - Duration	Limit	Use in 2021
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right to the allotment of the debt instruments, with preferential subscription rights of the shareholders. (EGM 06/24/2020 – Resolution n°11) Granted for a period of 26 months as from 24/06/2020	The limit is €4,000,000 corresponding to the maximum nominal amount of the increase of the share capital and to the maximal nominal amount of the debt instruments and €500,000,000 on the maximum overall limit of the maximum nominal amount of the debt instruments. It being specified that the limits of the nominal amount of the capital increases and debt instrument, with or without preferential subscription rights of the shareholders, set from the twelfth (12th) to the seventeenth (17th) resolutions submitted to this Shareholders' Meeting shall be deducted from this overall limit	None
Ability to issue shares and/or securities giving access to the share capital of the company and/or securities giving the right of the allotment of debt instruments, without preferential subscription rights of the shareholders – through public offerings ,other than those referred to in the Article L. 411-2 of the French Monetary and Financial Code. (EGM 06/24/2020 – Resolution n° 12) Granted for a period of 26 months as from 24/06/2020	The limit is deducted on the overall limit of €4,000,000 (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None
Ability to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders - through public offers addressed exclusively to qualified investors or to a restricted circle of investors as defined in the article L. 411-2 of the French Monetary and Financial Code. (EGM 06/24/2020 – Resolution n° 13) Granted for a period of 26 months as from 24/06/2020	The limit is deducted on the overall limit of €4,000,000 (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None
Ability to increase the number of shares and/or securities giving access to the share capital of the Company to be issued in the event of a share capital increase with or without preferential subscription rights of the shareholders. (EGM 06/24/2020 – Resolution n° 14) Granted for a period of 26 months as from 24/06/2020	The limit amount 15% of initial issue of shares, pursuant to the resolution n°11 to 13 described above.	None
Ability to issue shares and/or securities giving access to the share capital of the Company, as consideration for securities tendered through public exchange offers initiated by the Company, without preferential subscription right of the shareholders.(EGM 06/24/2020 – Resolution n° 15) Granted for a period of 26 months as from 24/06/2020	The limit is deducted on the overall limit of 10% of the share capital of the Company at the moment of the capital increase (increase of the share capital) and on the overall limit of €500,000,000 (debt instruments).	None

Object - Duration	Limit	Use in 2021
Ability to increase the share capital through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted. (EGM 06/24/2020 – Resolution n° 16) Granted for a period of 26 months as from 24/06/2020	The limit is €4,000,000 (corresponding to the maximum nominal amount of the increase of the share capital); It is a independent limit.	None
Ability to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders (EGM 06/24/2020 – Resolution n° 17) Granted for a period of 26 months as from 24/03/2021	The limit is €4,000,000 corresponding to the maximum nominal amount of the increase of the share capital; it is an independent limit.	None
Ability to grant free new or existing shares to the benefit of employees or corporate officers (EGM 06/24/2020 - Resolution N°19) Granted for a period of 38 months as from 24/06/2020.	The limit amount of 10% of the Company's share capital calculated on the attribution date	None
Ability to reduce the capital by cancelling shares acquired under buyback program (EGM 03/24/2021 - Resolution n°15) Granted for a period of 18 months as from 24/03/2021	The limit is of 10% of the capital of the Company and by period of 24 months.	None

Remuneration of the Members of the Board and of the Executive Corporate Officers

I – Remuneration policy of the Members of the Board and of the Executive Corporate Officers for the 2022 financial year (*ex ante*)

In accordance with Article L. 22-10-8 of the French Commercial Code, the corporate officers' compensation policy, as described herein, will also be subject to a resolution to be proposed to the approval of the shareholders' meeting to be held on March 29th, 2022.

Remuneration policy of the Executive Corporate Officers

The following remuneration policy describes the remuneration policy for the executive corporate officers for the 2022 financial year and was adopted by the Board of Directors in its meeting held on February 9, 2022.

A. **Main Features of the Remuneration Policy and Contribution Toward Promoting the Corporate Strategy and Long-Term Development of the Company**

The remuneration policy for the executive corporate officers aims to remunerate the executive corporate officers appropriately in line with their tasks and responsibilities and to directly consider their performance and the success of the company. Accordingly, the remuneration policy includes fixed remuneration components as well as short- and long-term variable remuneration components.

The company strategy seeks to achieve profitable growth and a sustained, long-term increase in the value of the company. This strategy is the basis from which the structure of the remuneration policy is derived for the executive corporate officers of Sartorius Stedim Biotech S.A.: The short-term variable remuneration depends on annual corporate targets that are aligned with key performance indicators for profitable growth of the company. In addition to these, this short-term remuneration can also consider significant non-financial targets. Long-term remuneration depends on a corporate goal that reflects the sustainable and long-term growth of the company and the Sartorius Stedim Biotech group; in addition, part of the long-term remuneration can also be aligned with meeting non-financial targets of the company that are derived from the corporate strategy and are of material significance for the long-term positive further development of the company. As a result, the company's remuneration policy creates incentives to promote the long-term and positive sustainable development of the company.

B. Details of the Remuneration Policy

I. Remuneration Components

1. Overview of the Individual Remuneration Components

Remuneration consists of fixed and variable components. The fixed component is the fixed annual salary. The variable performance-based components are comprised of short-term components with a one-year assessment basis and of long-term components with a multi-year assessment basis.

2. Fixed Remuneration

Fixed annual remuneration is cash compensation related to a specific fiscal year and is based in particular on the area of duties and responsibilities of the respective executive corporate officer.

3. Variable Performance-Based Remuneration Components

a) Short-Term Variable Remuneration with a One-Year Assessment Basis

In addition to receiving fixed remuneration components, all executive corporate officers are entitled to receive short-term variable remuneration with a one-year assessment basis.

Target Parameters

Short-term variable remuneration with a one-year assessment basis consists of several individual components each related to different target parameters. There are four individual components related to the subordinate financial targets of sales revenue | order intake, underlying EBITDA, the ratio of net debt to underlying EBITDA and the so-called Employee Net Promoter Score (ENPS) as a non-financial subordinate target.

The target parameter of sales revenue | order intake is a measure of the average calculated from sales revenue and order intake and is a key performance indicator of growth. Underlying EBITDA as a target parameter stands for earnings before interest, taxes, depreciation and amortization and is adjusted for extraordinary items. This is a key profitability indicator of the Sartorius Stedim Biotech Group and is used to provide a picture of the Sartorius Stedim Biotech Group's operating development that is also internationally better comparable. The target parameter of the ratio of net debt to underlying EBITDA is calculated as the quotient of net debt and underlying EBITDA and is a key financial ratio regarding the Sartorius Stedim Biotech Group's debt financing capacity. The target parameter ENPS (employer net promoter score) reflects the rate at which employees are likely to further recommend a company as an employer and is currently polled twice a year within the scope of global employees' survey.

To develop these financial target parameters, the company provides regular reports as part of its periodic financial reporting. These targets are key control elements for profitable growth as well as for a sustainable and long-term increase in the value of the company and serve to implement the overarching strategic goals of the Sartorius Stedim Biotech Group. The non-financial target parameter ENPS is an indicator of sustained employee retention, which is of essential importance for the competitiveness of a company on the labor market and thus for the long-term successful further development of the company. As a result, this non-financial target parameter also promotes the overarching strategic goals of the company.

The remuneration policy intentionally does not rigidly prescribe the target parameters, however. Rather, the Board can set further target parameters, including non-financial ones, and | or replace existing target parameters by others. In turn, the particular target parameters must be used that the company reports at least once annually as part of its periodic financial reporting. If non-financial target parameters are additionally used, these must be aligned with the targets that are derived from the corporate strategy and are of material importance for the long-term positive development of the company. In adjusting financial target parameters, the Board shall ensure that the particular target parameters in their entirety continue to reflect key control elements for profitable growth as well as a sustainable and long-term increase in the value of the company. In addition, further non-financial targets may also be defined in the future. At least one target parameter is to be based on key indicators that measure the development of business volume and | or earnings.

Measurement of Target Achievement and Bonus Payment

For each target parameter, the Board determines a formula that is used to calculate the bonus to be paid for the respective individual component based on the degree of target achievement. In the process, the Board also defines (i) the minimum target achievement below which the bonus to be paid is zero, and (ii) the maximum target achievement above which the bonus to be paid no longer increases. As a result, the amount of a bonus to be paid is capped for each subordinate target at a maximum percentage of the individual target amount. This cap is currently 120% for all subordinate targets. However, the Board can elect to define a different cap in the future.

For every individual component of short-term variable remuneration with a one-year assessment basis, the Board shall set an individual target amount for each executive corporate officer before the beginning of a fiscal year. This target amount is used to determine the specific amount of a bonus to be paid based on the level of target achievement defined for the respective fiscal year. The targets are weighted for the individual Board members according to their area of responsibility and, if they are responsible for a division, can be related to the assessment parameters of the particular division, except for the assessment parameters applicable to the Sartorius Stedim Biotech Group.

In the case of financial target parameters, the target at which the full target bonus amount is paid out (= 100% target achievement) is derived by the Board from the approved annual budget for the respective fiscal year and the level of target achievement is determined by comparison with the actual result, which is yielded by the audited and approved consolidated financial statements for the respective fiscal year. If non-financial target parameters are aligned with values that are reported in the Non-Financial Group Report or in the Non-Financial Group Statement for the respective fiscal year, the degree of target achievement is determined by comparison of the target values with the actual results that are presented in the Non-Financial Group Report or in the Non-Financial Group Statement. In determining the level of target achievement, the Board can adjust the actual figure to allow for non-recurring, extraordinary circumstances and/or non-operating items.

Annual short-term variable remuneration is calculated for a fiscal year ended and paid in the following fiscal year. If an executive corporate officer joins or leaves the board without serving for a full year, his or her short-term variable remuneration will be calculated and determined on a pro-rated basis.

b) Long-Term Variable Remuneration Components

The long-term variable remuneration components for all executive corporate officers consist of the following two individual components: One component is related to the development of the consolidated net profit and one component to the reduction in CO_2 emission intensity as target parameters each in a four-year assessment period. As a result, the long-term variable remuneration components are also aligned with financial target parameters that measure profitable growth and a sustainable and long-term increase in the value of the company and the achievement of the climate targets derived from the company’s sustainability strategy, and thus serve to implement the company's overarching strategic objectives.

The remuneration policy intentionally does not rigidly prescribe the target parameters currently used. Rather, the Board can set further financial and/or non-financial target parameters with at least a four-year assessment period, and/or replace existing target parameters by others. If the target parameters are financial, the Board must use those that the company reports at least once annually as part of its periodic financial reporting. In adjusting financial target parameters, the Board shall ensure that the particular target parameters in their entirety continue to reflect key control elements for profitable growth as well as a sustainable and long-term increase in the value of the company. If non-financial target parameters are additionally used, these must be aligned with the targets that are derived from the corporate strategy and are of material importance for the long-term positive development of the company. Moreover, for each target parameter, the Board determines a formula used to calculate the bonus to be paid for the respective individual component based on the degree of target achievement. In the process, the Board also defines (i) the minimum target achievement below which the bonus to be paid is zero, and (ii) the maximum target achievement above which the bonus to be paid no longer increases. As a result, the amount of a bonus to be paid is capped for each subordinate target as a maximum percentage of the individual target amount.

The long-term variable remuneration components are each weighted at 50%. For each of the two individual components, the Board defines a separate individual target amount for every executive corporate officer before the beginning of a fiscal year. This target is used as the basis for calculating the specific bonus amount to be paid out based on the degree of achievement of the associated targets defined for the respective fiscal years.

Consolidated Net Profit

The individual component related to consolidated net profit has an assessment period of four consecutive fiscal years and begins with the fiscal year in which the tranche concerned is granted. A new tranche is granted on a rolling basis for each fiscal year that a member's appointment lasts. The amount paid out for a particular tranche depends on the total target achievement for the respective assessment period, which corresponds to the average target achievement for each of the four fiscal years of the relevant assessment period. For each fiscal year, the Board annually defines a target for consolidated net profit in euros, which is derived by the Board from the annual budget approved for the respective fiscal year.

To determine the level of target achievement for a fiscal year, the consolidated net profit, excluding amortization (impairment of the value of intangible assets due to business combinations pursuant to IFRS 3) – as reported in the company's consolidated financial statements audited and approved – is compared to the particular target set by the Board. In individual cases, the Board may make further adjustments to the actual amount to allow for non-recurring, exceptional circumstances and/or non-operating items.

The amount to be paid out is determined based on the individual target amount and a formula defined by the Board. It provides for (i) a minimum target achievement which must be exceeded to receive a bonus and below which the amount paid out is zero, and (ii) a maximum target achievement, above which the bonus amount to be paid out no longer increases. The bonus paid out is thus capped in each case at a maximum percentage of the individual target amount. This cap is currently set at 120% and is reached at a target achievement level of 120%. In the future, however, the Board may also define a different cap.

This remuneration component is paid out at the end of the fourth fiscal year of the assessment period for the respective tranche.

Reduction of CO_2 Emission intensity

This individual component related to the reduction of the CO_2 emission intensity has an assessment period of four fiscal years and begins with the fiscal year in which the tranche concerned is granted. A new tranche is granted on a rolling basis for each fiscal year. The amount paid out for a particular tranche depends on the individual target amount and target achievement for the respective assessment period. For each tranche, the Board annually defines a target for average annual reduction of the CO_2 emission intensity during the assessment period. This target corresponds to the current target of the company's sustainability strategy in each case (currently a 10% reduction per fiscal year as measured using the baseline value for 2019), where the initial value of this target is provided in the reviewed Non-Financial Statement of the previous year. To determine the target achievement of this parameter, the final value used is the actual value of the CO_2

emission intensity reached in the last fiscal year of the respective four-year assessment period for the corresponding tranche. In individual cases, the Board may make further adjustments to the actual value to allow for base effects and recording inaccuracies.

The amount to be paid out is determined based on the individual target amount and a formula defined by the Board. It provides for (i) a minimum target achievement, and below which the amount paid out is zero, and (ii) a maximum target achievement, above which the bonus amount to be paid out no longer increases. The bonus paid out is thus capped in each case at a maximum percentage of the individual target amount. This cap is consistently set at 120% and is reached at a target achievement level of 120%. In the future, however, the Board may also define a different cap.

This remuneration component is paid out upon expiration of the fourth fiscal year in the respective period of assessment for the tranche concerned.

4. Commitments referred to in Article R. 22-10-14, II 6° of the French Commercial Code

The following commitments were subscribed by Sartorius AG, the controlling shareholder of the Company.

Earlier departure severance

Pursuant to a service agreement entered into between the executive corporate officers and Sartorius AG, the executive corporate officers have committed to a severance pay cap of a maximum of two annual salaries as a maximum, but not more than the salary of the remaining term of such service agreement, to cover cases in which the term of office of the executive corporate officer is terminated prematurely.

In case the term of office of the corporate executive officers is terminated for good cause, no severance is due.

Non-competition clause

The executive coporate officers have a post-contractual non-competition obligation in accordance with German law. This obligation will last for two years after an executive corporate officer has left the Sartorius group. During this time, if the non-competition clause is not waived or terminated, this corporate executive officer member may claim half of his most recent annual remuneration received from Sartorius AG.

Pension commitments

The executive corporate officers receive performance-related benefit commitments under a defined benefit plan when reappointed for the first time. In addition to including a basic pension, these commitments provide for the executive corporate officer to make his own contribution from his variable earnings and for the company to match this contribution by a bonus amount. A corporate officer may choose to receive such defined benefits in the form of a monthly retirement pension for old age or as a one-time payment to cover the member's retirement pension for old age and invalidity as well as in the form of survivor's benefits for the surviving spouse and children of the decedent.

Beyond such commitments, the Chief Executive Officer is additionally entitled under a former company pension scheme to receive performance-based retirement benefits based on the salary of a German federal civil servant classified as grade 10 of salary class B for ministry officials according to the Federal Civil Service Remuneration Act *(Bundesbesoldungsgesetz)*. Such benefits are paid in the form of a retirement pension for old age and invalidity as well as in the form of survivors' benefits for the surviving spouse and children of the decedent.

After an executive corporate officer has turned 65, this shall be considered the regular age limit at which this executive corporate officer shall automatically be entitled to receive all such benefits.

II. Procedure for Establishing and Implementing as well as Reviewing the Remuneration Policy

The Board shall establish and regularly review the remuneration policy for the executive corporate officers in accordance with the legal requirements and proposes changes to the annual shareholders' meeting. The remuneration itself will be paid on behalf of Sartorius Stedim Biotech S.A. by the parent company Sartorius AG to the executive corporate officers. In turn Sartorius Stedim Biotech S.A. reimburses Sartorius AG at cost.

In respect of the principles and criteria abovementioned, the Board of Directors, in its meeting held on February 9, 2022, decided that the remuneration policy of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer for the 2022 financial year will be as follows (variable remuneration under the assumption of 100% target achievement):

	Chairman and Chief Executive Officer		Deputy Chief Executive Officer	
	in €	% of total remuneration	in €	% of total remuneration
Fixed remuneration	500,000	43.6%	288,000	41.4%
Variable 1 year	420,000	36.6%	240,000	34.5%
Order Intake | Sales	168,000	14.6%	96,000	13.8%
Underlying EBITDA	168,000	14.6%	96,000	13.8%
Net debt to underlying EBITDA ratio	42,000	3.7%	24,000	3.4%
Employees' Net Promoter Score	42,000	3.7%	24,000	3.4%
Variable multi year	227,500	19.8%	168,000	24.1%
Net result	113,750	9.9%	84,000	12.1%
CO_2 intensity reduction	113,750	9.9%	84,000	12.1%
Total	1,147,500	100.0%	696,000	100.0%

Remuneration policy of the Directors

The remuneration for board members is defined in the Board of Directors' internal regulations and comprises fixed remuneration, meeting Directors' fees and reimbursement of out-of-pocket expenses. Directors also serving as a member of a committee of the Board receive higher fixed remuneration as described below.

Directors' fees are calculated on an annual basis. The method of calculating these fees remains the same. It is as follows.

The Directors receive directors' meeting attendance fees whose amount and allocation are established by the Board of Directors in consideration of the limits set by the annual shareholders' meeting:

- Each Director receives a fixed remuneration of €35,000 per year, to be paid after the annual financial statements have been adopted by the annual shareholders' meeting and which falls due for payment after the annual shareholders' meeting. The chairman of the Board receives twice this amount. Furthermore, members of the Board receive an attendance fee of €1,200 per meeting and reimbursement of its expenses in addition to the annual remuneration.
- For their membership to the Audit Committee, each Director receives a lump-sum amount of €6,000 per full year of membership in addition to the attendance fee of €1,200. Insofar as they hold the chair of the Audit Committee, instead of this, they receive a lump-sum amount of €12,000 per full year that they hold the chairperson in addition to the attendance fee.
- For their membership to the Remuneration & Nomination Committee, each Director receives a lump-sum amount of €4,000 per full year of membership in addition to the attendance fee of €1,200. Insofar as they hold the chair of the Remuneration & Nomination Committee, instead of this, they receive a lump-sum amount of €8,000 per full year that they hold the chairperson in addition to the attendance fee.

The remuneration for the activities on any committee is due together with the remuneration under the terms of previous Subsection hereof.

- Any value-added tax is reimbursed by the corporation, insofar as the members of the Board are entitled to invoice the corporation separately for the value-added tax and they exercise this right.
- All these resolutions will not be applied for the Directors that got an executive top management activity at the group level, as well as for the Director(s) representing employees. In this context, the executive corporate officers, as well as the Director(s) representing employees will not receive any remuneration for their membership.

These compensation schemes, subject to all prior approvals shall remain similar for the 2022 financial year

Remuneration due or awarded to the Members of the Board and of the Executive Corporate Officers for the 2021 financial year (*ex post*)

The purpose of this report is to present a detailed explanation of the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2021 financial year. This information will be subject to a resolution that will be proposed to the approval of the shareholders' meeting to be held on March 29th, 2022.

Tables Summarizing the Remuneration and Options and Shares Granted to each Executive Corporate Officer

In the 2020 and 2021 financial years, Mr. Joachim Kreuzburg and Mr. René Faber received their remuneration from Sartorius AG, the ultimate parent of the Company. A part of their various remuneration components was charged to the Company and other members of the Sartorius Stedim Biotech Group to reflect their services for the respective companies. In the various tables below, the partial amounts that have been recharged to the Sartorius Stedim Biotech Group are displayed.

Joachim Kreuzburg
(Chairman of the Board and Chief Executive Officer)

€ in K	Year 2021	Year 2020
Remuneration due	2,003	1,776
Valuation of options granted during the reporting period	0	0
Valuation of performance shares granted during the reporting period	0	0
Total	2,003	1,776

René Fáber (Non-Executive Member)

€ in K	Year 2021	Year 2020
Remuneration due	900	742
Valuation of options granted during the reporting period	0	0
Valuation of performance shares granted during the reporting period	0	0
Total	900	742

The amount cross-charged by the company Sartorius AG to the Sartorius Stedim Biotech Group concerning Mr. Joachim Kreuzburg is €2,208 K (2020: €1,879 K) and concerning Mr René Fáber €1,152 K (2020: €1,216 K). The amount charged to the Company is submitted to the approval of the annual shareholders' meeting pursuant to Articles L. 225-38 et seq. of the French Commercial Code and amounted to €1,395 K (2020: €1,370 K).

Summary of the Remuneration for each executive corporate officer

Joachim Kreuzburg[1]
(Chairman of the Board and Chief Executive Officer)

	Year 2021		Year 2020	
€ in K	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	500	500	452	452
Variable remuneration				
Annually paid	360	273	273	248
Long-term incentive	1,113	378	1,044	362
Exceptional remuneration	23	23		
Director's attendance fees				
Benefits in kind [2]	8	8	8	8
Total	2,003	1,181	1,776	1,069

1 Dr. Joachim Kreuzburg receives his salary from Sartorius AG for his duty for the entire Sartorius Group. His remuneration is determined annually by the Supervisory Board of Sartorius AG. The amounts shown here reflect the share of remuneration that has been reimbursed by the Group.
2 Company car

René Fáber[1]
(Non-Executive Member)

	Year 2021		Year 2020	
€ in K	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	396	396	396	396
Variable remuneration				
Annually paid	238	235	235	218
Long-term incentive	214	51	99	50
Exceptional remuneration	41	41		
Director's attendance fees				
Benefits in kind [2]	12	12	12	12
Total	900	734	742	675

1 Dr. René Fáber receives his salary from Sartorius AG for his duty for the entire Sartorius Group. His remuneration is determined annually by the Supervisory Board of Sartorius AG. The amounts shown here reflect the share of remuneration that has been reimbursed by the Group.
2 Company car

Table on Directors' Meeting Fees and Other Remuneration Received by Board Members

€ in K	Year 2021	Year 2020
Pascale Boissel		
Director's attendance fees	63.8	65.0
Other remuneration		
Henri Riey		
Director's attendance fees	65.4	64.2
Other remuneration		
Susan Dexter		
Director's attendance fees	53.4	52.2
Other remuneration		
Anne-Marie Graffin		
Director's attendance fees	65.4	64.2
Other remuneration		
Lothar Kappich		
Director's attendance fees	69.4	68.2
Other remuneration		
Total	317.4	313.8

Performance Shares Available for Each Board Member

Not applicable.

Performance Shares Granted to Board Members

There is no performance share program in place for the board members of Sartorius Stedim Biotech S.A.

Stock Options Granted During the Reporting Period to the Board Members by the Issuer or Any Other Company of the Group

Not applicable.

Stock Options Exercised During the Reporting Period by Each Board Member

Not applicable.

Stock Options Granted | Historical Information

Not applicable.

Stock Options Granted to the Top Ten Non-Corporate Officers and Exercised by Them

Not applicable.

Remuneration ratios

Remuneration or equity ratios are the ratios between the level of remuneration of the Chairman and Chief Executive Officer and the average and median remuneration of the Company's employees. The table was prepared in accordance with the provisions of Article L. 22-10-9, I of the French Commercial Code.

In order to comply with the AFEP-MEDEF Code, and with the AFEP Guidelines on remuneration ratios published in February 2021, and despite the absence of employees within the Company, the following ratios have been established. This analysis takes into account the French subsidiaries held, directly or indirectly, by the Company.

The numerator of the ratios "Package paid for Mr. Joachim Kreuzburg" is made of the details specified in the above tables, it being specified that the remuneration attributed to Mr. Kreuzburg in consideration for his duties in Sartorius Stedim GmbH, a German subsidiary of the Company, is not taken into account since such ratios only take into account the French subsidiaries.

Figures corresponding to the denominator relates to:

- The number of employees, the calculation of employees (full time, and "continuously present")
- The figures taken into account to calculate the wages of 2021. To ensure consistency, we have chosen to take into account all the wages paid to the employees in 2021: fixed salary, yearly bonus, exceptional premium, benefits

€ in K	Package paid for Mr. Joachim Kreuzburg	Average wages France	Median wages France	Ratio on average remuneration	Ratio on median remuneration
2021	472	52	41	9.0	11.5
2020	427	53	42	8.1	10.3
2019	400	46	36	8.6	11.1
2018	366	46	36	8.0	10.1
2017	373	46	36	8.2	10.4

Independent Auditors' Fees

Principal Independent Auditors

KPMG S.A.

480, avenue du Prado
CS 90021
13272 Marseille Cedex 08
France

Represented by Nicolas Blasquez.

First commissioned by the Annual General Shareholders' Meeting on 7 April 2015.

Date commission expires: 2027 Annual General Shareholders´ Meeting to approve the 2026 financial statements.

Member of the Compagnie régionale de Versailles.

Deloitte et Associés

7, boulevard Jacques Saadé
Quai de la Joliette
13235 Marseille Cedex 2
France

Represented by Christophe Perrau.

First commissioned by the Annual General Share-holders´ Meeting on 19 May 2006.

Date commission expires: 2024 Annual General Shareholders´ Meeting to approve the 2023 financial statements.

Member of the Compagnie régionale de Versailles.

Independent Auditors' Fees

	KPMG				Deloitte			
€ in K	2021		2020		2021		2020	
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company	73	7.3%	81	8.1%	66	34.2%	66	38.2%
Subsidiaries	923	92.7%	886	88.3%	127	65.8%	94	54.4%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	996	100.0%	967	96.4%	193	100.0%	160	92.6%
Other services								
Legal, tax, corporate	0	0.0%	36	3.6%	0	0.0%	13	7.4%
Information technology, other	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Subtotal	0	0.0%	36	3.6%	0	0.0%	13	7.4%
Total	996	100.0%	1,003	100%	193	100.0%	173	100%

	Other				Total			
€ in K	2021		2020		2021		2020	
Audit								
Independent audit, certification, parent company & consolidated financial statements								
Parent company					139	8.3%	147	9.6%
Subsidiaries	248	51.6%	116	32.7%	1,298	77.7%	1,096	71.6%
Services directly related to audit services								
Parent company								
Subsidiaries								
Subtotal	248	51.6%	116	32.7%	1,437	86.0%	1,243	81.2%
Other services								
Legal, tax, corporate	129	26.8%	207	58.3%	129	7.7%	256	16.7%
Information technology, other	104	21.6%	32	8.9%	104	6.2%	32	2.1%
Subtotal	233	48.4%	239	67.3%	233	14.0%	288	18.8%
Total	481	100.0%	355	100%	1,670	100.0%	1,531	100%

Consolidated Financial Statements and Notes

04

Statement of Profit or Loss and Other Comprehensive Income

€ in K	Notes	2021 12 months	2020 12 months
Sales revenue	[9]	2,886,977	1,910,081
Cost of sales	[10]	–1,333,974	–906,759
Gross profit on sales		1,553,003	1,003,323
Selling and distribution costs	[10]	–405,647	–296,047
Research and development costs	[10]	–110,491	–84,451
General administrative expenses	[10]	–126,117	–95,491
Other operating income and expenses	[11]	–45,327	–55,619
Earnings before interest and taxes (EBIT)		865,421	471,714
Financial income	[12]	22,293	27,014
Financial expenses	[12]	–240,994	–38,034
Financial result		–218,701	–11,020
Profit before tax		646,720	460,694
Income taxes	[13]	–232,411	–122,095
Net profit for the period		414,309	338,598
Attributable to:			
Equity holders of Sartorius Stedim Biotech		414,413	335,932
Non-controlling interest	[22]	–104	2,666
Earnings per share (€)	[15]	4.50	3.64
Diluted earnings per share (€)	[15]	4.50	3.64

The figures for the 2020 reporting period were restated due to the finalization of the purchase price allocations for the acquisitions of BIA Separations and WaterSep BioSeparations (see Note 8).

Other Comprehensive Income

€ in K	Notes	2021 12 months	2020 12 months
Net profit for the period		414,309	338,598
Cash flow hedges	[38]	–17,533	9,195
of which effective portion of changes in fair value		–12,614	2,684
of which reclassified to profit or loss		–4,919	6,511
Income tax on cash flow hedges	[19]	5,260	–2,759
Foreign currency translation differences		53,820	–35,265
Items that are or may be reclassified subsequently to profit or loss		41,547	–28,829
Remeasurements of the net defined benefit liabilities	[23]	2,232	–3,016
Income tax on remeasurements of the net defined benefits liabilities	[19]	–914	918
Items that will not be reclassified to profit or loss		1,318	–2,098
Other comprehensive income after tax		42,865	–30,927
Total comprehensive income		457,174	307,671
Attributable to:			
Equity holders of Sartorius Stedim Biotech		455,807	305,460
Non-controlling interest		1,367	2,211

The figures for the 2020 reporting period were restated due to the finalization of the purchase price allocations for the acquisitions of BIA Separations and WaterSep BioSeparations (see Note 8).

Statement of Financial Position

€ in K	Notes	Dec. 31, 2021	Dec. 31, 2020
Non-current assets			
Goodwill	[16]	820,702	725,148
Other intangible assets	[16]	684,417	571,882
Property, plant and equipment	[17][18]	928,413	644,272
Financial assets	[35]	14,769	13,497
Other assets		655	509
Deferred tax assets	[19]	46,513	27,481
		2,495,469	1,982,789
Current assets			
Inventories	[20]	782,954	471,034
Trade receivables	[29]	356,005	256,894
Other financial assets	[30]	15,006	20,983
Current tax assets		14,740	6,055
Other assets		63,298	59,217
Cash and cash equivalents	[28]	223,626	59,762
		1,455,629	873,945
Total assets		3,951,098	2,856,733
Equity			
Equity attributable to SSB S.A. shareholders		1,655,866	1,438,124
Issued capital	[21]	18,436	18,436
Capital reserves		231,526	231,526
Retained earnings (including net profit)		1,405,904	1,188,162
Non-controlling interest	[22]	77,361	22,876
		1,733,228	1,461,000
Non-current liabilities			
Pension provisions	[23]	43,670	47,393
Other provisions	[24]	7,714	6,488
Loans and borrowings	[31]	521,072	515,657
Lease liabilities	[18]	64,000	47,463
Other financial liabilities	[32]	418,466	125,816
Deferred tax liabilities	[19]	125,830	85,076
		1,180,752	827,893
Current liabilities			
Provisions	[24]	30,949	20,746
Trade payables	[33]	471,155	306,972
Loans and borrowings	[31]	25,505	13,112
Lease liabilities	[18]	14,939	10,875
Other financial liabilities	[34]	147,274	29,241
Employee benefits	[25]	97,159	59,899
Current tax liabilities		165,026	71,524
Other liabilities		85,111	55,472
		1,037,119	567,840
Total equity and liabilities		3,951,098	2,856,733

The figures for the 2020 reporting period were restated due to the finalization of the purchase price allocations for the acquisitions of BIA Separations and WaterSep BioSeparations (see Note 8).

Statement of Cash Flows

€ in K	Notes	2021 12 months	2020 12 months
Profit before tax		646,720	460,694
Financial result	[12]	218,701	11,020
Depreciation | amortization of fixed assets	[16][17][18]	141,556	101,687
Gains from the disposal of fixed assets		0	127
Change in provisions	[23][24]	6,716	3,447
Change in receivables and other assets	[29][30]	−87,330	−73,889
Change in inventories	[20]	−275,402	−116,617
Change in liabilities (excl. loans and borrowings)	[25][32][33][34]	210,261	143,463
Income taxes paid	[13]	−166,643	−113,980
Other non-cash items		1,393	926
Cash flow from operating activities		695,971	416,878
Capital expenditures	[16][17]	−323,987	−159,192
Other payments		431	8,694
Cash flow from investing activities		−323,556	−150,499
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	[8]	−141,671	−470,617
Cash flow from investing activities and acquisitions		−465,226	−621,116
Interest received	[12]	5,949	5,271
Interest paid and other financial charges	[12]	−8,258	−8,064
Dividends paid to:			
- Shareholders of Sartorius Stedim Biotech S.A.	[21]	−62,683	−31,341
- Non-controlling interest		−1,117	−792
Changes in non-controlling interest	[22]	−134	−30,473
Loans and borrowings repaid	[6][31]	−79,707	−35,322
Loans and borrowings raised	[6][31]	74,239	334,788
Cash flow from financing activities		−71,711	234,066
Net increase | decrease in cash and cash equivalents		159,033	29,829
Cash and cash equivalents at the beginning of the period		59,762	28,166
Currency translation effects on cash and cash equivalents		4,831	1,767
Cash and cash equivalents at the end of the period		223,626	59,762

The figures for the 2020 reporting period were restated due to the finalization of the purchase price allocations for the acquisitions of BIA Separations and WaterSep BioSeparations (see Note 8).

The Notes to the Consolidated Financial Statements are an integral part of these statements.

Statement of Changes in Equity

€ in K	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Non-controlling interest	Total equity
Balance at Jan. 1, 2020	18,436	231,526	1,154	−16,482	899,396	24,689	1,158,719	30,164	1,188,883
Net profit for the period	0	0	0	0	335,932	0	335,932	2,666	338,598
Cash flow hedges	0	0	9,195	0	0	0	9,195	0	9,195
Remeasurements of the net defined benefit liabilities	0	0	0	−3,016	0	0	−3,016	0	−3,016
Foreign currency translation differences	0	0	0	0	0	−34,810	−34,810	−455	−35,265
Deferred taxes	0	0	−2,759	918	0	0	−1,841	0	−1,841
Other comprehensive income for the period	0	0	6,436	−2,098	0	−34,810	−30,472	−455	−30,927
Total comprehensive income	0	0	6,436	−2,098	335,932	−34,810	305,460	2,211	307,671
Dividends					−31,341		−31,341	−792	−32,133
Purchase price liability Israel					19,800		19,800	0	19,800
Changes in non-controlling interest					−14,732		−14,732	−8,603	−23,334
Other changes					218		218	−104	114
Balance at Dec. 31, 2020	18,436	231,526	7,590	−18,580	1,209,274	−10,121	1,438,124	22,875	1,461,000
Net profit for the period	0	0	0	0	414,413	0	414,413	−104	414,309
Cash flow hedges	0	0	−17,533	0	0	0	−17,533	0	−17,533
Remeasurements of the net defined benefit liabilities	0	0	0	2,232	0	0	2,232	0	2,232
Foreign currency translation differences	0	0	0	0	0	52,349	52,349	1,471	53,820
Deferred taxes	0	0	5,260	−914	0	0	4,346	0	4,346
Other comprehensive income for the period	0	0	−12,273	1,318	0	52,349	41,394	1,471	42,865
Total comprehensive income	0	0	−12,273	1,318	414,413	52,349	455,807	1,367	457,174
Dividends					−62,683		−62,683	−1,117	−63,800
Purchase price liability (CellGenix/BI Israel)					−176,517		−176,517	0	−176,517
Changes in non-controlling interest					0		0	54,414	54,415
Other changes					1,135		1,135	−178	957
Balance at December 31, 2021	18,436	231,526	−4,683	−17,262	1,385,622	42,228	1,655,867	77,361	1,733,228

The figures for the 2020 reporting period were restated due to the finalization of the purchase price allocations for the acquisitions of BIA Separations and WaterSep BioSeparations (see Note 8).

Notes to the Financial Statements

1. General Information

Sartorius Stedim Biotech is a leading international partner of the biopharmaceutical industry. As a total solutions provider, the Group helps its customers to manufacture biotech medications safely, rapidly and economically. With its own manufacturing and R&D sites in Europe, North America and Asia and an international network of sales companies, Sartorius Stedim Biotech has a global reach.

Headquartered in Aubagne, France, Sartorius Stedim Biotech S.A. is listed on the Euronext Paris (ISIN code: FR0013154002).

Sartorius Stedim Biotech S.A.'s ultimate parent company is Sartorius AG that is headquartered in Goettingen, Germany, and is listed at several German stock exchanges (ISIN codes: DE0007165607 for ordinary shares; DE0007165631 for preference shares).

In compliance with the European Regulation 1606/2002 of July 19, 2002, which requires listed companies to use International Accounting Standards, the consolidated financial statements of the Sartorius Stedim Biotech Group for the year ended December 31, 2021, are compliant with the IFRS and IFRIC Standards and Interpretations of the IASB as adopted by the European Union, which are available at the following website:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_fr

The consolidated financial statements are prepared in euros. Unless otherwise specified, all amounts are disclosed in thousands of euros (abbreviated as € in K). In some cases, the sums of the figures given in this report may not precisely equal the stated totals and percentages may not be exact due to rounding. In several Notes, the comparative information reported for the prior 2020 reporting period were restated as necessary to reflect the finalization of the purchase price allocations for the acquisitons of WaterSep BioSeparations and BIA Separations in 2020 (see Note 8 for details).

These consolidated financial statements were approved by the Board of Directors on February 9, 2022 and will be submitted for approval by the Annual General Shareholders' Meeting on March 29, 2022.

2. Effects of New Financial Reporting Standards

The following new accounting rules were applicable for the first time to the present consolidated financial statements of the Group but did not have a material effect on these financial statements:

- Amendments to IFRS 9, Financial Instruments; IAS 39, Financial Instruments: Recognition and Measurement; IFRS 7, Financial Instruments: Disclosures; IFRS 4, Insurance Contracts; and IFRS 16, Leases, Interest Rate Benchmark Reform (Phase 2)

The amendments concern modifications of financial assets, financial liabilities and lease liabilities as well as hedge accounting and disclosure requirements according to IFRS 7, which relate to the impact of the IBOR reform. The Group is not materially impacted by the IBOR reform.

- Amendments to IFRS 4, Insurance Contracts – deferral of IFRS 9

The amendments are relevant to insurance companies that do not yet apply IFRS 9. Therefore, they did not impact the Group's consolidated financial statements.

- Amendment to IFRS 16, Leases, regarding Covid-19-related rent concessions after June 30, 2021

The amendment extends the application period of the exemption from assessing whether a Covid-19-related debt concession needs to be considered by a lessee as a lease modification under IFRS 16. As a result, the relief is applicable to lease payments that were originally due by June 30, 2022. The rent concession therefore does not need to be accounted for as a lease modification. This is a voluntary early application without any impact on the Group's consolidated financial statements.

The following standards, interpretations and amendments were not yet applied to the consolidated financial statements of the reporting year as they had not yet been adopted by the EU, or their application was not mandatory for 2021:

Standard | Interpretation	Title	Applicable for financial years from[1]	Endorsement by the EU Commission
IFRS 14	Regulatory Deferral Accounts	January 1, 2016	No
Amendments to IFRS 3, IAS 16 and IAS 37 and amendments to IFRS 1, IFRS 9, IAS 41, and IFRS 16	Minor changes and Annual Improvements to IFRSs 2018-2020 Cycle (issued in May 2020)	January 1, 2022	Yes
Amendments to IFRS 8	Definition of Accounting Estimates	January 1, 2023	No
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023	No
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	January 1, 2023	No
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	January 1, 2023	No
IFRS 17	Insurance Contracts	January 1, 2023	Yes
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	January 1, 2023	No
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	n/a	No

1 These are required to be applied once they are endorsed by the EU Commission. The dates mentioned above are those required by the Standards themselves (IASB effective dates).

To date, the Group does not expect the changes to have a material impact on its consolidated financial statements.

3. Significant Accounting Policies

Significant accounting policies are described in the Notes in which the respective positions of the consolidated financial statements are further explained if they related to specific items. Significant general accounting policies are described below.

Basis of Preparation

The consolidated financial statements of the Group are based on the principle of the historical cost of acquisition, construction, or production, with the exception of the items carried at fair value, such as derivative financial instruments.

Foreign Currency Transactions

The presentation currency of the consolidated financial statements of the Sartorius Stedim Biotech Group is the euro (financial statements presented in thousands of euros). In the financial statements of each company, transactions denominated in foreign currencies have been translated into the functional currency of the subsidiary at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities denominated in a foreign currency have been translated at the exchange rate on the balance sheet date. Exchange rate gains and losses have been recognized in profit or loss for the period.

Translation of Financial Statements Prepared in Foreign Currencies

Subsidiaries' financial statements prepared in foreign currencies are translated pursuant to IAS 21, The Effects of Changes in Foreign Exchange Rates, in accordance with the concept of a functional currency. Foreign subsidiaries are regarded as independent subdivisions of the Sartorius Stedim Biotech Group. The assets (including goodwill) and liabilities of the entities that have a functional currency different from the presentation currency are translated at the exchange rate prevailing at the balance sheet date. The incomes, expenses, and cash flows of these entities are translated using the average rate for the year to the extent that this rate represents an approximate value of exchange rates used as of the date of the transaction in the absence of significant fluctuations. Resulting translation differences are recognized in other comprehensive income.

For long-term loans for which settlement is neither planned nor likely in the foreseeable future, the Group applies the principle of "net investment in a foreign operation." Exchange differences resulting from these loans are recognized in other comprehensive income in accordance with IAS 21.32.

The exchange rates for major currencies against the euro were considered as follows:

	Year-end exchange rates		Average exchange rates	
For €1	2021	2020	2021	2020
USD	1.13245	1.22785	1.18270	1.14196
GBP	0.83902	0.89808	0.85972	0.88951
JPY	130.36000	126.52000	129.87475	121.80849
CHF	1.03336	1.08198	1.08106	1.07042
SGD	1.52820	1.62260	1.58913	1.57408
KRW	1347.69000	1334.08000	1353.74171	1345.63574
CNY	7.18870	8.03140	7.62740	7.87300

4. Use of Judgments and Estimates

During the preparation of consolidated financial statements, management uses estimates and assumptions based on its best knowledge of the current and future situation. However, actual results may differ from these estimates. These estimates and assumptions are revised on a regular basis, and the impact of changes in estimates is recognized prospectively.

In addition, Group management exercises its judgment in defining the accounting treatment of specific transactions when the existing Standards and Interpretations do not specifically treat the accounting problems concerned.

Significant judgments and estimates are especially relevant to the business combinations that are described in Note 8 including the contingent consideration liabilities, the values of which are volatile due to their measurement at fair value at each reporting date.

Other significant judgments and estimates are described in the Notes which provide explanations on the positions of the consolidated financial statements if they relate to specific items. The general assumptions and estimates primarily concern the following topics:

Covid-19 Pandemic Crisis

In 2021, the Group again achieved substantial revenue growth and observed strong demand across all product categories in line with the assumption that our industry and our customers have not been seriously impacted by the Covid-19 pandemic crisis. Furthermore, despite partially strained supply chains and relatively long delivery times, the Group did not experience significant difficulties on the supply side so that business continuity has been ensured. For the 2021 reporting period, it can therefore be concluded that the Group has benefitted to some extent from the crisis as many of our customers produced coronavirus vaccines and Covid-19 therapeutics and continued to build up production capacities for this purpose. Therefore, no material adjustments were made to the relevant accounting estimates in the reporting period. Management has observed, however, that the general uncertainty remains at a high level as a result of the Covid-19 pandemic crisis. For further information about the impact of the Covid-19 pandemic on the global economy, the biopharma industry, and the Group, please refer to the Group Management Report for 2021.

Impairment of Assets

The carrying amounts of property, plant and equipment and of intangible assets, including goodwill, are subject to impairment testing if there is an indication of impairment and at least once a year for intangible assets that have an indefinite useful life or are not yet available for use in accordance with IAS 36, Impairment of Assets. When an asset is tested, the recoverable amount of the asset is estimated. The recoverable amount of an asset or a cash-generating unit (CGU) is the higher of its fair value – less costs of disposal of the asset or CGU – and its value in use. If the individual asset's recoverable amount cannot be estimated, the recoverable amount of the asset's CGU is estimated.

If the estimated recoverable amount of an asset (or a CGU) goes below its carrying amount, this carrying amount is reduced to the recoverable amount (impairment loss allocated in priority to goodwill). If the causes of the asset impairment no longer apply, the carrying amount of the asset (or the CGU) is increased to the newly estimated recoverable amount (except for goodwill). However, the value increase is limited to the value that the asset (or CGU) would have had if no asset impairment loss had been recognized in previous fiscal years.

The calculation of the value in use is generally based on discounted cash flow methods using cash flow projections of up to five years. These projections take into account past experience and represent management's best estimate about future sales revenue and cost developments. Cash flows after the planning period are extrapolated using individual growth rates. Key assumptions on which management has based its determination of the value in use include estimated growth rates, weighted average cost of capital, and tax rates. These estimates can have a material impact on the respective values and, ultimately, the amount of any impairment.

Fair Value Measurement

A number of the Group's accounting policies and disclosures may require the measurement of fair values, for both financial and non-financial assets and liabilities, including Level 3 fair values (unobservable inputs).

If third-party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations need to be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant for the entire measurement.

5. Operating Segments

According to IFRS 8, Operating Segments, the identification of reportable operating segments is based on the "management approach"; i.e., the segments are defined analogously to the internal financial reporting of an entity. Therefore, an area of activity is to be considered an operating segment if its business activities may result in revenues and expenses, its operating results are regularly reviewed by the entity's chief operating decision maker (= the executive members of the Board of Directors) and discrete financial information is available in its internal reporting. Internal control and reporting within Sartorius Stedim Biotech is based on the approach of operating as a "total solutions provider" for its customers. Accordingly, there is only one single segment to be identified for Sartorius Stedim Biotech, driven by the product and customer perspective: Biopharm.

The key performance indicator of the operating segment of the Sartorius Stedim Biotech Group is so-called "underlying EBITDA," as the Board monitors this performance measure at a consolidated level and believes this measure is relevant for an understanding of the Group's financial performance.

EBITDA corresponds to earnings before interest, taxes, depreciation, and amortization; "underlying EBITDA" means EBITDA adjusted for extraordinary items. Extraordinary items are expenses and income in connection with acquisitions, restructuring activities, large Group projects, and gains or losses from the disposal of fixed assets and investments that distort the sustainable profitability of the segment.

Underlying EBITDA is not a defined performance measure in IFRS. The Group's definition of underlying EBITDA may not be comparable to similarly named performance measures and disclosures by other entities.

Segment assets and segment liabilities are not reported on a regular basis to the chief operating decision maker and are therefore not part of the segment report.

	Biopharm			Group		
€ in K	2021	2020	Change	2021	2020	Change
Sales revenue	2,886,977	1,910,081	51%	2,886,977	1,910,081	51%
Underlying EBITDA	1,033,411	604,671	71%	1,033,411	604,671	71%
as a % of sales revenue	35.8%	31.7%		35.8%	31.7%	
EBIT	865,421	471,714	83%	865,421	471,714	83%
as a % of sales revenue	30.0%	24.7%		30.0%	24.7%	

Reconciliation of Segment Profit or Loss:

€ in K	2021	2020
Underlying EBITDA of the segment	1,033,411	604,671
Depreciation and amortization	–141,539	–100,297
Extraordinary effects	–26,451	–32,660
EBIT	865,421	471,714
Financial result	–218,701	–11,020
Profit before tax	646,720	460,694

Supplementary Information by Region

To provide additional information required by IFRS 8, the table below presents supplementary information by geographical region. The key figures for non-current assets of the geographical areas refer to the company location, whereas sales revenue is reported according to the customers' location.

The non-current assets are property, plant and equipment as well as intangible assets (including goodwill).

As in the prior reporting period, the amount of sales revenue with a single customer does not exceed 5% of consolidated sales revenue in the reporting period 2021.

	Sales revenue		Non-current assets	
€ in K	2021	2020	2021	2020
EMEA	1,199,273	761,022	2,053,614	1,630,168
Of which Germany	274,394	171,815	821,473	448,884
Of which France	95,734	70,941	396,215	388,413
Americas	945,998	670,185	319,356	265,225
Of which USA	895,289	636,770	319,356	265,225
Asia | Pacific	741,707	478,874	60,562	45,909
Of which China	303,606	180,308	25,149	14,243
Of which South Korea	140,007	116,732	14,503	13,580
Group	2,886,977	1,910,081	2,433,532	1,941,302

6. Statement of Cash Flows

The statement of cash flows shows the impact of cash inflows and outflows on the cash and cash equivalents of the Group. Cash flows are classified by operating, investing, and financing activities according to IAS 7 (Statement of Cash Flows).

In this context, cash equivalents are assets that can be converted into cash within a short maturity, generally less than three months. The amount considered in the statement of cash flows is equal to the amount of cash and cash equivalents in the statement of financial position.

The following table summarizes the development of the liabilities arising from financing activities during the reporting period:

€ in K	Balance at Dec. 31, 2019	Cash flows	Currency effects	Other non-cash changes	Balance at Dec. 31, 2020
Loans and borrowings	83,544	310,680	–25	134,568	528,768
Lease liabilities	55,056	–11,213	–1,836	16,330	58,337
Liability for acquisition of non-controlling interests	61,010	0	0	–19,504	41,506
Contingent considerations from acquisitions	0	0	–10	712	702
Total financial liabilities from financing activities	199,610	299,467	–1,870	132,105	629,313

€ in K	Balance at Dec. 31, 2020	Cash flows	Currency effects	Other non-cash changes	Balance at Dec. 31, 2021
Loans and borrowings	528,768	8,116	106	9,587	546,577
Lease liabilities	58,337	–13,585	2,890	31,298	78,940
Liability for acquisition of non-controlling interests	41,506	0	0	176,517	218,023
Contingent considerations from acquisitions	702	0	136	3,760	4,598
Total financial liabilities from financing activities	629,313	–5,469	3,131	221,162	848,137

7. Scope of Consolidation

The consolidated financial statements of the Sartorius Stedim Biotech Group include the annual financial statements of all companies, which are controlled directly or indirectly by Sartorius Stedim Biotech S.A. Under IFRS 10, Consolidated Financial Statements, the Sartorius Stedim Biotech Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Such entities are included in the consolidated financial statements from the time when Sartorius Stedim Biotech S.A. or its subsidiaries obtain such control until the date on which control ceases. Subsidiaries are included on the basis of their annual financial statements for the same reporting period as the parent company, using uniform Group recognition and measurement methods. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated on consolidation.

The 2021 financial statements of the following entities:

- Metreon Bioproducts GmbH, Freiburg, Germany
- CellGenix Inc., Wilmington, Delaware, USA
- Beit Haemek Import and Marketing Agricultural Cooperative Society Ltd., Israel

were not included in the scope of consolidation because their figures were of minor importance for assessing the financial position of the Group. The sales revenue and total assets of the non-consolidated companies were below 1% of the Group figures.

The following entities were included in the scope of consolidation for the first time in the reporting period:

- Sartorius CellGenix GmbH, Freiburg, Germany
- Xell AG, Bielefeld, Germany
- Sartorius Korea Operations LLC, Seoul, South Korea

The shares in CellGenix GmbH were acquired on July 1, 2021. The entity was renamed to Sartorius CellGenix GmbH in the reporting period. Xell AG was acquired on July 28, 2021. See Note 8 for details on these acquisitions.

Sartorius South Korea Operations LLC was established in 2021 and has been strengthening the Group's production network with a site in South Korea.

The Group does not apply the equity method to its investments in Distribo GmbH, Germany (ownership interest of the Group: 26%), or to Sartorius Israel Ltd., Israel (51%), for materiality reasons. Sartorius Israel Ltd. is an associate of the Group as the Group neither controls nor jointly controls this entity due to contractual agreements.

The financial statements of the following companies are included in the Group financial statements. All of these entities are fully consolidated. The ownership percentage equals the share of voting rights:

	Ownership in %
EMEA	
Sartorius Stedim Biotech S.A., Aubagne, France	Parent company
Sartorius Stedim Belgium N.V., Brussels, Belgium	100
Sartorius Stedim Nordic Oy, Helsinki, Finland	100
Xell AG, Bielefeld, Germany	100
Sartorius CellGenix GmbH, Freiburg, Germany	51
Sartorius Stedim Biotech GmbH, Göttingen, Germany	100
Sartorius Stedim Plastics GmbH, Göttingen, Germany	100
Sartorius Stedim North America Holding GmbH, Göttingen, Germany	100
Sartorius Stedim Systems GmbH, Guxhagen, Germany	100
Sartorius Stedim Cellca GmbH, Ulm, Germany	100
Sartorius Stedim UK Ltd., Epsom, UK	100
Sartorius Stedim BioOutsource Ltd., Glasgow, UK	100
Sartorius Stedim Lab Ltd., Stonehouse, UK	100
Sartorius Stedim Chromatography Systems Ltd., Royston, UK	100
TAP Biosystems Group Ltd., Royston, UK	100
The Automation Partnership Cambridge Ltd., Royston, UK	100
Sartorius Stedim FMT S.A.S., Aubagne, France	100
Sartorius Stedim France S.A.S., Aubagne, France	100
Sartorius Stedim Chromatography Resins S.A.S., Cergy, France	100
Sartorius Stedim Aseptics S.A.S., Lourdes, France	100
Sartorius Stedim Ireland Ltd., Dublin, Ireland	100
Biological Industries Israel Beit Haemek Ltd., Kibbutz Beit Haemek, Israel	70
Sartorius Stedim Italy S.r.l., Florence, Italy	100
Sartorius Stedim Netherlands B.V., Amersfoort, Netherlands	100
Sartorius Stedim Austria GmbH, Vienna, Austria	100
Sartorius Stedim Poland sp. z.o.o., Kostrzyn, Poland	100
LLC Sartorius Stedim RUS, St. Petersburg, Russia	100
Sartorius Stedim Data Analytics AB, Umeå, Sweden	100
Sartorius Stedim Switzerland AG, Tagelswangen, Switzerland	100
BIA Separations Podjetje za separacijske tehnologije d.o.o., Ajdovščina, Slovenia	100
Sartorius Stedim Spain S.A., Madrid, Spain	100
Sartorius Stedim Hungaria Kft., Budapest, Hungary	100
Sartorius Stedim Bioprocess S.A.R.L., M'Hamdia, Tunisia	100

Americas	
Sartorius Stedim Filters Inc., Yauco, Puerto Rico	100
Sartorius Stedim North America Inc., Dover, Delaware, USA	100
WaterSep BioSeparations LLC, Boston, Massachusetts, USA	100

Asia | Pacific	
Sartorius Stedim Australia Pty. Ltd., Dandenong South, Victoria, Australia	100
Sartorius Stedim Biotech (Beijing) Co. Ltd., Beijing, China	100
Sartorius Stedim (Shanghai) Trading Co. Ltd., Shanghai, China	100
Sartorius Stedim India Pvt. Ltd., Bangalore, India	100
Sartorius Stedim Japan K.K., Tokyo, Japan	100
Sartorius Korea Biotech Co. Ltd., Seoul, South Korea	69
Sartorius Korea Operations LLC, Seoul, South Korea	100
Sartorius Stedim Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100
Sartorius Stedim Singapore Pte. Ltd., Singapore, Singapore	100
Sartorius Stedim Taiwan Inc., New Taipei City, Taiwan	100

8. Business Combinations

Business combinations are accounted for by applying the acquisition method. The accounting for business combinations requires that the consideration transferred, as well as the assets acquired and liabilities assumed, be measured at their respective fair values on the acquisition date.

The application of the acquisition method requires estimates and assumptions to be made, especially concerning the fair values of the consideration transferred; the intangible assets acquired; property, plant and equipment; the liabilities assumed at the acquisition date; and the useful lives of the assets. These measurements are based to a large extent on anticipated cash flows. If actual cash flows vary from those used in calculating fair values, this may materially affect the Group's future results of operations.

For significant acquisitions, the purchase price allocation is carried out with assistance from independent third-party valuation specialists. The valuations are based on the information available at the acquisition date.

Acquisition of BIA Separations in 2020

On November 2, 2020, the Group acquired 100% of the shares in the Slovenian purification specialist BIA Separations Podjetje za separacijske tehnologije d.o.o. ("BIA Separations"). BIA Separation employed about 120 employees at its headquarters in Ajdovščina, Slovenia, as of the acquisition date.

The company develops and manufactures market-leading products for the purification and analysis of large biomolecules, such as viruses, plasmids, and mRNA, which are used in cell and gene therapies and other advanced therapies. It is therefore complementary to the existing product portfolio of the Group. BIA's technology for manufacturing-scale purification is already used in the production of the first commercialized advanced therapeutics. The company also has a strong presence with such novel drug candidates in the clinical pipeline. This leads to the assumption of a corresponding potential for future growth, the timing of which is subject to an elevated level of uncertainty in light of the ongoing Covid-19 pandemic that already existed on the acquisition date, as well as of the risks that are typically inherent to the development of drugs.

Determination of the acquisition-date fair values of the assets acquired and liabilities assumed, as well as of the consideration transferred, was completed in 2021. The following table presents preliminary and final valuations:

	Preliminary purchase price allocation € in K	Final purchase price allocation € in K
Intangible assets	308,014	237,709
Property, plant and equipment	13,834	13,834
Inventories	3,317	2,646
Trade receivables	1,696	1,696
Other assets	679	679
Cash and cash equivalents	2,176	2,176
Deferred taxes - net	–58,100	–44,614
Provisions	–2,744	–2,744
Loans and borrowings	–1,841	–1,841
Other liabilities	–5,489	–5,489
Net assets acquired	261,542	204,052
Purchase price	366,891	366,972
Contingent consideration	285,530	90,369
Goodwill	390,879	253,289

The main assets included in other intangible assets are BIA Separations technology for manufacturing-scale purification (€225.4 million) and customer relations (€12.2 million).

The consideration transferred includes a payment of €234.2 million in cash and 405,887 shares in the Group's parent company Sartorius Stedim Biotech S.A., which were transferred at the acquisition date by the ultimate parent of the Group, Sartorius AG, to the former owners of BIA Separations. The fair value of these shares was measured at €132.7 million as of the acquisition date. In addition, the Group and the former owners of BIA Separations have further agreed on three tranches of earn-out payments based on the sales performance of BIA Separations over the next five fiscal years. Depending on this sales performance, the sellers are entitled to receive additional shares in Sartorius Stedim Biotech S.A. This additional contingent consideration agreement is classified as a financial liability and measured at fair value through profit or loss at each reporting date. At the acquisition date, the contingent consideration component was finally valued at an amount of €90.4 million. This estimate reflects the expected future sales performance and the assumed number of shares to be transferred as well as the present value of the expected future share prices at the expected settlement dates. The lower end of the bandwidth of possible outcomes of the contingent consideration is zero, while the upper limit cannot be quantified due to settlement in shares.

As of the reporting date on December 31, 2021, the fair value of the contingent consideration liability was measured at €288.2 million. The change since December 31, 2020 (amount based on the final purchase price allocation: €80.6 million) mainly reflects the development of the share price of Sartorius Stedim Biotech S.A. and the strong development of sales revenues in 2021. Furthermore, the discount rates applied to calculate the present value of the future obligation were adjusted to reflect the market rates at December 31, 2021. The difference of about €207.7 million between the valuation as of December 31, 2020, and the reporting date was recognized in the financial result. The range of possible outcomes of the contingent consideration has changed to the extent of that of the tranche relating to the sales performance achieved in 2021 (fair value at reporting date: €97.9 million), which is only subject to changes in the share price up to settlement of the liability.

The key input parameters for the valuation of the financial liability are the sales revenue expectations for the next few years as well as the share price of Sartorius Stedim Biotech S.A. at the respective valuation date. The valuation results are less sensitive to realistic changes of other valuation parameters, e.g., the discount rates applied. Assuming 10% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date by approximately €32 million (decrease by approximately €28 million). If the share price of Sartorius Stedim Biotech S.A. had been 10% higher (lower) at the reporting date, the liability would have been €29 million higher (€29 million lower). The actual future outcomes may differ from these sensitivities that are determined by changing only the respective key input parameter in isolation.

Expenses of €3.6 million directly attributable to the acquisition were recognized as other expenses in profit or loss. The resulting goodwill represents synergies, such as those arising from BIA Separations' access to the Group's worldwide sales and distribution network, the completion of the Group's product portfolio, and intangible assets that are not recognized separately; e.g., the know-how of the skilled workforce. Goodwill is not tax deductible.

Acquisition of WaterSep BioSeparations LLC in 2020

On December 9, 2020, the Group acquired 100% of the shares in the U.S.-based entity WaterSep BioSeparations LLC. The company employed about 15 employees in Marlborough, Massachusetts, USA, at the acquisition date. WaterSep BioSeparations develops, manufactures, and markets hollow-fiber membrane devices and pre-sterilized assemblies for upstream and downstream biopharmaceutical applications. This acquisition is complementary to our current offering for cell and gene therapy applications, cell harvesting, and various solutions for intensified bioprocessing.

Determination of the acquisition-date fair values of the assets acquired and liabilities assumed, as well as the consideration transferred, was completed in 2021. The following table presents preliminary and final valuations:

	Preliminary purchase price allocation € in K	Final purchase price allocation € in K
Intangible assets	3	8,073
Property, plant and equipment	236	558
Inventories	362	450
Trade receivables	362	362
Other assets	85	85
Cash and cash equivalents	111	111
Other liabilities	-68	-390
Net assets acquired	1,091	9,250
Purchase price	22,518	22,518
Contingent consideration	4,887	702
Goodwill	26,313	13,971

The purchase price amounts to €23.2 million of which €22.5 million was paid in cash. The parties further agreed on an earn-out component, which depends on the future sales revenue in the years of 2021 to 2023 and is due in 2024. This agreement is classified as a financial liability and measured at fair value through profit or loss on each reporting date. The contingent consideration was measured at a fair value of €0.7 million at the acquisition date. On the reporting date of December 31, 2021, the fair value amounted to €2.6 million, resulting from the expectation of higher sales in the remaining earn-out periods. The lower end of the bandwidth of possible outcomes of the contingent consideration is zero; the upper limit is $9 million.

Expenses of €0.7 million directly attributable to the acquisition were recognized as other expenses in profit or loss. The other intangible assets comprise technologies (€6.6 million) and customer relationships (€1.4 million). The resulting goodwill represents synergies, such as those arising from WaterSep BioSeparations' access to the Group's worldwide sales and distribution network, the completion of the Group's product portfolio, and intangible assets that are not recognized separately; e.g., the know-how of the workforce. Goodwill is tax deductible.

Acquisition of CellGenix GmbH

On July 1, 2021, the Group acquired a majority stake (51% of shares and voting rights) in the reagent manufacturer CellGenix GmbH. The company that is based in Freiburg, Germany, and has a sales subsidiary near the biotechnology hub in Boston, Massachusetts, USA, produces and markets cell culture components, such as GMP-grade growth factors, cytokines, and media for manufacturing cell and gene therapy products. Founded in 1994 at the University Medical Center of Freiburg, CellGenix employed some 70 people at the acquisition date.

The purchase price allocation is as follows:

	Final purchase price allocation € in K
Intangible assets	102,230
Property, plant and equipment	15,983
Inventories	12,621
Trade receivables	4,599
Other assets	649
Cash and cash equivalents	16,397
Deferred taxes - net	–34,863
Loans and borrowings	–8,345
Other liabilities	–2,621
Net assets acquired	106,650
Non-controlling interests (49%)	52,259
Purchase price	112,085
Goodwill	57,694

The purchase price for the acquired stake of 51% in CellGenix GmbH amounted to approx. €112.1 million and was paid in cash. The directly attributable acquisition-related costs totaled €0.6 million and were recognized in other expenses. Non-controlling interests were measured at their proportionate share of the net assets.

The parties further agreed on options according to which the acquisition of an additional 25% of the shares is planned in 2023 and of the remaining 24% stake in 2026. The exercise prices depend on the future sales revenue with CellGenix products. For the obligation to purchase the remaining shares, the Group recognized financial liabilities totaling €176.7 million. Subsequent to the acquisition, the liabilities are measured at amortized cost according to the effective interest rate method. Any changes are recognized directly in equity. At the reporting date, the liability was measured at €173.8 million. Assuming 10% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €8.3 million (decrease of approximately €9.3 million).

The intangible assets recognized separately are related mainly to technologies (€64.4 million), customer relationships (€33.7 million), and brands (€4.2 million). The resulting goodwill reflects synergies, e.g., those realized by the acquiree's access to the Group's global sales and distribution network and the combination of the acquired business with the Group's existing media manufacturing operations, the expansion of the Group's product offering for biopharmaceutical customers, and intangible assets that are not recognized separately, such as the acquired workforce. Goodwill is not deductible for tax purposes.

Acquisition of Xell AG

On July 28, 2021, the Group acquired 100% of the shares in the German cell culture specialist Xell AG. The company headquartered in Bielefeld, Germany, employed some 35 employees on the acquisition date and is complementary to the Group's product portfolio for biopharmaceutical customers. Xell AG develops, produces and markets media and feed supplements for cell cultures, especially for manufacturing viral vectors that are used in gene therapeutics and vaccines. Beyond these media, the company offers various analytical services for characterizing, screening, and quantifying media components, as well as for optimizing media composition.

The purchase price allocation is as follows:

	Final purchase price allocation € in K
Intangible assets	27,839
Property, plant and equipment	8,063
Inventories	1,077
Trade receivables	529
Other assets	105
Cash and cash equivalents	16
Deferred taxes - net	–9,363
Loans and borrowings	–5,645
Other liabilities	–164
Net assets acquired	22,457
Purchase price	48,072
Contingent consideration	1,877
Goodwill	27,492

The major part of the purchase price of €49.9 million in total was paid in cash (€48.1 million). The parties further agreed on two additional earn-out components, which are due in 2024 and 2026 and depend on the future sales revenues with Xell products in the years 2022 to 2025. This contingent consideration is classified as a financial liability and is measured at fair value through profit or loss at each reporting date. As of the acquisition date, this contingent consideration was measured at €1.9 million. The lower (upper) limit of the bandwith of possible outcomes for this contingent consideration is zero (€25.6 million).

On the reporting date of December 31, 2021, the fair value of the financial liability remained almost unchanged (€2.0 million). Assuming 10% higher (lower) sales revenues in each of the remaining four years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €1.4 million (decrease of approximately €0.9 million). The bandwith of possible outcomes was unchanged on December 31, 2021.

The directly attributable acquisition-related costs totaled €0.3 million and were recognized in other expenses. The intangible assets recognized separately are related mainly to technologies (€25.2 million), customer relationships (€1.6 million), and brands (€1.0 million). The resulting goodwill reflects synergies, e.g., those realized by the acquiree's access to the Group's global sales and distribution network and the combination of the acquired business with the Group's existing cell culture media competencies and capacities, the expansion of the Group's product offering for biopharmaceutical customers and intangible assets that are not recognized separately, such as the acquired workforce. Goodwill is not deductible for tax purposes.

Effects of the Acquisitions on the Group's Sales Revenue and Net Result in 2021

Since their first-time consolidation, the companies acquired in 2021 contributed sales revenue of €12.5 million (CellGenix GmbH) and €4.2 million (Xell AG). Excluding one-time items from the purchase price allocations, the impact on the Group's net result is immaterial. If the acquisitions closed in the reporting period had both taken place as of January 1, 2021, sales revenue (net profit) of the Group for the reporting period 2021 would have amounted to € 2,902 million (€413 million).

Notes to the Statement of Profit or Loss

9. Sales Revenue

Revenue is recognized according to IFRS 15, Revenue from Contracts with Customers. The revenues from contracts with customers are disaggregated into geographical regions (see Segment Report, Note 5).

The Group produces and sells instruments and consumables for customers in the biopharma segment. The Group satisfies its performance obligations depending on the goods to be transferred and the promised services. Most of the revenues from sales of products is recognized at a point in time when the customer obtains control of the goods. This is typically the case when the significant risks and rewards of ownership of the goods are transferred to the customer. Therefore, the point in time may vary depending on the agreement with the individual customer.

For complex products that require installation at the customer's site, revenue is recognized upon formal customer acceptance. To a low extent, revenue is recognized over time in the customer-specific project business. In these cases, revenue is recognized according to the project progress which is measured based on the percentage of costs to date compared to the total estimated contract costs. The amount of actual costs incurred to date reflects the progress and the transfer of control to the customer appropriately as the Group has a right to reimbursement of cost to date plus an appropriate margin if the project is canceled by the customer without cause.

Revenue from services is generally recognized when the services are performed or have been performed. When the services are performed continuously over a period of time, the Group recognizes the related revenue over time. In this case, revenue is generally recognized pro rata in relation to the total contract period. Product sales are typically accompanied by the legally required warranty. Any material extended warranties are accounted for as separate performance obligations.

According to the general payment terms, customer payments are due in the short term, typically within 30 days. To some extent, the Group obtains advance payments, e.g., to avoid credit risks. Therefore, the Group regularly has contract liabilities (payments received on account of orders). In addition, the Group recognizes contract liabilities in connection with service contracts (deferred revenues) when customers pay in advance.

There are no material effects from contracts with significant financing components. The Group uses the practical expedient regarding the existence of a significant financing component. This means that a financing component is taken into consideration only when the length of time between the transfer of goods or services and the receipt of consideration is expected to exceed one year and the effect is material.

As of December 31, 2021, the Group had refund liabilities of €17,428 K arising from incentive agreements with customers (2020: €8,011 K). The aggregate amount of the transaction price allocated to the performance obligations that were unsatisfied (or partially unsatisfied) at the end of the reporting period (orders on hand) amounted to €1,915 million (2020: €1,137 million). The Group expects that most of these unsatisfied performance obligations will be satisfied in 2022.

There were no extraordinary changes in the carrying amounts of the contract liabilities and contract assets in the reporting period. Revenue in the amount of €115,858 K was recognized in the reporting period that was included in contract liabilities at the beginning of the reporting period (2020: €68,458 K).

The balances of trade receivables and contract assets are presented in Note 29. For details on the impairment losses on trade receivables and contract assets recognized in the reporting period, see Note 41. The following table presents the balances of the Group's contract liabilities.

	Line item in statement of financial position	Carrying amount as of December 31, 2021	Carrying amount as of December 31, 2020
		€ in K	€ in K
Deferred revenue	Other liabilities	39,764	24,516
Payments received on account of orders	Trade payables	219,794	132,239
Contract liabilities (total)		259,558	156,755

10. Functional Costs

The statement of profit or loss is presented according to the "cost of sales format," i.e., expenses are allocated to the relevant functions of production; sales and marketing; research and development; and general administration. Expenses relating to cross-functional initiatives or projects are assigned to the respective functional costs based on an appropriate allocation principle.

The item "Cost of sales" includes the cost of products sold and the cost of merchandise sold. In addition to directly attributable expenses, such as raw materials and supplies, employee benefits expense, and energy expenses, cost of sales also includes overhead, which can be allocated to the manufacturing area, and the corresponding depreciation and amortization.

The selling and distribution costs pertain to, in particular, the costs of the sales and marketing functions, distribution, and market research.

Research and development costs comprise the costs of research and product and process development unless they are recognized as assets.

The item "General administrative expenses" mainly includes employee benefits expense and the cost of materials of the general administrative area.

All profit and loss items that cannot be allocated to one of the functional areas mentioned are recognized as other income and expenses. This item essentially includes effects from translation of transactions in foreign currencies, sale of fixed assets, allowances on trade receivables and reorganization, and other non-recurring expenses.

Income from grants related to income is recognized as other income when there is reasonable assurance that the conditions associated with the grants are complied with and the grants will be received. They are recognized systematically as income over the period in which the related costs are recorded.

Operating expenses by nature are presented in the Profit or Loss Statement by Nature in Note 14.

The material expenses and personnel costs are as follows:

Raw Materials and Supplies

€ in K	2021 12 months	2020 12 months
Purchases consumed	548,327	375,095
Cost of purchased services	153,319	97,189
Total	701,646	472,284

Personnel Costs

€ in K	2021 12 months	2020 12 months
Wages and salaries	536,656	392,838
Social security	115,542	84,047
Expenses for retirement benefits and pensions	12,317	9,435
Total	664,515	486,320

11. Other Operating Income and Expenses

€ in K	2021 12 months	2020 12 months
Currency translation gains	37,788	22,734
Income from the decrease in allowances for bad debts	3,928	2,353
Income from release of provisions and liabilities	1,752	784
Income from grants	1,390	2,021
Other income	2,582	2,014
Other operating income	47,440	29,905
Currency translation losses	–28,897	–21,805
Extraordinary expenses	–26,451	–32,660
Allowances for bad debts	–3,760	–5,391
Other expenses	–33,659	–25,669
Other operating expenses	–92,767	–85,525
Total other operating income and expenses	–45,327	–55,619

The item reported as income from grants comprises grants for expenses, essentially related to research and development projects. The currency translation gains|losses in 2021 include an amount of €–4.9 million (2020: €6.5 million) for the reclassification of items from equity to profit or loss (see Note 38).

Extraordinary items amounted to €–26.5 million (net) (previous year: €–32.7 million). Extraordinary expenses essentially cover integration and acquisition-related items as well as one-time expenses for strategic Group projects.

12. Financial Result

€ in K	2021 12 months	2020 12 months
Interest and similar income	276	509
- of which from affiliated companies	206	317
Income from derivative financial instruments	5,086	1,078
Other financial income	16,931	25,428
Financial income	22,293	27,014
Interest and similar expenses	−10,193	−6,509
- of which from affiliated companies	−5,649	−2,832
Expenses for derivative financial instruments	−4,818	0
Interest expense for pensions	−205	−310
Valuation earn-outs	−212,288	0
Other financial expenses	−13,490	−31,216
Financial expenses	−240,994	−38,034
Total	−218,701	−11,020

The other financial income (expenses) include mainly foreign exchange gains (losses) in connection with bank deposits and loans and liabilities denominated in foreign currencies. The item "Valuation earn-outs" refers mainly to the remeasurement of the contingent consideration in connection with the acquisition of BIA Separations (2020 restated: "Other financial income" of €9.8 million; 2020 reported: "Other financial income" of €31.6 million), see Note 8. Furthermore, in 2021, this item includes the valuation effects on the liabilities in connection with the acquisitions of WaterSep Bioseparations LLC, Xell AG, and the AllPure phantom units (see Notes 8, 32, and 34 for details).

The interest expenses to affiliated companies are in connection with the loan granted by the Group's ultimate parent Sartorius AG (see also Note 44).

13. Income Taxes

€ in K	2021 12 months	2020 12 months
Current income taxes	−251,080	−140,092
Deferred taxes	18,669	17,997
Total	−232,411	−122,095

Current income taxes are determined based on the respective local taxable income of the period and local tax rules. In addition, current income taxes include adjustments for uncertain tax payments or tax refunds for periods not yet assessed. Changes in deferred tax assets and liabilities are included in the line deferred taxes except for changes recognized in other comprehensive income or equity.

The following table explains the difference between the expected tax expense and the income tax expenses reported for the particular fiscal year. The expected tax expense is calculated by applying a weighted average rate to the Group’s consolidated profit before tax.

€ in K	2021 12 months	2020 12 months
Expected tax rate	22.8%	25.3%
Expected tax expense	–147,251	–116,661
Permanent differences	–71,988	–8,350
Tax-free income and other tax exemptions	4,988	12,673
Unrecognized tax losses and deductible temporary differences	–479	–266
Taxes for previous years	–14,825	–8,616
Withholding taxes and other income taxes with different tax base	–2,368	–1,413
Other	–489	538
Total	–232,412	–122,095
Effective tax rate	–35.9%	–26.5%

14. Profit or Loss Statement by Nature

€ in K	2021 12 months	2020 12 months
Sales revenue	2,886,977	1,910,081
Purchases consumed	–548,327	–375,095
Cost of purchased services	–153,319	–97,189
Personnel costs	–664,515	–486,320
Amortization and depreciation	–141,556	–101,687
Other operating costs	–513,840	–378,076
Subtotal	–2,021,556	–1,438,367
Operating profit (EBIT)	865,421	471,714
Financial income I expenses	–218,701	–11,020
Income tax	–232,411	–122,095
Non-controlling interest	104	–2,666
Net profit after non-controlling interest	414,413	335,932

15. Earnings per Share

According to IAS 33, basic earnings per share (basic EPS) are calculated on the basis of the weighted average number of ordinary shares during the period.

	2021	2020
Net profit after tax (€ in K)	414,309	338,598
Group net profit after tax (€ in K)	414,413	335,932
Earnings per share (€)	4.50	3.64
Diluted earnings per share (€)	4.50	3.64
Number of shares (statutory level)	92,180,190	92,180,190
Treasury shares	−3,361	−1,093
Weighted average number of shares used in earnings per share calculation	92,176,829	92,179,097
Weighted average number of shares used in diluted earnings per share calculation	92,176,829	92,179,097

Notes to the Individual Balance Sheet Items

16. Goodwill and Other Intangible Assets

Goodwill

€ in K	Goodwill
Gross book values at Jan. 1, 2020	418,328
Currency translation	–5,591
Business combinations	312,411
Gross book values at Dec. 31, 2020	725,148
Impairment losses at Jan. 1, 2020	0
Currency translation	0
Impairment losses	0
Impairment losses at Dec. 31, 2020	0
Net book values at Dec. 31, 2020	725,149

€ in K	Goodwill
Gross book values at Jan. 1, 2021	725,148
Currency translation	10,287
Business combinations	85,267
Gross book values at Dec. 31, 2021	820,702
Impairment losses at Jan. 1, 2021	0
Currency translation	0
Impairment losses	0
Impairment losses at Dec. 31, 2021	0
Net book values at Dec. 31, 2021	820,702

The item reported as "Goodwill" in the amount of €820,702 K is the difference between the consideration transferred and the fair value of the net assets acquired in business combinations. According to IAS 36, goodwill acquired in a business combination may not be amortized, but rather, must be tested for impairment annually and whenever there is any indication of an impairment. The increase recorded in 2021 concerns the acquisitions of CellGenix GmbH and Xell AG (see Note 8). The additions in the prior period resulted from the acquisitions of BIA Separations, WaterSep BioSeparations (see Note 8) and that of the Life Science assets from Danaher.

For impairment testing, goodwill must be allocated to each of the acquirer's cash-generating units (CGUs) that are expected to benefit from the synergies of the combination. The CGU represents the lowest level within the entity at which goodwill is monitored for internal management purposes and may not be larger than a segment. The Sartorius Stedim Biotech Group follows the strategy of being a total solutions provider for its customers. Because of the various interdependencies within the business, the lowest level at which goodwill is monitored is that of the biopharma segment. Therefore, the goodwill acquired is allocated to this segment.

As in 2020, the impairment test conducted for 2021 measures the recoverable amount on the basis of the value in use of the particular cash-generating unit (Biopharm segment). The cash flow forecasts consider previous experience and are generally based on Group management's forecasts for a period of four years. These calculations are based on a terminal growth rate of 2.5% for the years after 2025. This rate is derived from market expectations, which forecast significant growth rates for the targeted biopharmaceutical market.

The major growth drivers for the Sartorius Stedim Biotech Group will be the aging, and increase in, population and improved access to drugs in emerging markets as well as the ongoing paradigm shift from reusable products to single-use products utilized in biomanufacturing by the biopharmaceutical industry.

The discount rates applied correspond to the weighted average cost of capital; they were recognized as follows:

	2021		2020	
	Before tax	After tax	Before tax	After tax
Biopharma segment	7.8%	6.3%	7.7%	6.3%

In 2021, our impairment test did not result in the recognition of impairment losses. In this context, various sensitivity analyses based on realistic variations of the assumptions disclosed above did not result in an impairment either. The following variations would theoretically represent the “break-even point”:

	2021	2020
Discount rates	29.4%	30.2%
Terminal growth rate	–86.3%	–84.6%
Cash flows	–90.0%	–90.0%

Intangible Assets

€ in K	Patents, licenses and similar rights	Brand name	Customer relationships	Capitalized development costs	Payments on account	Total
Gross book values at Jan. 1, 2020	111,966	14,171	141,067	134,244	0	401,449
Currency translation	–5,319	–19	–4,351	–1,169	0	–10,859
Business combinations	316,713	581	66,473	0	0	383,767
Acquisitions	1,796	0	938	29,660	0	32,395
Disposals	–2	0	0	0	0	–2
Transfers	43	0	0	532	0	575
Gross book values at Dec. 31, 2020	425,197	14,733	204,127	163,267	0	807,324
Amortization and impairment losses at Jan. 1, 2020	–47,237	–399	–94,866	–50,459	0	–192,960
Currency translation	805	8	1,198	249	0	2,260
Amortization and impairment losses	–15,899	–238	–13,601	–15,002	0	–44,740
Disposals	2	0	0	0	0	2
Transfers	–3	0	0	0	0	–3
Amortization and impairment losses at Dec. 31, 2020	–62,333	–628	–107,269	–65,213	0	–235,442
Net book values at Dec. 31, 2020	362,865	14,105	96,858	98,055	0	571,882

€ in K	Patents, licenses and similar rights	Brand name	Customer relationships	Capitalized development costs	Payments on account	Total
Gross book values at Jan. 1, 2021	425,197	14,733	204,127	163,267	0	807,324
Currency translation	8,232	280	6,299	1,694	6	16,510
Business combinations	89,628	5,201	35,240	0	0	130,069
Acquisitions	2,153	0	0	37,023	213	39,389
Disposals	-61	0	0	0	0	-61
Transfers	18	-432	432	0	0	18
Gross book values at Dec. 31, 2021	525,166	19,781	246,098	201,984	219	993,249
Amortization and impairment losses at Jan. 1, 2021	-62,333	-628	-107,269	-65,213	0	-235,442
Currency translation	-2,119	-47	-2,024	-610	0	-4,800
Amortization and impairment losses	-34,569	-550	-18,253	-15,239	0	-68,612
Disposals	25	0	0	0	0	25
Transfers	-3	0	0	0	0	-3
Amortization and impairment losses at Dec. 31, 2021	-98,998	-1,225	-127,547	-81,062	0	-308,832
Net book values at Dec. 31, 2021	426,168	18,556	118,551	120,922	219	684,417

Intangible assets acquired are recorded at cost less accumulated, regular amortization that is calculated according to the straight-line method and any impairment loss. The useful life of an intangible asset is the period during which the Group expects to use the asset.

Amortization of intangible assets is generally based on the following estimated useful lives:

Software	2 to 10 years
Capitalized R&D expenses	4 to 6 years
Customer relations and technologies	3 to 20 years
Brand name	2 years to indefinite

Costs incurred within the scope of the development of new products and methods were capitalized as internally-generated intangible assets if the criteria in IAS 38.57 were met. The capitalization of internally-generated intangible assets includes a significant level of judgment; e.g., the assessment of the feasibility of a development project, the expected market prospects, and the determination of useful lives.

The capitalized development costs essentially cover the costs that were allocated to the staff involved in R&D, raw materials and supplies, external services, and directly attributable overheads. Intangible assets generated internally are amortized on a straight-line basis over their useful lives, which generally do not exceed six years. In 2021, the development costs of €37,023 K were recognized as assets (€29,660 K in 2020).

If an internally generated intangible asset cannot be recognized, the development costs are expensed in the period in which they are incurred. Costs for research activities are reported as expenses in the period in which they are incurred.

The Stedim brand name acquired in 2007 and integrated into the parent company's name (Sartorius Stedim Biotech S.A.) is considered to have an indefinite useful life and is therefore not amortized. There is no foreseeable limit to the period over which the brand name is expected to generate net cash inflows for the Group. The brand name is tested annually for impairment at the level of the "biopharma segment" cash-generating unit (CGU).

Amortization of intangible assets is allocated to the corresponding functions in the statement of profit or loss. For capitalized development costs, amortization is reported under "cost of sales."

As in fiscal 2020, no material impairments were recognized in 2021.

17. Property, Plant and Equipment

€ in K	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Payments on account and construction in progress	Total
Gross book values at Jan. 1, 2020	328,517	212,039	114,800	80,044	735,400
Currency translation	-8,767	-6,609	-1,758	-4,245	-21,379
Business combinations	5,645	5,034	624	8,982	20,285
Acquisitions	20,306	20,736	16,350	76,380	133,771
Disposals	-544	-1,985	-3,162	564	-5,127
Transfers	6,493	20,577	8,274	-36,052	-708
Gross book values at Dec. 31, 2020	351,649	249,792	135,129	125,674	862,243
Depreciation at Jan. 1, 2020	-69,883	-104,830	-63,422	-165	-238,301
Currency translation	1,306	2,515	1,147	3	4,971
Depreciation	-13,691	-17,775	-12,980	0	-44,446
Disposals	424	1,620	2,687	0	4,731
Transfers	-296	-12	294	164	149
Depreciation at Dec. 31, 2020	-82,141	-118,481	-72,274	1	-272,895
Net book values at Dec. 31, 2020	269,508	131,310	62,855	125,675	589,347
Net book values at Dec. 31, 2020 of right-of-use assets	49,515	1,172	4,237	0	54,923
Total property, plant and equipment at Dec. 31, 2020	319,023	132,482	67,092	125,675	644,272

	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Payments on account and construction in progress	Total
Gross book values at Jan. 1, 2021	351,649	249,792	135,129	125,674	862,243
Currency translation	10,797	7,811	2,023	4,908	25,539
Business combinations	13,010	5,555	1,007	72	19,644
Acquisitions	22,458	40,350	21,520	201,158	285,486
Disposals	-483	-3,893	-4,381	-12	-8,770
Transfers	28,766	13,008	1,839	-43,630	-18
Gross book values at Dec. 31, 2021	426,197	312,622	157,136	288,170	1,184,125
Depreciation at Jan. 1, 2021	-82,141	-118,481	-72,274	1	-272,895
Currency translation	-1,654	-2,991	-1,489	0	-6,133
Depreciation	-17,845	-24,960	-14,983	0	-57,789
Disposals	443	2,841	4,131	0	7,415
Transfers	69	82	-149	0	3
Depreciation at Dec. 31, 2021	-101,128	-143,508	-84,764	1	-329,399
Net book values at Dec. 31, 2021	325,069	169,114	72,372	288,171	854,726
Net book values at Dec. 31, 2021 of right-of-use assets	67,513	1,799	4,375	0	73,687
Total property, plant and equipment at Dec. 31, 2021	392,582	170,913	76,747	288,171	928,413

The “Property, plant and equipment” item in the statement of financial position includes right-of-use assets according to IFRS 16 (see Note 18). Property, plant and equipment is recorded at cost and depreciated over the estimated useful life using the straight-line method. Property, plant and equipment is subject to impairment tests whenever there are indicators of impairment.

Depreciation of non-current assets is based on the following periods of useful life:

Buildings	15 to 50 years
Machinery	5 to 15 years
Factory and office equipment	3 to 13 years

Depreciation is presented in the statement of profit or loss according to how the assets are used, in the cost of sales, selling and distribution costs, research and development costs, general administrative expenses, and other operating expenses.

Borrowing costs are expensed as incurred unless they are directly attributable to the acquisition, construction, or production of a qualifying asset and are therefore part of the cost of that asset.

Grants related to assets are deducted from the cost of the related asset.

As in fiscal 2020, no significant impairment losses were recognized on property, plant and equipment in 2021.

18. Leases

Lease accounting follows IFRS 16, Leases. For the financing structure of the Group, leases are not of high relevance. The main considerations in relation to leases are therefore generally of a practical nature, for example, regarding the management of IT hardware or fleet management. Accordingly, leases of IT hardware and cars represent the majority of the Group’s lease contracts. The lease term of such leases is generally fixed and extends typically over 3 to 5 years. However, those leases of the Group in which the lessor is a related party that is an entity controlled by the ultimate parent, Sartorius AG, are generally of a short-term nature, providing both contract parties with operational flexibility. Furthermore, at some sites, the Group has long-term leases of buildings. The lease contracts may contain extension options, which are included in the lease term according to IFRS 16 when the Group is reasonably certain that the option will be exercised. The Group does not act as a lessor to a material extent.

Under IFRS 16, leases are generally recognized on the lessee's statement of financial position. A lessee recognizes a right-of-use asset representing its right to use a lease asset, as well as a lease liability, which represents its obligation to make lease payments. The Group makes use of the exemptions for short-term leases and leases of low-value assets and recognizes the corresponding lease payments as an expense generally on a straight-line basis over the specific lease term. Accordingly, no right-of-use assets and no lease liabilities are recognized for these leases. Furthermore, no right-of-use assets and no liabilities are recognized for leases between Group entities. The Group does not apply the Standard to leases of intangible assets.

In the statement of financial position, the Group presents the right-of-use assets according to the nature of the underlying lease assets within “Property, plant and equipment.” The right-of-use assets are recognized at cost less accumulated depreciation and any impairment losses. The cost of the right-of-use assets comprises the present value of the future lease payments, any payments paid upon or before commencement of the lease, any initial direct costs, and costs for dismantling or removing the lease asset. The right-of-use assets are typically depreciated over the lease term. If the transfer of legal ownership of the lease asset is planned at the end of the lease term, the right-of-use asset is depreciated over the economic useful life of the lease asset. In the statement of profit or loss, depreciation is recognized within functional costs.

The lease liabilities are presented separately on the face of the statement of financial position. Lease liabilities are initially recognized at an amount equal to the present value of the future lease payments. The lease payments generally do not include any payments in relation to non-lease components. In general, the incremental borrowing rate of the Group is used for discounting. Subsequently, the carrying amount of the lease liabilities is increased by interest expenses and reduced by lease payments. Interest expenses are reported in the financial result and, to the extent they are paid, in the financing section of the cash flow statement.

As of December 31, 2021, lease liabilities stood at €78.9 million (2020: €58.3 million). The maturities of the future lease payments are presented in Note 40. The table below shows the composition of the right-of-use assets included in "Property, plant and equipment" as of the reporting date and as of the preceding reporting date and the main changes during the period.

€ in K	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Total
Gross book values at Jan. 1, 2020	59,287	2,823	5,845	67,955
Currency translation	−2,224	−31	−92	−2,347
Business combinations	938	0	0	938
Additions	13,051	64	2,467	15,582
Disposals	−562	−12	−317	−890
Transfers	0	0	−31	−31
Gross book values at Dec. 31, 2020	70,490	2,844	7,872	81,206
Depreciation at Jan. 1, 2020	−12,505	−864	−1,722	−15,091
Currency translation	532	17	43	592
Depreciation	−9,557	−824	−2,120	−12,501
Disposals	555	0	145	700
Transfers	0	0	18	17
Depreciation at Dec. 31, 2020	−20,975	−1,672	−3,636	−26,283
Net book values at Dec. 31, 2020	49,515	1,172	4,237	54,923

€ in K	Land, buildings and improvements	Technical machinery and equipment	Factory and office equipment and other equipment	Total
Gross book values at Jan. 1, 2021	70,490	2,844	7,872	81,206
Currency translation	3,635	40	252	3,927
Business combinations	3,344	1,001	57	4,402
Additions	24,234	340	2,632	27,206
Disposals	−3,932	−49	−552	−4,533
Transfers	0	0	0	0
Gross book values at Dec. 31, 2021	97,771	4,176	10,261	112,207
Depreciation at Jan. 1, 2021	−20,975	−1,672	−3,636	−26,283
Currency translation	−1,152	−33	−119	−1,304
Depreciation	−11,990	−703	−2,462	−15,156
Disposals	3,860	32	330	4,222
Transfers	0	0	0	0
Depreciation at Dec. 31, 2021	−30,258	−2,376	−5,886	−38,521
Net book values at Dec. 31, 2021	67,513	1,799	4,375	73,687

The table below shows the interest expenses presented in the financial result, the total cash outflows for existing leases, and the expenses recognized for short-term leases and leases of low value assets in the reporting period and the comparative period. No material expenses were recognized for variable lease payments in the reporting period.

€ in K	2021 12 months	2020 12 months
Interest expenses for leases	2,416	2,180
Expenses for leases of low value assets	1,639	1,477
Expenses for short-term leases	1,859	1,652
Repayment of lease liabilities	13,585	11,213
Total cash outflow for leases	19,499	16,522

19. Deferred Taxes

	Deferred tax assets		Deferred tax liabilities		
€ in K	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020	Of which recognized in profit or loss
Intangible assets	349	0	127,514	89,611	2,672
Tangible assets	0	0	8,901	6,009	–775
Inventory	25,649	15,180	5,110	0	8,521
Receivables and other current assets	7,760	1,701	83	0	3,183
Provisions	9,513	12,516	0	0	–2,224
Liabilities	22,869	9,545	0	0	10,232
Carry forward of taxable losses	352	984	0	0	–641
Tax on undistributed earnings of subsidiaries	0	0	4,200	1,900	–2,300
Gross amount	66,492	39,926	145,808	97,521	18,669
Offset	–19,978	–12,445	–19,978	–12,445	0
Net amount	46,513	27,481	125,830	85,076	18,669

Deferred tax assets or liabilities are determined based on temporary differences between the carrying amounts and the tax base of assets and liabilities (except in special cases provided for by IAS 12), including loss carryforwards and tax credits. Measurement is based on the tax rates expected to be effective in the period in which an asset is realized, a liability is settled, or tax losses are utilized. For this purpose, the tax rates and tax rules are used that have been enacted or substantively enacted at the reporting date.

The change in deferred tax assets and liabilities is reflected in the item “Income taxes” in the statement of profit or loss, except for those elements that are recognized in other comprehensive income and for effects from business combinations.

Deferred tax assets are required to be recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. As future developments are uncertain and partly beyond management’s control, assumptions are necessary to estimate future taxable profits as well as the period in which deferred tax assets will be recovered. Estimates are revised in the period in which there is sufficient evidence to revise the assumption. If there is no evidence that all or a portion of a deductible temporary difference or a tax loss can be realized, the corresponding amount is not recognized as an asset.

The Group operates in many tax jurisdictions. Therefore, the tax positions presented in the financial statements must be determined taking into account the respective local tax laws and the relevant views of tax adiministrations. Due to their complexity, these items may be subject to a different interpretation by taxpayers, on the one hand, and local tax authorities, on the other. The amount of uncertain tax positions is based on the best possible estimate of the expected tax payment.

Deferred Tax Assets

On the reporting date, the Group had unused tax loss amounts carried forward of €7.1 million to be deducted from future taxable profits (€10.6 million in 2020). A deferred tax asset was reported on losses amounting to €1.7 million (€1.4 million in 2020). Deferred tax assets of €0.3 million (€1.4 million) are related to companies that reported losses in the year under review or in the previous reporting period.

Deferred Tax Liabilities

The deferred tax liabilities in connection with intangible assets refer to assets acquired in business combinations and, consequently, are mainly related to customer relationships and technologies.

The Group did not record deferred tax liabilities on approx. €35 million (€29 million) in cumulative undistributed earnings of subsidiaries because these earnings are intended to be reinvested in these operations.

The income taxes recognized in other comprehensive income are disclosed in the table below:

€ in K	2021	2020
Cash flow hedges	5,260	–2,759
Remeasurements of the net defined benefit obligations	–914	918
Currency translation	–510	–142
Total	3,836	–1,983

The change in deferred tax assets and liabilities can be reconciled as follows:

€ in K	Deferred tax assets	Deferred tax liabilities
Balance at Jan. 1, 2020	17,342	45,065
Change in the scope of consolidation	0	45,846
Recognized in profit or loss	10,253	–7,743
Recognized in other comprehensive income	–115	1,909
Balance at Dec. 31, 2020	27,481	85,076

€ in K	Deferred tax assets	Deferred tax liabilities
Balance at January 1, 2021	27,481	85,076
Change in the scope of consolidation	98	44,324
Recognized in profit or loss	12,178	–6,491
Recognized in other comprehensive income	6,756	2,920
Balance at December 31, 2021	46,513	125,830

20. Inventories

€ in K	Dec. 31, 2021	Dec. 31, 2020
Raw materials and supplies	263,750	124,152
Work in progress	191,861	143,911
Finished goods and merchandise	309,298	196,325
Payments on account	18,045	6,646
Total	782,954	471,034

€ in K	Dec. 31, 2021	Dec. 31, 2020
Gross amount of inventories	840,208	497,893
Write-downs	–57,254	–26,858
Net amount of inventories	782,954	471,034

Raw materials and supplies, including merchandise, are reported under "Inventories" at average cost. In principle, finished goods and work in progress are reported at the cost of conversion. This cost includes direct costs that can be allocated to these materials and the appropriate portion of production and materials handling overheads, general administrative expenses, and non-current assets at normal depreciation and | or amortization rates, based on the normal production capacity, provided that these expenses are caused by production.

Inventories must be measured at the lower of cost and the net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary for marketing, sales, and distribution. Where inventory risks exist, such as the risk of reduced shelf life as a result of storage periods or limited usability, inventories are marked down accordingly.

21. Issued Capital

Sartorius Stedim Biotech S.A.'s share capital consists of 92,180,190 shares with a par value of €0.20 per share.

As of December 31, 2020, and December 31, 2021, there were no dilutive instruments. Shares registered in the name of the same owner for at least four years benefit from a double voting right.

	Dec. 31, 2021	Dec. 31, 2020
Number of shares at the beginning of the period	92,180,190	92,180,190
Number of shares at the end of the period	92,180,190	92,180,190
Nominal value per share (in €)	0.20	0.20
Issued capital amount (€ in K)	18,436	18,436

Dividends

The Board of Directors will submit a proposal to the Annual General Shareholders' Meeting for payment of a dividend for the year ended December 31, 2021, as follows: payment of a net dividend of €1.26 per share (2020: €0.68), i.e., a total distribution of €116,142,805.00 (excluding treasury shares; 2020: €62,681,786.00).

22. Non-Controlling Interest

The non-controlling interests of €77,361 K recognized in the statement of financial position are related to the subsidiaries Sartorius Korea Biotech, Biological Industries, and Sartorius CellGenix. For details about the acquisition of Sartorius CellGenix see Note 8. The Group's interest in Sartorius Korea Biotech is 69%; the remaining 31% is subject to an exercisable call option. The purchase price for this non-controlling interest is variable and depends on the future performance of this entity.

€ in K	Dec. 31, 2021	Dec. 31, 2020
Sartorius Korea Biotech Co. Ltd.		
Sales revenue	134,342	111,566
Net result	7,097	7,659
Total assets	83,096	69,894
Attributed profit or loss	2,200	2,374

€ in K	Dec. 31, 2021	Dec. 31, 2020
Biological Industries		
Sales revenue	36,401	30,089
Net result	5,077	855
Total assets	80,107	71,619
Attributed profit or loss	1,433	292

There are no significant restrictions on the Group's ability to access or use the assets or settle the liabilities of the above entity.

23. Pension and Employee Benefits Provisions

Defined Contribution Plans

Most of the Sartorius Stedim Biotech Group companies make payments under defined contributions plans, primarily related to government-run pension plans. In 2021, the total expense recognized for the defined contribution plans amounted to €38,427 K (2020: €22,613 K).

Defined Benefit Plans

Pension provisions and similar obligations are recognized in the consolidated financial statements of Sartorius Stedim Biotech Group in accordance with actuarial principles. IAS 19, Employee Benefits, stipulates the projected unit credit method as the method of measurement. In addition to known pensions and life expectancies, this expected cash value method takes into account future salary and pension increases.

The assumed discount rates reflect the interest rates payable on the reporting date for high-quality corporate bonds with matching maturities and denominated in the relevant currencies (mainly in euros). If such corporate bonds are not available with matching long-term maturities or are insufficiently available, their matching interest rates are determined by extrapolation.

Due to changing market and economic conditions, the underlying key assumptions may differ from actual developments and may lead to significant changes in pension and other post-employment benefit obligations. A sensitivity analysis is provided below.

The remeasurements of defined benefit liabilities (assets) are presented in other comprehensive income according to IAS 19. The actuarial losses, which were transferred to the pension reserves, essentially resulted from a change in the discount rate and totaled €2,232 K (€–3,016 K in 2020).

An amount of €27,764 K is related in particular to pension provisions for retirement pension plans in Germany. These provisions totaled €30,204 K in 2020 and were primarily related to direct commitments under defined benefit pension plans. Under these commitments, the employees earn benefits for each year of service rendered to the company. The benefits earned depend on the salary level and the age of the respective employees. These pension benefits are generally not funded with assets.

Measurement of the post-employment benefit obligations is based on the following actuarial assumptions:

For Germany:

in %	Dec. 31, 2021	Dec. 31, 2020
Discount rate	0.90	0.45
Future salary increases	3.00	3.00
Future pension increases	2.00	2.00

With regard to the assumptions for mortality and disability, the tables "Richttafeln (RT) 2018 G" by Klaus Heubeck were applied.

For France:

in %	Dec. 31, 2021	Dec. 31, 2020
Discount rate	0.90	0.50
Future salary increases	2.00	2.00
Future pension increases	2.00	2.00

The amounts reported in the statement of profit or loss and other comprehensive income consist of the following:

€ in K	2021	2020
Current service cost	–2,905	–2,264
Past service cost	1,182	720
Net interest expenses	–184	–296
Components of defined benefit costs recognized in profit or loss	–1,908	–1,840
Return on plan assets (excl. interest)	46	58
Remeasurements	2,186	–3,074
Components of defined benefit costs recognized in other comprehensive income	2,232	–3,016
Total	324	–4,856

In the statement of profit or loss, the current service cost is disclosed according to the assignment of employees to the respective functions.

The amount included in the consolidated statement of financial position arising from the Group's obligation with respect to defined benefit plans is as follows:

€ in K	Dec. 31, 2021	Dec. 31, 2020
Present value of the obligations	64,899	63,822
Fair value of the plan assets	–21,230	–16,429
Net liability	43,670	47,393

The present value of the defined benefit obligation developed as follows:

€ in K	2021	2020
Present value of the obligations as of Jan. 1	63,822	57,861
Current service cost	2,905	2,264
Past service cost	–1,182	–720
Interest cost	343	413
Remeasurements	–2,277	3,079
Foreign currency translation differences	797	–129
Retirement benefits paid in the reporting year	–1,271	–1,883
Employee contributions	546	449
Contributions by plan participants	2,504	1,949
Other changes	–1,289	538
Present value of the obligations as of Dec. 31	64,899	63,822

The remeasurements of the defined benefit liabilities (assets) can be allocated as follows:

€ in K	2021	2020
Experience adjustments	1,888	1,477
Changes in demographic assumptions	–1,036	171
Changes in financial assumptions	–3,130	1,430
Total	–2,277	3,079

Plan Assets

€ in K	2021	2020
Plan assets as of Jan. 1	16,429	13,739
Interest income	159	118
Return on plan assets (excl. interest)	46	58
Remeasurements	–91	5
Group contribution & payments	–1,068	–1,718
Foreign currency translation differences	587	–105
Employee contributions	546	449
Employer contributions	2,117	1,935
Contributions by plan participants	2,504	1,949
Plan assets as of Dec. 31	21,230	16,429

Composition of Plan Assets

The plan assets primarily refer to insurance contracts in Switzerland; no major equity or debt investments are included. Sartorius Korea Biotech deposited €6.9 million (€5.7 million in 2020) as cash and cash equivalents in local banks.

Sensitivity Analysis

An increase | decrease of the actuarial assumptions would have the following impacts on the defined benefit obligations (a positive sign (+) means an increase in the obligation):

2020:

€ in K		
Demographic assumptions		
Life expectancy	+1 year	–1 year
Effect	2,629	–2,562
Financial assumptions		
Discount rate	+100 bps	–100 bps
Effect	–8,124	9,370
Future salary increases	+50 bps	–50 bps
Effect	2,685	–2,303
Future pension increases	+25 bps	–25 bps
Effect	2,425	–2,314

2021:

€ in K		
Demographic assumptions		
Life expectancy	+1 year	–1 year
Effect	2,713	–2,650
Financial assumptions		
Discount rate	+100 bps	–100 bps
Effect	–7,584	8,477
Future salary increases	+50 bps	–50 bps
Effect	2,536	–2,374
Future pension increases	+25 bps	–25 bps
Effect	2,522	–2,417

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that changes in assumptions occur in isolation of one another. Furthermore, the present value of the defined benefit obligation was calculated using the same method that was applied in calculating the defined benefit obligation liability recognized in the statement of financial position (projected unit credit method).

Maturity Analysis

The undiscounted cash flows from defined benefit obligations can be allocated to maturities as follows:

€ in K	Dec. 31, 2021	Dec. 31, 2020
< 1 year	2,469	2,559
1 – 5 years	11,112	9,686
6 - 10 years	19,382	16,588
>10 years	109,965	88,789
Total	142,928	117,621

The weighted average duration of the defined benefit obligations is 16.0 years (2020: 17.2 years).

24. Other Provisions

A provision is recognized when a present legal or constructive obligation to third parties arising from past events has been incurred, an outflow of resources is probable and the amount of the obligation can be reasonably estimated. The amount recognized as a provision represents the best estimate of the obligation as of the reporting date.

To determine the amount of obligations, certain estimates and assumptions need to be applied, including the determination of the probability and of the amount of future outflows of resources. Typically, significant estimates are involved in the determination of provisions related to onerous contracts, warranty costs, asset retirement obligations and legal proceedings.

Other Non-Current Provisions

€ in K	Payments to employees on early retirement plan	Other	Total
Balance at Jan. 1, 2020	1,865	1,475	3,340
Change in the scope of consolidation	0	2,744	2,744
Currency translation	0	-17	-17
Consumption	-938	-89	-1,027
Reversals	0	-179	-179
Additions	1,232	396	1,628
Balance at Dec. 31, 2020	2,159	4,329	6,488

€ in K	Payments to employees on early retirement plan	Other	Total
Balance at Jan. 1, 2021	2,159	4,329	6,488
Currency translation	0	2	2
Consumption	-979	-246	-1,225
Reversals	0	-18	-18
Additions	1,882	585	2,467
Balance at Dec. 31, 2021	3,062	4,652	7,714

The non-current provisions mainly comprise provisions for partial retirement and employee anniversary bonuses (included in the item "Other"). These obligations arise predominantly at German Group companies. The partial retirement plans allow employees to work part-time for 3-5 years before their actual retirement.

Under IAS 19, these obligations are treated as severance payments to be earned in future periods and are therefore recognized in profit or loss over the respective period of service. Actuarial gains and losses, as well as past service costs, on these obligations are recognized as income or expense.

Non-current provisions are reported at their present value on the reporting date. For 2021, the discount rate for employees on the early retirement plan is -0.2% (2020: -0.3%).

Current Provisions

During fiscal 2020 and 2021, current provisions changed as follows:

€ in K	Warranties	Other	Total
Balance at Jan. 1, 2020	5,277	5,335	10,612
Change in the scope of consolidation	474	1,400	1,874
Currency translation	–90	–19	–109
Consumption	–239	–576	–815
Release	–1,251	–1,166	–2,417
Additions	4,495	7,107	11,601
Balance at Dec. 31, 2020	8,665	12,081	20,746

€ in K	Warranties	Other	Total
Balance at Jan. 1, 2021	8,665	12,081	20,746
Change in the scope of consolidation	110	399	509
Currency translation	167	28	196
Consumption	–989	–1,094	–2,083
Release	–3,879	–3,356	–7,235
Additions	10,093	8,724	18,817
Balance at Dec. 31, 2021	14,167	16,782	30,949

Warranty provisions include expenses for replacement deliveries and repairs. Specific risks are recognized when occurrence is more likely than not. General warranty risks are considered on the basis of past experience. The other provisions contain onerous contracts, uncertain liabilities to employees, and provisions for interest in connection with tax risks.

25. Employee Benefits

The liabilities for employee benefits amount to €97,159 K (2020: €59,899 K) and include accruals for paid vacation and overtime, variable remuneration, and other personnel liabilities.

26. Other Financial Obligations | Contingent Assets and Liabilities

As was the case in previous years, there are no significant contingent liabilities or contingent assets to be reported.

27. Financial Instruments: Significant Accounting Policies

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The following notes give an overview of the impact of financial instruments on the financial statements of the Sartorius Stedim Biotech Group and provide additional information on items in the statement of financial position that contain financial instruments.

Financial assets of the Group mainly include cash and cash equivalents, trade and loan receivables, and derivative financial instruments with a positive fair value.

Financial liabilities of the Group mostly comprise loans borrowed from Sartorius AG, contingent consideration according to IFRS 3, trade payables, lease liabilities, and derivative financial instruments with a negative fair value. Financial liabilities other than derivative financial instruments and those arising from contingent consideration agreements are measured at amortized cost.

Accounting for financial instruments follows IFRS 9, Financial Instruments. Under IFRS 9, the classification and measurement approach for financial assets reflects both the entity's business model (held-to-collect, held-to-collect-and-sell, other) within the scope of which assets are held and the contractual cash flow characteristics ("SPPI" criterion: solely payments of principal and interest). There were no reclassifications of financial instruments during the reporting period.

With regard to the impairment of financial assets, IFRS 9 includes a so-called expected-loss model. Financial assets are generally regarded as credit-impaired when there are objective indications that cast doubt about the full collection of the cash flows of the respective financial assets. With regard to the financial assets of the Group, the simplified approach which is applied to trade receivables is of particular relevance.

Besides trade receivables, cash and cash equivalents are the most material financial assets on the Group's statement of financial position as of the reporting date, December 31, 2021. No impairment is recognized for these financial assets due to materiality considerations.

As on the last reporting date, no impairment was recognized as of December 31, 2021, for the remaining financial assets measured at amortized cost in terms of the 12-month expected credit losses, given the Group's immaterial historical losses.

Derivatives are measured at fair value determined according to the mark-to-market method in which recognized mathematical methods are used. The fair values are based on the market data available at the time the value of these derivatives is calculated and reflect the estimates of the market conditions at the end of the year. Those instruments that are not designated as hedging instruments and to which no hedge accounting is applied are classified as held for trading. Changes in the fair values of derivative financial instruments are either recognized in profit or loss or, in the case of hedging relationships, in other comprehensive income.

The Group applies the hedge accounting rules of IFRS 9. Sartorius Stedim Biotech uses forward transactions to hedge cash flow risks that result from changes in foreign exchange rates in relation to sales of products and the production activities, and designates only the spot element of the hedging instrument.

28. Cash and Cash Equivalents

The Group considers all highly liquid investments with less than three months' maturity from the date of acquisition to be cash equivalents. This mainly includes deposits in banks. Cash and cash equivalents are measured at cost. For purposes of the consolidated cash flow statement, cash and cash equivalents are defined as above. As of December 31, 2021, cash and cash equivalents amounted to €223,626 K (2020: €59,762 K).

29. Current Trade Receivables | Other Receivables

€ in K	Dec. 31, 2021	Dec. 31, 2020
Trade receivables from third parties	334,921	236,759
Amounts due from customers for contract work [1]	3,956	6,159
Receivables from subsidiaries of the Sartorius AG Group	17,128	13,975
Trade receivables	356,005	256,894

1 Contract assets according to IFRS 15.

The book values of trade receivables and other receivables are representative of their fair value considering the maturity date and the credit risks. The contract assets are recognized in connection with customer-specific construction contracts that meet the requirements for revenue recognition over time according to IFRS 15 (see Note 9). The amount of trade receivables disclosed as of December 31, 2021, was reduced by €140.2 million (2020: €100.3 million) as result of a sale of trade receivables because substantially all risks and rewards in relation to the financial assets sold were transferred to the buyer and the respective receivables were fully derecognized. In particular, credit risks as well as any risks arising from foreign exchange rates were completely transferred to the buyer under the current factoring program. The program is organized by the Treasury Department of the Sartorius AG Group. All participating Sartorius AG Group companies can sell receivables with a combined volume of €100 million and US$ 100 million under this program.

The item "Receivables from subsidiaries of the Sartorius AG Group" refers to other companies of the Sartorius Group (please refer to Note 44). Impairment losses on trade and other receivables are recognized using separate allowance accounts. For details on the determination of the impairment allowances, see Note 41.

30. Other Financial Assets

€ in K	Dec. 31, 2021	Dec. 31, 2020
Derivative financial instruments	1,285	10,127
Other financial assets	13,721	10,856
Current financial assets	15,006	20,983

The amount shown as derivative financial instruments represents the fair value of foreign currency hedging instruments, mainly forward contracts (for details refer to Note 38).

Other financial assets are measured at amortized cost using the effective interest method less any impairment losses. The item "Other financial assets" includes loan receivables from other entities of the Sartorius AG Group in the amount of €971 K (2020: €1,013 K).

31. Loans and Borrowings

€ in K	Balance at Dec. 31, 2021	of which current Dec. 31, 2021	Balance at Dec. 31, 2020	of which current Dec. 31, 2020
Liabilities to banks	22,466	16,814	9,545	9,308
Loans from Sartorius AG	524,090	8,670	515,420	0
Other loans from Sartorius Group companies	21	21	3,804	3,804
Total loans and borrowings	546,577	25,505	528,769	13,112

Sartorius Stedim Biotech Group has signed loan agreements with its parent company Sartorius AG mainly to finance the acquisitions in 2020 and 2021. The interest rates are fixed with a credit margin based on arms'-length principles. In addition, the financing of the Sartorius Stedim Biotech Group is secured by a credit line from its parent Sartorius AG (see Note 40).

The non-current loans and borrowings do not include liabilities to the sellers in connection with acquisitions which are presented in the item "Other non-current liabilities."

32. Other Non-current Liabilities

€ in K	Dec. 31, 2021	Dec. 31, 2020
Contingent considerations from acquisitions	194,932	81,269
Liability for acquisition of non-controlling interests	211,692	35,614
Other liabilities	11,842	8,933
Total	418,466	125,816

The contingent consideration agreements result from the acquisitions of BIA Separations, WaterSep BioSeparations LLC, and Xell AG (see Note 8). As of December 31, 2021, the liabilities in connection with the possible acquisition of the non-controlling interests relate to the options of the holders of these interests in Biological Industries and Sartorius CellGenix GmbH (see Note 8). In the prior reporting period, this item only reflects the non-current portion of the liability in connection with Biological Industries.

33. Trade Payables

€ in K	Dec. 31, 2021	Dec. 31, 2020
Payments received on account of orders [1]	219,794	132,239
Trade payables to third parties	234,322	156,633
Payables to participations	1,099	832
Payables to subsidiaries of the Sartorius AG Group	15,940	17,268
Total	471,155	306,972

1 Contract liabilities according to IFRS 15

34. Other Current Financial Liabilities

€ in K	Dec. 31, 2021	Dec. 31, 2020
Derivative financial instruments	8,429	1
Other liabilities	138,845	29,240
Total	147,274	29,241

Derivative financial instruments refer to the fair values of foreign currency hedging transactions such as forward contracts (mainly related to the U.S.$).

"Other liabilities" as of December 31, 2021, include the current portion of the contingent consideration in connection with the acquisition of BIA Separations (€97.9 million; 2020: €0.0 million) and the current portion of the liabilities in connection with the possible acquisition of the non-controlling interests in Biological Industries (€6.3 million; 2020: €5.9 million).

35. Carrying Amounts and Fair Values of Financial Instruments According to Categories

The following table shows the carrying amounts and fair values of financial assets and liabilities by category of financial instrument according to IFRS 9 as of December 31, 2021, and as of December 31, 2020:

	Category acc. to IFRS 9	Carrying amount Dec. 31, 2021	Fair value Dec. 31, 2021 € in K	Carrying amount Dec. 31, 2020	Fair value Dec. 31, 2020 € in K
Investments in non-consolidated subsidiaries and associates	n/a	7,911	7,911	7,009	7,009
Financial assets	Equity instruments at fair value through profit or loss	49	49	49	49
Financial assets	Debt instruments at fair value through profit or loss	1,037	1,037	1,062	1,062
Financial assets	Measured at amortized cost	5,773	5,773	5,377	5,377
Financial assets (non-current)		14,769	14,769	13,497	13,497
Amounts due from customers for contract work	n/a	3,956	3,956	6,159	6,159
Trade receivables	Measured at fair value through other comprehensive income	147,321	147,321	105,443	105,443
Trade receivables	Measured at amortized cost	204,728	204,728	145,291	145,291
Trade receivables		356,005	356,005	256,894	256,894
Receivables and other assets	Measured at amortized cost	13,721	13,721	10,856	10,856
Derivative financial instruments designated as hedging instruments [1]	n/a	1,285	1,285	10,127	10,127
Other financial assets (current)		15,006	15,006	20,983	20,983
Cash and cash equivalents	Measured at amortized cost	223,626	223,626	59,762	59,762
Loans and borrowings	Financial liabilities at cost	546,577	554,317	528,769	532,939
Trade payables	Financial liabilities at cost	251,361	251,361	174,733	174,733
Trade payables | payments received for orders	n/a	219,794	219,794	132,239	132,239
Trade payables		471,155	471,155	306,972	306,972
Derivative financial instruments designated as hedging instruments [1]	n/a	8,429	8,429	1	1
Other financial liabilities	Financial liabilities at fair value through profit or loss	292,828	292,828	81,269	81,269
Other financial liabilities	Financial liabilities at cost	264,483	264,067	73,787	73,895
Other financial liabilities		565,740	565,324	155,057	155,165

1 The amounts include the non-designated part of the contracts.

The fair values of the financial instruments were determined on the basis of the market information available on the reporting date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are measured on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are measured on the basis of input factors that can be derived from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are measured on the basis of input factors that cannot be derived from observable market data.

Besides the liabilities arising from contingent consideration agreements (Level 3; see Note 8 for details), the financial instruments to be recognized at fair value on the reporting date are mainly derivatives in the form of forward contracts. They were measured on the basis of their quoted exchange rates and market yield curves (Level 2). Furthermore, the trade receivables which are part of the portfolio of receivables that are "held-to-collect-and-sell" are measured at fair value. Due to the short maturities and low credit risks (see Note 41) the valuation follows the same approach as for trade receivables measured at amortized cost.

The fair values to be disclosed for financial liabilities recognized at amortized cost, especially liabilities to banks, were measured on the basis of the market interest rate, taking the current indicative credit spreads into account (Level 2).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts due to their predominantly short-term maturity. The maximum credit loss risk is reflected by the carrying amounts of the financial assets recognized in the statement of financial position.

The Group recognizes transfers between the levels of the fair value hierarchies at the end of the reporting period during which a change has occurred. In the current reporting period, there were no transfers between the levels.

36. Net Gains and Losses from Financial Instruments

The net gains and losses of the various categories of financial instruments are presented in the following table:

Categories according to IFRS 9 € in K	2021 12 months	2020 12 months
Financial assets measured at amortized cost	13,307	-5,441
Financial assets and liabilities measured at fair value through profit or loss	-207,101	16,221
Financial assets measured at fair value through other comprehensive income	2,046	-5,311
Financial liabilities measured at amortized cost	-6,377	120

The net result from financial assets measured at amortized cost as well as from financial assets measured at fair value through other comprehensive income mainly includes the effects of currency translation and changes in allowances.

The net result from financial assets and liabilities measured at fair value through profit or loss predominantly comprises changes in the fair value of derivative financial instruments as well as interest income and interest expenses for these financial instruments and the changes of the financial liabilities arising from contingent consideration agreements (see also Note 8).

The net result from financial assets measured at fair value through other comprehensive income is related to those receivables that are not solely held to collect contractual cash flows, but that may be sold as part of the factoring program.

The net result from liabilities measured at amortized cost mainly comprises the effects of foreign currency translation.

Total interest income and expenses for financial assets and liabilities that are not measured at fair value through profit or loss were as follows:

€ in K	2021 12 months	2020 12 months
Interest income	989	763
Interest expenses	–9,303	–7,318

37. Capital and Financial Risk Management

Capital Risk Management
In the Sartorius Stedim Biotech Group, capital is managed in order to maximize earnings of those participating in the company by optimizing the ratio of equity to liabilities. Furthermore, we ensure that all Group companies operate under the premise of the going-concern principle.

The financial liabilities detailed above are regarded as managed capital as well as cash and cash equivalents and equity capital.

Goals of Financial Risk Management
The Treasury Department of the Sartorius Stedim Biotech Group is centrally located at Sartorius Corporate Administration GmbH, a subsidiary of Sartorius AG. This centralized Treasury Department performs services for all companies of the Sartorius Group, including the Sartorius Stedim Biotech Group, and coordinates access to national and international financial markets. In addition, the Treasury Department monitors and controls financial risks by internal risk reporting, which analyzes risks according to their degree and scope. Essentially, these risks entail currency, interest rate, and liquidity risks as well as credit risks.

The Sartorius Stedim Biotech Group strives to minimize the impact of currency and interest rate risks using appropriate primary or derivative financial instruments. Hedging transactions and their control are carried out by different staff members. Moreover, the Group's Internal Auditing Department regularly monitors the use of such financial instruments. Derivative financial instruments are traded for hedging purposes only.

38. Management of Exchange Rate Risks and Hedge Accounting

The Group is exposed to currency risks as more than one third of sales revenue is generated in U.S. dollars or currencies linked to the U.S. dollar and, to a lesser extent, in other foreign currencies. At the same time, the Group is able to compensate the major part of the revenues denominated in foreign currencies with costs incurred in the same currencies due its global production network. The share of revenues generated in foreign currencies that exceeds such costs, so-called net exposure, is hedged according to a cash flow at risk (CfaR) model within the limits of a risk budget with derivative financial instruments. The resulting hedge ratios usually range between 0% and 80% for the relevant currencies, respectively. The Group generally follows a rolling hedging strategy of up to 12 months in advance. Also, the hedging measures are reviewed at regular intervals in order to adapt them to currency fluctuations.

For currency hedging, forward contracts are used. Forward contracts secure the right, and simultaneously create the obligation, to sell an established foreign currency amount on the exercise date at a specific exchange rate against the euro, independently of the exchange rate on that date. The profit or loss resulting from the difference between the current and the previously established exchange rate is generally recognized as income or expense in the statement of profit or loss.

At the reporting date, (net) forward contracts had been carried out in an amount of $324 million (2020: $150 million) to hedge against the risk of fluctuation in the EUR|USD exchange rate. This amount covers roughly half of the expected net exposure for the U.S. dollar within the period of 12 months. Furthermore, other foreign currencies were hedged in smaller volumes.

The following table shows the forward transactions as of the reporting date:

Dec. 31, 2020	Currency	Volume in K	Maturity	Fair value € in K
Forward contract	USD	150,000	2021	9,543
	USD	150,000		9,543
Forward contract	JPY	850,000	2021	80
	JPY	850,000		80
Forward contract	CAD	2,000	2021	11
	CAD	2,000		11
Forward contract	GBP	38,000	2021	492
	GBP	38,000		492

Dec. 31, 2021	Currency	Volume in K	Maturity	Fair value € in K
Forward contract	USD	324,100	2022	−7,288
	USD	324,100		−7,288
Forward contract	JPY	1,990,000	2022	91
	JPY	1,990,000		91
Forward contract	CHF	5,000	2022	−26
	CHF	5,000		−26
Forward contract	GBP	81,500	2022	192
	GBP	81,500		192
Forward contract	SEK	120,000	2021	−113
	SEK	120,000		−113

The Group uses a cash flow at risk (CfaR) model to measure foreign currency risk. The basis for the analysis of foreign currency risks are the expected cash inflows and outflows in foreign currencies (so-called net exposures). The total foreign currency risk to which all absolute values of the net exposures are aggregated is as follows at the reporting date for the following 12 months:

€ in millions	Dec. 31, 2021	Dec. 31, 2020
Foreign currency exposure	792	428
thereof short positions	43	56

The risk position of the Group is reflected by the CfaR that remains after considering all hedging activities of the Group. The CfaR approach takes into account the impact of possible currency fluctuations on the cash flows in foreign currencies (against the euro) on the basis of probability distributions. In this context, the covariances of the foreign currencies weighted with the net exposures serve as input factors for the estimation of the portfolio volatility, which is decisive for determining the CfaR. Correlations between the currencies are taken into account in this method as risk is reduced in the risk aggregation.

The possible negative impact on EBITDA is determined for each currency based on actual exchange rates and net exposures with a confidence level of 95% for the next 12 months. The following table presents the possible negative impact for the Group as determined by the CfaR approach for the following 12 months:

€ in millions	Dec. 31, 2021	Dec. 31, 2020
Cash flow at risk	28	16

Hedge Accounting

Derivative financial instruments are measured at the time of acquisition at cost and at fair value on subsequent balance sheet dates. The changes in value of the derivative financial instruments are generally recognized in the statement of profit or loss on the reporting date.

If the derivative financial instruments serve to hedge against cash flow risk arising from exchange rate risks and a qualified hedging relationship exists based on the criteria of IFRS 9, the valuation adjustments of the effective portion of the instrument are recognized in other comprehensive income (cumulative amount in 2021: €–6.7 million; 2020: €10.8 million). Only the spot element of the forward contracts used to hedge the cash flow risks is designated as hedging instrument. The amounts recognized in equity are reclassified to profit or loss in the period in which the hedged transactions affect profit or loss. The changes of the hedging reserves are shown below and in the statement of changes in equity. The non-designated or ineffective portion of the hedging instruments is recognized in the financial result in profit or loss.

The economic relationship between hedging instrument and hedged item and the effectiveness of the hedge relationship is determined based on consistency of the significant contractual features of the transactions ("critical terms match"). In this regard, the Group performs a qualitative assessment. Hedge ineffectiveness may possibly arise when the timing of future transactions deviates from the original assumptions or the credit risk of the counterparties of the hedging instrument changes.

The following table presents the effects of the hedging instruments related to exchange rate risks on the financial position and performance of the Group:

Currency	Carrying amount (asset) as of Dec. 31, 2020	Carrying amount (liability) as of Dec. 31, 2020	Hedge ratio	Change in value of hedging instruments	Change in value of hedged item	Nominal amount	Maturity: 1-6 months	Maturity: 7-12 months	Average exercise price
	€ in K	€ in K		€ in K	€ in K	in K of respective currency	in K of respective currency	in K of respective currency	
USD	10,300	0	100%	10,300	10,300	150,000	95,000	55,000	1.14
CAD	11	0	100%	11	11	2,000	2,000	0	1.55
JPY	83	0	100%	83	83	850,000	850,000	0	124.90
GBP	449	0	100%	449	449	38,000	18,000	20,000	0.91

Currency	Carrying amount (asset) as of Dec. 31, 2021	Carrying amount (liability) as of Dec. 31, 2021	Hedge ratio	Change in value of hedging instruments	Change in value of hedged item	Nominal amount	Maturity: 1-6 months	Maturity: 7-12 months	Average exercise price
	€ in K	€ in K		€ in K	€ in K	in K of respective currency	in K of respective currency	in K of respective currency	
USD	195	-6,921	100%	-6,726	-6,726	324,100	195,700	128,400	1.17
CHF	0	-26	100%	-26	-26	5,000	5,000	0	1.04
JPY	111	-8	100%	103	103	1,990,000	740,000	1,250,000	130.23
GBP	808	-724	100%	84	84	81,500	76,500	5,000	0.86
SEK	0	-125	100%	-125	-125	120,000	49,000	71,000	10.22

Hedging instruments that have a positive fair value are shown in the line item "Financial assets (non-current)" or "Other financial assets (current)" in the statement of financial position. Hedging instruments that have a negative fair value are shown in the line item "Other financial liabilities (non-current)" or "Other financial liabilities (current)" in the statement of financial position.

The amounts that are recognized in the reporting period in connection with the cash flow hedges in other comprehensive income as well as those amounts that were reclassified from other comprehensive income to profit or loss ("Other income and other expense") are presented in the statement of other comprehensive income and the statement of changes in equity.

39. Interest Risk Management

Sartorius Stedim Biotech is mainly financed through its parent company Sartorius AG. The major loans are taken out at fixed interest rates (see Note 31); therefore, the Group is currently not significantly exposed to interest rate risks. To control the interest risk, an appropriate ratio between fixed and variable loans is generally maintained. However, as of December 31, 2021, and the preceding reporting date, there are no loans with variable interest rates. Accordingly, as of December 31, 2021, the Group has no open interest rate derivative contracts to hedge the risk of increasing interest rates.

40. Liquidity Risk Management

The maturity of the financial liabilities excluding derivative financial instruments shows the following pattern:

€ in K	Carrying amount Dec. 31, 2020	Cash flow Dec. 31, 2020	< 1 year	1 – 5 years	> 5 years
Loans and borrowings	528,769	528,784	13,125	515,659	0
Lease liabilities	58,337	75,438	12,975	32,901	29,562
Trade payables	174,733	174,733	174,733	0	0
Other liabilities (excluding derivatives)	155,056	161,150	29,337	87,845	43,968
Financial liabilities	916,895	940,106	230,171	636,405	73,530

€ in K	Carrying amount Dec. 31, 2021	Cash flow Dec. 31, 2021	< 1 year	1 – 5 years	> 5 years
Loans and borrowings	546,577	547,787	26,401	519,004	2,382
Lease liabilities	78,940	96,194	17,398	45,843	32,952
Trade payables	251,361	251,361	251,361	0	0
Other liabilities (excluding derivatives)	557,311	563,074	148,911	303,763	110,400
Financial liabilities	1,434,189	1,458,416	444,071	868,610	145,734

The cash flows shown in the above tables include the undiscounted expected payments in connection with the respective financial liabilities, including the associated interest payments based on the interest rates as of the reporting date.

The loans and borrowings include the loan raised from the parent company Sartorius AG. The other liabilities include the liabilities from the contingent considerations agreements (see Note 8), the liability for the phantom units in AllPure as well as the liabilities in connection with the possible acquisition of the non-controlling interests in Biological Industries and Sartorius CellGenix GmbH.

The following tables illustrate the liquidity analysis for derivative financial instruments based on undiscounted cash flows:

€ in K	Carrying amount Dec. 31, 2020	Cash flow Dec. 31, 2020	< 1 year	1 – 5 years	> 5 years
Gross fulfilment					
Forward contracts	1	1	1	0	0
Payment obligation		1,977	1,977	0	0
Payment claim		–1,977	–1,977	0	0
Derivatives	1	0	0	0	0

€ in K	Carrying amount Dec. 31, 2021	Cash flow Dec. 31, 2021	< 1 year	1 – 5 years	> 5 years
Gross fulfilment					
Forward contracts	8,429	8,417	8,417	0	0
Payment obligation		299,086	299,086		
Payment claim		–290,669	–290,669		
Derivatives	8,429	8,417	8,417	0	0

The Group controls liquidity risks by maintaining credit lines and additional facilities with banks, by continuously tracking the forecasted and actual cash flows, and by managing the maturity profiles of financial assets and liabilities. It is not expected that cash outflows will occur at significantly different times or in significantly different amounts.

The credit line provided by Sartorius AG with a total amount of up to €260 million at variable interest rates had been utilized by an amount of €9 million as of December 31, 2021 (2020: €0 million). In addition, the Group had further short-term bilateral credit lines at variable interest rates at the reporting date; these amounted to €50 million (2020: €41 million) and were used to the extent of €16 million (2020: €7 million).

Local cash funds in certain countries (e.g., China and India) are only available to the Group for cross-border transactions subject to exchange controls.

41. Credit Risk Management

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from cash and cash equivalents and trade receivables. In addition to that, the Group is exposed to credit risks arising from derivative financial instruments with positive fair values and, to a low extent, from contractual cash flows from debt securities.

Credit risk is controlled centrally for the Group by the Treasury Management unit. For counterparties such as banks and financial institutions, the creditworthiness is continuously monitored to recognize increases in credit risks at an early stage. If no new information is obtained, the Group assumes that the related financial assets still have a low credit risk.

Customers are assigned risk limits that principally depend on business volume, past experience, and the financial position of the customer. Compliance with the limits is regularly reviewed by the management responsible. In some cases, the Group receives advance payments to avoid credit risks. There are no significant concentrations of credit risks from individual customers or regions.

For some trade receivables, the Group may have collateral, such as guarantees that can be used within the contractual agreements in case the counterparty does not meet its contractual payment obligations.

Impairment of Trade Receivables and Contract Assets

The impairment model of IFRS 9, which requires recognition of expected credit losses, is of particular relevance for the Group’s trade receivables and contract assets according to IFRS 15. The Group applies the simplified approach according to IFRS 9 to trade receivables and contract assets. Accordingly, lifetime expected credit losses are recognized for these assets. The starting point of the impairment model is an analysis of the actual historical credit loss rates. These are adjusted, taking into consideration forward-looking information and the effects of current changes in the macroeconomic environment, if significant. Due to the immaterial level of historical credit losses the Group currently determines the expected credit losses for the Group's portfolio of trade receivables as a whole. However, historical loss rates are analyzed regularly in more detail to apply different loss rates to different portfolios, where appropriate. In 2021, no significant change regarding the credit risk of the Group’s portfolio of biopharma customers was observed in line with the notion that the industry was not much affected by the pandemic crisis.

The contract assets are related to projects for typical customers of the Group. Therefore, it is assumed that the loss rates applied to trade receivables are appropriate approximations for the loss rates of the contract assets. Accordingly, there is no further differentiation between trade receivables and contract assets.

On this basis, the allowances for trade receivables and contract assets were determined as follows as of December 31, 2021, and as of December 31, 2020:

December 31, 2021 € in K	Not due	1 – 30 days overdue	31 – 60 days overdue	61-90 days overdue	More than 90 days overdue	Total
Gross carrying amount of trade receivables	284,366	20,542	18,502	11,921	26,649	361,980
Gross carrying amount of contract assets	3,956	0	0	0	0	3,956
Impairment loss allowance	721	14	577	70	8,548	9,931

December 31, 2020 € in K	Not due	1 – 30 days overdue	31 – 60 days overdue	61-90 days overdue	More than 90 days overdue	Total
Gross carrying amount of trade receivables	222,059	7,493	2,375	4,498	24,476	260,900
Gross carrying amount of contract assets	6,159	0	0	0	0	6,159
Impairment loss allowance	251	241	702	218	8,753	10,166

The expected credit losses are determined based on a loss rate of 0.05%. In addition, impairments are determined on the basis of individual assessments. Days overdue are one essential criterion in this context. A default is generally presumed when there is no reasonable expectation of recovering a financial asset. In such a case, the respective receivables are derecognized.

The movements in the allowance for impairment with respect to trade receivables and contract assets are presented below:

€ in K	2021 12 months	2020 12 months
Valuation allowance at the beginning of the year	–10,166	–6,226
Increase during the year	–3,761	–5,391
Derecognition and consumption	335	338
Recoveries of amounts previously impaired	3,929	2,353
Foreign currency translation differences	–190	147
Business combinations	–79	–1,388
Valuation allowance at the end of the year	–9,931	–10,166

Impairment of Other Financial Assets

Besides trade receivables, cash and cash equivalents are the most material financial assets on the Group's statement of financial position as of the reporting date, December 31, 2021. The expected credit losses are monitored at regular intervals. Due to the high creditworthiness of the counterparties and the short maturities, the impairment that would have to be recognized for these financial assets is immaterial. Therefore, no impairment is recognized for cash and cash equivalents.

For the other financial assets measured at amortized cost, no impairment is recognized as of December 31, 2021, for the twelve months' expected credit losses due to immaterial historical credit losses. In the event of a significant increase in credit risk, which is generally presumed when a payment is more than 30 days past due, the lifetime expected credit losses are recognized for the respective financial asset. A default is generally presumed when there is no reasonable expectation of recovering a financial asset. This is generally presumed when payments are more than 90 days past due. As of the reporting date, there are no indications of increases in credit risk to a material extent. The carrying amounts of the financial assets reflect the maximum credit loss for these assets at the end of the reporting period.

42. Other Risks Associated with Financial Instruments

As of the reporting date, the Sartorius Stedim Biotech Group was not exposed to the risk of volatility in share prices. The only exception is related to the financial liability as a result of the contingent consideration agreement in connection with the acquisition of BIA Separations which depends on the share price development of Sartorius Stedim Biotech S.A. as a valuation parameter (see Note 8).

43. Share-based Payments

On the level of Sartorius Stedim Biotech's majority shareholder Sartorius AG, share-based payments exist in the form of so-called phantom stock units. Under this plan, the respective board member is granted a certain number of phantom stocks each year that represent an agreed amount of money. The exercise of these stocks is not possible before four years and depends on certain requirements regarding the performance of the Sartorius AG shares.

When the stocks are paid out, the amount is based on the share price at the exercise date. The payment is capped at an amount of 2.5 times the share price at the time these virtual options were granted. For further details, please refer to the Remuneration Report.

The fair value of the phantom stock units granted to Sartorius AG board member that are also members of the Board of Directors of Sartorius Stedim Biotech S.A. is disclosed as follows:

	Number of phantom stock units	Subscription price in €	Fair value when granted on Jan. 1 of the particular year € in K	Fair value at year-end on Dec. 31, 2021 € in K	Paid out € in K	Exercisable
Tranche of phantom stock units for 2017	2,950	70.51	208	0	260	
Tranche of phantom stock units for 2018	2,685	80.32	216	539	0	no
Tranche of phantom stock units for 2019	2,884	113.78	328	821	0	no
Tranche of phantom stock units for 2020	1,818	190.30	346	865	0	no
Tranche of phantom stock units for 2021	1,229	354.13	435	669	0	no
Total	11,566			2,894	260	

Other Disclosures

The consolidated financial statements were prepared on a going-concern basis.

Material Events after the Reporting Date

On February 7, 2022, the Group closed the acquisition of the Novasep chromatography division. Antitrust approval required for this transaction was granted by the U.S. Federal Trade Commission end of January 2022. The business acquired achieved sales revenue of around €40 million at double-digit profit margins in 2020. As of the acquisition date, approximately 100 employees were taken on as part of the Group workforce. The majority of these currently work at the site in Pompey in northern France and some in the USA, China, and India.

The chromatography business acquired comprises batch and intensified chromatography systems, and primarily focuses on applications for smaller molecules, such as oligonucleotides, peptides, and insulin. It is complementary to the Group's chromatography offering for biopharma customers.

The purchase price for the acquired chromatography business amounted to approx. €45 million and was paid in cash. Expenses directly attributable to the acquisition of €6.2 million were recognized in other operating expenses through profit or loss in prior years. In view of the short period between the acquisition and the preparation of the consolidated financial statements, no preliminary revaluation of the acquired net assets and goodwill is available. It is expected that the material assets will be intangible assets for technologies (preliminary estimate: about €18.5 million) and customer relationships (preliminary estimate: about €8 million). Any goodwill may reflect the expansion of the product portfolio as well as intangible assets not recognizable separately, such as the workforce acquired. Goodwill is not expected to be deductible for tax purposes. The transaction was not yet recognized in the consolidated financial statements for fiscal 2021 as the entity will be consolidated as of the acquisition date.

No other material events occurred after the reporting date.

Number of Employees

The average workforce employed during the reporting year 2021 was 9,236 (6,900 in 2020).

44. Related Parties

General

The majority shareholder of Sartorius Stedim Biotech S.A. is Sartorius AG, which holds a controlling interest in the company of 74.3% in equity capital – and 84.5% of the voting rights. The Sartorius Group itself is organized in two divisions: Bioprocess Solutions (mainly run by the Sartorius Stedim Biotech Group) and Lab Products & Services (mainly run by the other companies of Sartorius Group). As a result of this structure, the Sartorius Group holds two subsidiaries in most of the countries in which it is represented, and these companies partially share space, staff, and other resources. Furthermore, the German Sartorius Group companies carry out various central functions and accordingly deliver services to the worldwide entities (e.g., IT support). Sartorius Corporate Administration GmbH, a 100% subsidiary of Sartorius AG, has incorporated numerous Group functions, such as Group finance, human resources, information technology services, investor relations, and legal services. These services are charged within the Group and, to a significant extent, also to Sartorius Stedim Biotech.

The structures described give rise to a number of relations and transactions with related parties. Transactions between Sartorius Stedim Biotech S.A. and its subsidiaries (presented in Note 7) were eliminated on consolidation and are not disclosed under this Note. Details of transactions between the Group and other related parties, belonging to the Sartorius Group, are disclosed below.

Sales, Purchases and Commissions

In certain business areas, members of the Sartorius Group act as contract manufacturers for the Sartorius Stedim Biotech Group and vice versa. The respective transactions are carried out at an arm's length principle and are disclosed in the table below as "Sales revenue" and "Purchases."

€ in K	Sales revenue 2021	Purchases 2021	Receivables Dec. 31, 2021	Payables Dec. 31, 2021
Related parties of Sartorius Group	103,841	20,951	21,200	540,051

€ in K	Sales revenue 2020	Purchases 2020	Receivables Dec. 31, 2020	Payables Dec. 31, 2020
Related parties of Sartorius Group	83,703	14,361	18,123	536,492

Certain product groups of the Sartorius Stedim Biotech portfolio are sold through the sales force of other Sartorius entities. For arranging these sales, the Sartorius Stedim Biotech Group paid commissions of €2.4 million (€2.7 million in 2020). These commissions are typically calculated as a percentage of the sales revenue generated.

Management Fees and Other Shareholder Costs

The Executive Board of Sartorius AG, the German parent company of Sartorius Stedim Biotech, also manages Sartorius Stedim Biotech Group to a large extent. Two of Sartorius Stedim Biotech S.A.'s board members are also members of the Sartorius AG Executive Board. For their services to Sartorius Stedim Biotech, a portion of their remuneration is charged to Sartorius Stedim Biotech S.A. (€1.4 million in 2021; €1.4 million in 2020) and to Sartorius Stedim Biotech GmbH (€2.4 million in 2021; €2.0 million in 2020).

The use of the Sartorius brand by Sartorius Stedim Biotech entities is subject to a brand name fee. In 2021, an amount of €15.8 million was charged (2020: €7.8 million). Other shareholder functions, such as group financial reporting, compliance, and investor relations, are performed by above-mentioned Sartorius Corporate Administration GmbH in Germany. These services were charged to Sartorius Stedim Biotech S.A. in the amount of €1.3 million (2020: €1.3 million).

Shareholder Loan

Sartorius Stedim Biotech Group's loans raised from its parent company Sartorius AG are described in Note 31. The interest rates are based on arm's length conditions.

Administration Charges and Shared Costs

As described above, the companies in most countries share certain functions and costs. The underlying contracts include mainly agreements to share office space and central administrative functions, such as accounting and controlling, human resources management and IT. In this respect, the relevant companies charge rent, salaries, social security costs, and other expenses for such services, as well as a pro-rated profit margin for the services they provide.

The most significant contract in this context is the one between Sartorius Stedim Biotech GmbH, Germany, and Sartorius Corporate Administration GmbH. This company provides all central service and administrative functions to Sartorius Stedim Biotech GmbH and other Group companies. The calculation for service fees typically includes a surcharge of 3% on total costs. 3% is a surcharge compliant with arm's length principles for routine tasks in line with OECD and EU guidelines. In 2021, services of approx. €94.6 million were provided to Sartorius Stedim Biotech GmbH (€66.6 million in 2020). This amount covers the following functions:

- Marketing communication and corporate branding, e-commerce, business development
- Environment, health and security (EHS); factory maintenance
- Finance, human resources, information technology services
- Central services and general organization.

Compensation of Key Management Personnel

In 2020 and 2021, the Executive Board Management received the following remuneration:

€ in K	Total	Short-term benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments
2021 [1]	2,903	1,576	158	248	0	921
2020 [1]	2,518	1,375	156	109	0	879

1 For more information please refer to the chapter Corporate Governance (See pages 71 to 102).

Statutory Auditors' Report on the Consolidated Financial Statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2021

To the Shareholders of Sartorius Stedim Biotech S.A.,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' meetings, we have audited the accompanying consolidated financial statements of Sartorius Stedim Biotech S.A. for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Goodwill valuation – Impairment test

Identified risk

As of 31 December 2021, goodwill amounts to 820.7 M€, or 20.8% of total consolidated assets.

As described in Note 5 to the consolidated financial statements, Sartorius Stedim Biotech S.A. is an "integrated solution provider" for its customers, and as a result there is only one operating segment from a product and customer perspective: "Biopharm ". In addition, as indicated in Note 16 to the consolidated financial statements, because of the interdependence of the market in which your group operates, the lowest level at which goodwill can be allocated is the Biopharm segment. The goodwill has therefore been fully allocated to the Cash Generating Unit (C.G.U.) corresponding to the Biopharm segment.

Goodwill is subject to an annual impairment test and whenever there are indicators of impairment in accordance with the methods and assumptions described in Notes 3 and 16 to the consolidated financial statements. In particular, in view of what has been described above, the impairment test is carried out at the level of the Biopharm segment.

We considered that the determination of the value of goodwill is a key point of our audit given its significance in the consolidated financial statements of your group, and because the determination of the recoverable amount taken into account in the impairment test on the basis of the value in use of the C.G.U. requires the use of estimates and assumptions (in particular in respect of future cash flows, perpetual revenue growth rates and the discount rate) that require significant management judgment.

Responses obtained during our audit

We obtained the impairment test from the C.G.U. group corresponding to the Biopharm segment as well as the forecasts underlying the calculation (4-year plan).

We reviewed the compliance of the company's methodology with applicable accounting standards.

We also performed a critical analysis of how the company has implemented this methodology, including the following procedures:

- Assessed the reasonableness of the key assumptions used to determine the cash flow of the Biopharm segment as well as that used for the perpetual growth rate;

- Assessed, with the support of our valuation specialists, the discount rate used by management. We compared this rate with our own estimates and analysed its various constituent components;

- Checked the arithmetical accuracy of the impairment test performed by your group.

We have also obtained and assessed the sensitivity analyses carried out by management, as shown in Note 16 of the notes to the consolidated financial statements. As a result, we were able to verify that only an extremely large change in the main assumptions could lead to the recognition of an impairment of goodwill.

Lastly, we verified the appropriateness of the information provided in Notes 3, 4 and 16 to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group’s information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the

Chief executive officer complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Sartorius Stedim Biotech S.A. by he annual general meeting held on 7 April 2015 for KPMG S.A. and on 19 May 2006 for Deloitte & Associés.

As at 31 December 2021, KPMG S.A. and Deloitte & Associés were in the 7th year and 16th year without interruption.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Marseille, 11 February 2022

The Statutory Auditors

French original signed by

KPMG Audit
A Division of KPMG S.A.

Nicolas Blasquez
Partner

Deloitte & Associés

Christophe Perrau
Partner

SARTORIUS

Annual Financial Statements and Notes

05

Annual Financial Statements

Parent Company Balance Sheet: Assets

€ in K	Gross at Dec. 31, 2021	Depreciation, amortization and provisions Dec. 31, 2021	Net at Dec. 31, 2021	Net at Dec. 31, 2020
Intangible assets	552	–202	350	378
Property, plant and equipment	23,251	–14,559	8,692	7,111
Financial investments	139,583	0	139,583	129,141
Total non-current assets	163,385	–14,761	148,624	136,630
Inventories and work in progress	0	0	0	0
Trade receivables to third parties	203	0	203	50
Other receivables	115,933	0	115,933	51,224
Deposits and cash equivalents	48		48	43
Total current assets	116,184	0	116,184	51,317
Prepaid expenses	134	0	134	177
Currency translation adjustment	0	0	0	0
Total assets	279,703	–14,761	264,942	188,124

Parent Company Balance Sheet: Liabilities

€ in K	At Dec. 31, 2021	At Dec. 31, 2020
Share capital	18,436	18,436
Share premium	12,251	12,609
Reserves	2,434	2,434
Retained earnings carried forward	75,363	56,817
Profit for the period	115,521	81,227
Regulated provisions	4,088	4,088
Total equity	228,093	175,611
Provisions for liabilities and charges	0	0
Total provisions for liabilities and charges	0	0
Loans and borrowings	0	0
Trade payables	2,852	1,273
Tax and social charges payable	63	63
Liabilities for non-current assets	141	40
Other liabilities	33,793	11,137
Total liabilities	36,849	12,513
Currency translation adjustment	0	0
Total equity and liabilities	264,942	188,124

Parent Company: Income Statement

€ in K	At Dec. 31, 2021	At Dec. 31, 2020
Sales revenue	2,110	1,877
Inventory movements	0	0
Capitalized production costs	0	0
Depreciation or amortization reversals	0	0
Other operating income and expense reallocation	0	4
Purchases consumed	0	0
External charges for services	-9,519	-4,785
Tax and duties	-243	-457
Personnel costs	0	0
Additions to amortization, depreciation and provision	-899	-884
Other operating expenses	-387	-378
Operating profit (EBIT)	(8,939)	(4,623)
Net financing income | (expense)	123,045	85,043
Profit | (loss) from ordinary activities	114,106	80,420
Exceptional income | (expense)	0	106
Income tax	1,416	701
Net profit | (loss)	115,521	81,227

1. Materiel Events during the Year

None

2. Materiel Events after the Reporting date

On February 7, 2022, the Company closed the acquisition of the Novasep chromatography division.S.A.S. for an amount of €39 million. For more details please refer to the part "Other Disclosures / Material Events after the Reporting Date" in the Consolidated Financial Statements and Notes of the Group.

No other material events since this date.

3. Accounting Principles and Methods

The parent company's financial statements for the year ended December 31, 2021, were prepared and presented in accordance with French accounting rules in compliance with the principles of prudence, reporting on distinct financial years and the presumption of going concern.

The annual financial statements have been prepared in accordance with the clauses of the CRC Regulation 2014-03 of September 8, 2014 on the French chart of accounts.

Sartorius Stedim Biotech S.A. is listed in Compartment A of the Euronext Paris Stock Exchange (ISIN FR code 0000053266) and also prepares consolidated financial statements in accordance with IFRS standards, as adopted by the European Union on December 31, 2019. Sartorius Stedim Biotech S.A. is consolidated by Sartorius A.G.

3.1. Non-current Assets

Non-current intangible and tangible assets are valued at their acquisition costs, excluding costs incurred for their acquisition.

For intangible assets and property, plant and equipment, the Company applied the French Regulation CRC No. 2002-10, recodified by Article 2-4 of Regulation CRC No. 2004-06 relative to the amortization, depreciation and impairment of assets according to the "Component approach."

3.1.1. Intangible Assets

The following is thus valuated under this heading: incorporation costs, patents and software.

All these assets are amortized on a straight-line basis using the following indicative useful lives:

Incorporation costs:	One to five years
Software:	One to three years
Patents:	Twenty years
Leasehold:	Eighteen years (Based on the period of use).

As part of the implementation of integrated software, the direct labor costs concerned are included in the amount capitalized as cost, as a function of the time elapsed.

Intangible assets are valued at acquisition cost less amortization and impairments reported, on an ongoing basis.

3.1.2. Property, Plant and Equipment

Property, plant and equipment (PPE) are recognized at their acquisition value, including the installation cost of these assets.

Depreciation is calculated over the standard and economic life of the assets using the straight-line method.

All these non-current assets are depreciated on a straight-line basis using the following indicative periods of use:

- Buildings: Twenty to forty years
- Improvements, fixtures and fittings: Ten to fifteen years
- Plant and equipment: Four to ten years
- Office and IT equipment: Three to five years
- Motor vehicles: Four to five years

Property, plant and equipment are valued at acquisition cost less depreciation and impairments reported, on an ongoing basis.

3.1.3. Financial Investments

Investments relate mainly to shareholdings in subsidiaries and other treasury shares held within the scope of the share buyback program; they are recorded at their acquisition cost, including fees linked to their acquisition.

An impairment provision may be recorded to consider, in particular, either the stock exchange price or the underlying assets of these subsidiaries, their financial position and their prospects.

Shareholdings in subsidiaries are subject to impairment tests.

3.2. Receivables and Payables

Receivables and payables are recorded at their nominal value.

Receivables whose collection is doubtful are subject to a provision for doubtful debts.

4. Non-Current Assets

4.1. Intangible Assets

Gross values in thousands of €	At Dec. 31, 2020	Increase in 2021	Decrease in 2021	At Dec. 31, 2021
Incorporation costs	4	0	0	4
Patents	0	0	0	0
Software, licenses	0	0	0	0
Business goodwill	548	0	0	548
Intangible assets in progress	0	0	0	0
Total	552	0	0	552
Amortization and depreciation in thousands of €	174	28	0	202
Net amount	378	−28	0	350

4.2. Property, Plant and Equipment

Gross values in thousands of €	At Dec. 31, 2020	Increase in 2021	Decrease in 2021	At Dec. 31, 2021
Land	496	0	0	496
Buildings	15,758	0	0	15,758
Plant and equipment	0	0	0	0
Other	3,718	422	0	4,140
Property, plant and equipment in progress	827	2,460	−431	2,856
Total	20,799	2,882	−431	23,251

Amortization and depreciation in thousands of €	At Dec. 31, 2020	Addition	Release	At Dec. 31, 2021
Buildings	11,841	446	0	12,287
Plant and equipment	0	0	0	0
Other	1,846	426	0	2,272
Total	13,687	872	0	14,559
Property, plant and equipment, net	7,112	1,149	431	8,692

The increase in tangible assets includes fixtures and fittings for a net amount of €422 K and assets under construction for an amount of €1,598 K.

4.3. Financial Investments

Investments in thousands of €	At Dec. 31, 2020	Increase in 2021	Decrease in 2021	At Dec. 31, 2021
Shareholdings	127,982	0	0	127,982
Write-down of shareholdings	0	0	0	0
Deposits and guarantees	87	0	–23	64
Treasury shares	1,072	10,465	0	11,536
Write-down of treasury shares	0	0	0	0
Other non-current assets	0	0	0	0
Total	129,141	10,465	–23	139,582

The following is included under "Financial investments":

- 99.99% of the share capital of Sartorius Stedim Bioprocess SARL, a Tunisian company;
- 100% of the share capital of Sartorius Stedim Biotech GmbH, a company governed by German law, following the merger of the Sartorius and the Stedim Groups in June 2007;
- 100% of the share capital of Sartorius Stedim Aseptics S.A.S., a French company acquired in 2004;
- 100% of the share capital of Sartorius Stedim FMT S.A.S., a French company created in connection with the Contribution Assets transfer in 2013;
- 100% of the share capital of Sartorius Stedim Chromatography Resins S.A.S., a French company acquired the 1st of June 2020;
- Other investments: €1.0 K.

The amount now corresponds to the share of Sartorius Stedim Biotech in the Russian company Sartorius Stedim RUS.

The liquidity contract between the entity Sartorius Stedim Biotech S.A. and the brokerage company Gilbert Dupont ended on the 31st of March 2021. A new contract was concluded on the 29th of April 2021 between Sartorius Stedim Biotech SA and the brokerage company Kepler Chevreux and was in place at the reporting date [1]. Therefore, Sartorius Stedim Biotech holds 3,361 shares of SSB S.A. in portfolio at the closing.

1 Any buyback program for liquidity purposes is not to be continued during a takeover bid

5. Trade Receivables

Maturity of Receivables at Year-end

Type of receivable € in K	Net amount	Less than 1 year	More than 1 year
Deposits and guarantees	11,600	1,685	9,915
Non-current assets	11,600	1,685	9,915
Advance payments on account	79	79	0
Trade receivables	203	203	0
Personnel	0	0	0
Social security	0	0	0
Taxes and duties	5,094	5,094	0
Group	110,759	110,759	0
Other receivables	0	0	0
Current assets	116,136	116,136	0
Prepaid expenses	134	134	0
Total receivables	127,870	117,955	9,915

The "Group" item for receivables from Group subsidiaries (€110,759 K) relates to current account cash advances provided to Sartorius Stedim Aseptics, Sartorius Stedim FMT and Sartorius Stedim Bioprocess Tunisia.

The "Taxes and duties" (€5,094 K) captions primarily includes the net tax receivable relating to the tax grouping system.

6. Maturity of Liabilities at Year-end

Type of liability € in K	Net amount	Less than 1 year	Between 1 and 5 years	More than 5 years
Loans and borrowings from credit institutions				
Originally less than 2 years	0	0	0	0
Originally more than 2 years	0	0	0	0
Current bank overdrafts and accrued interest	0	0	0	0
Trade payables	2,852	2,852	0	0
- including bills of exchange	0	0	0	0
Advances and payments on account for orders	0	0	0	0
Tax and social security payable	63	63	0	0
Liabilities for non-current assets	141	141	0	0
Group and associates	33,476	33,476	0	0
Other	317	317	0	0
Total liabilities	36,849	36,849	0	0

The "Group" item for liabilities from Group subsidiaries (€33,476 K) relates to cash-pooling liabilities and current account cash advances provided by Sartorius AG, Sartorus Stedim Biotech GmbH, Sartorius Stedim France S.A.S., Sartorius Stedim FMT S.A.S. and Sartorius Stedim Aseptics S.A.S.

Accrued expenses included in these accounts represented €2,868 K and concerned the following items:

Type of expense € in K	At Dec. 31, 2021
Accrued banking charges	0
Suppliers' invoices to be received	2,328
Paid vacation including social charges	0
Bonuses, including social charges and profit sharing	0
Social security payable	0
Taxes payable	0
Employee profit sharing	0
Total charges payable	2,328

7. Parent Company Statement of Changes in Equity (in thousands of €)

7.1. Equity

At December 31, 2020, the share capital was €18,436 K, comprising 92,180,190 shares of a €0.20 par value.

At December 31, 2021, the share capital is €18,436 K, comprising 92,180,190 shares of a €0.20 par value.

The Annual General Shareholders' Meeting on March 2021, the 24th, approved the appropriation of the net profit for the year of €81,227 K, as follows:

- Allocation to the retained earnings carried forward: + €18,545 K
- Paid into the legal reserves: None

A dividend total of €62,683 K, or a net dividend per share of €0.68, was paid.

	Appropriation of profit in 2020			Movements 2021		Equity before appropriation of profit in 2021
	Before	Changes	After	Increases	Decreases	Total
Number of shares:	92,180,190		92,180,190			92,180,190
Share capital	18,436		18,436			18,436
Share premium	0		0	–358		–358
Merger premium	12,609		12,609			12,609
Legal reserve	1,844		1,844			1,844
Other reserves	591		591			591
Balance carried forward	56,818	18,545	75,363			75,363
Dividends paid	0	62,683	62,683		(62,683)	0
Net profit to be appropriated	81,227	(81,227)	0			0
Profit for the reporting year			0	115,521		115,521
Regulated provisions	4,088		4,088			4,088
Total	175,613	0	175,613	115,163	–62,683	228,093

7.2. Stock Options

None

8. Risks and Provisions

8.1. Provisions

Type of provision € in K	Provisions at Dec. 31, 2020	Additions 2021	Releases 2021	Provisions at Dec. 31, 2021
Regulated provisions				
Accelerated amortization and depreciation	4,088	0	0	4,088
Subtotal (1)	4,088	0	0	4,088
Provisions for liabilities and charges				
Exchange risk	0	0	0	0
Other costs	0	0	0	0
Taxation	0	0	0	0
Subtotal (2)	0	0	0	0
Grand Total = (1) + (2)	4,088	0	0	4,088

8.2. Market Risk Exposure

8.2.1 Operating Cash Flow risks
At December 31, 2021, there are no impacts on net amount in foreign currency in current assets and liabilities.

8.2.2 Current and Future Tax Position
As of January 1, 2008, the company chose to adopt the French tax integration regime within the framework of a tax group. The lead company of this group is Sartorius Stedim Biotech S.A. The other member companies of this tax integration group for tax relief are Sartorius Stedim Aseptics S.A.S., Sartorius Stedim France S.A.S. and Sartorius Stedim FMT S.A.S.

The member companies report income tax as if there were no integration tax regime. The parent corporation benefits from tax relief related to consolidating the gains and losses of the other members companies.

For 2021, the net impact according to the consolidation rules of the French tax integration regime for tax relief is an income of €1,416 K. Taking into grout the tax credits not yet, compensated, the company SSB holds a receivable from the State of €4,861 K.

9. Operating Income (in thousands of €)

9.1. Sales Revenue by Operating Segment

Operating segment	At Dec. 31, 2021	%	At Dec. 31, 2020	%
Services	2,110	100%	1,877	100%
Total	2,110	100%	1,877	100%

9.2. Sales Revenue by Geographical Region

Geographical region	At Dec. 31, 2021	%	At Dec. 31, 2020	%
France	2,110	100%	1,877	100%
Export	0		0	0%
EU and other countries	0		0	
North American continent	0		0	
Total	2,110	100%	1,877	100%

The Sale revenue corresponds to the rent invoiced to the entity Sartorius Stedim FMT S.A.S. for the use of premises located in Aubagne within its operational activity.

10. Breakdown of Income Tax

	At Dec. 31, 2021			At Dec. 31, 2020		
€ in K	Profit before tax	Income tax charge	Profit after tax	Profit before tax	Income tax charge	Profit after tax
Gross taxable income	114,106	0	114,106	80,420	0	80,420
Exceptional income | (expense)	0	0	0	106	0	106
French tax integration relief	0	1,416	1,416	0	701	701
Net taxable income	114,106	1,416	115,521	80,526	701	81,227

11. Information on Directors' Remuneration

Remuneration allocated and paid to members of the Board of Directors as directors' meeting fees amounted to €313.8 K. These fees related to the 2020 fiscal year and were paid in 2021.

No meeting fees were paid by Sartorius Stedim Biotech S.A. to the general management of the company in fiscal 2021. A Part of the Executive Board's remuneration has been recharged by Sartorius AG to Sartorius Stedim Biotech S.A. for an amount of €1,395 K (2020: €1,370 K).

12. Off-Balance Sheet Commitments

Type of commitment € in K	Comment	At Dec. 31, 2021	At Dec. 31, 2020
Commitments given			
Guarantees for bilateral credit lines		0	0
Guarantees for currency hedging contracts		0	0
Commitments from renting / leasing		0	0
Commitments received			
Contractual loan capacity from credit institutions		0	0

The commitments in connection with the lease are summarized in the following table:

Leasing	< 1 year € in K	1-5 years € in K	> 5 years € in K	Total	Buy-back value
Tangible Assets					
Buildings and Improvments	215	0	0	215	0
Total	215	0	0	215	
Leasing	Historical value	Payments for the Year	Cumulatives Payments	Depreciation for the Year	Cumulative Depreciation
Tangible Assets					
Buildings and Improvments	2,391	278	2,339	264	1,450
Total	2,391	278	2,339	264	1,450

The building has been operational from the 1st of January 2015.

13. Information on Related Parties

Affiliates are its parent company, Sartorius AG, and the companies owned by Sartorius Stedim Biotech S.A., and are Sartorius Stedim FMT S.A.S., Sartorius Stedim Bioprocess SARL, Sartorius Stedim Aseptics S.A.S. and Sartorius Stedim Biotech GmbH.

The company Sartorius Stedim Biotech S.A. is consolidated in the financial statements of Sartorius AG, Otto-Brenner-Strasse 20, 37079 Goettingen (Germany).

In the following, you will find the table of the main amounts with the related parties:

Items € in K	At Dec. 31, 2021	At Dec. 31, 2020
Investments	127,982	127,977
Trade receivables	203	50
Other receivables	110,759	48,659
Trade payables	0	0
Other liabilities	33,476	10,549
Income from investments	122,000	85,892
Other financial income	126	35
Finance expense	743	1,111

In the following, you will find the table of subsidiaries and shareholdings:

At Dec. 31, 2021	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
€ in K				Gross	Net					
Sartorius Stedim Biotech GmbH			100.00%							
(Euros)	6,000	954,762		79,949	79,949	12,133	0	1,425,805	427,257	90,000
Sartorius Stedim FMT S.A.S.			100.00%							
(Euros)	42,940	55,231		42,940	42,940	31,142	0	626,381	49,799	24,000
Sartorius Stedim Bioprocess SARL			99.99%							
(Dinars)	5,950	43,235				174,169		336,774	21,524	0
(Euros)				3,132	3,132	52,907	0	102,301	6,538	0
Sartorius Stedim RUS			100.00%							
(Rubles)	8,000	114,135						5,783,216	712,537	0
(Euros)	94	1,345		109	109	0	0	66,359	8,176	0
Sartorius Stedim Aseptics S.A.S.			100.00%							
(Euros)	448	14,843		1,848	1,848	26,070	0	30,434	12,513	8,000
Sartorius Stedim Chromatography Resins S.A.S.			100.00%							
(Euros)	5	2,173		5	5	0	0	19,944	6,448	0

At Dec. 31, 2020	Share capital	Reserves, share premium and retained earnings before appropriation	Ownership in %	Book value of shares held		Loans outstanding and advances granted	Changes in deposits and pledges	Sales (ex-VAT) - for the financial year	Net profit	Dividends received
€ in K				Gross	Net					
Sartorius Stedim Biotech GmbH			100.00%							
(Euros)	6,000	617,504		79,949	79,949	12,133	0	927,024	172,427	75,000
Sartorius Stedim FMT S.A.S.			100.00%							
(Euros)	42,940	28,538		42,940	42,940	7,142	0	342,481	23,642	0
Sartorius Stedim Bioprocess SARL			99.99%							
(Dinars)	5,950	21,747				37,274		150,728	9,696	0
(Euros)				3,132	3,132	11,249	0	47,112	3,031	0
Sartorius Stedim RUS			100.00%							
(Rubles)	8,000	113,351						1,604,240	95,939	73,763
(Euros)	87	1,235		109	109	0	0	19,089	1,160	892
Sartorius Stedim Aseptics S.A.S.			100.00%							
(Euros)	448	2,255		1,848	1,848	18,070	0	22,073	7,604	10,000

The previous list contains only information on transactions in Company shares received in accordance with the Article 19 MAR (Operations realized by Executive Directors). Therefore, we are not aware of all transactions whose cumulative trade volumes have remided below the notification threshold of €20,000 per calendar year.

Statutory Auditors' Report on the Financial Statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2021

To the Shareholders of Sartorius Stedim Biotech S.A.,

Opinion

In compliance with the assignment entrusted to us by your Shareholders' meetings, we have audited the accompanying financial statements of Sartorius Stedim Biotech S.A. for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1st January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

We have determined that there were no key audit matter to report.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified the consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief executive officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Sartorius Stedim Biotech S.A. by he annual general meeting held on 7 April 2015 for KPMG S.A. and on 19 May 2006 for Deloitte & Associés.

As at 31 December 2021, KPMG S.A. and Deloitte & Associés were in the 7th year and 16th year without interruption.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Marseille, 11 February 2022

The Statutory Auditors

French original signed by

KPMG Audit
A Division of KPMG S.A.

Nicolas Blasquez
Partner

Deloitte & Associés

Christophe Perrau
Partner

SARTORIUS

Supplementary Information

06

Other Information of a Legal Nature

General Information on the Issuer

Corporate Name

The corporate name of the company is: "Sartorius Stedim Biotech".

In all legal deeds and documents issued by the company, this is always preceded or followed by the words "société anonyme" or the abbreviation "S.A." and a statement of the share capital (Company bylaws, Article 1).

Registered Office

The registered office is in Aubagne (13400), France, Z.I. Les Paluds, avenue de Jouques. Phone number: +33 (0)4 42 84 56 00.

This office may be transferred to another location in the same "département" [French county or state] or an adjacent county or state by simple decision of the Board of Directors subject to ratification by the next Annual General Shareholders' Meeting and anywhere else in France by a decision taken by an Extraordinary General Shareholders' Meeting.

If the Board of Directors decides to transfer the registered office, it is authorized to revise the bylaws as a result (Company bylaws, Article 4).

Legal Form and Applicable Law

The company is a public limited liability company or joint stock company [société anonyme], subject to the French legislation, particularly to the French Commercial Code.

Date of Incorporation — Duration

The company was incorporated on September 28, 1978, as a "société anonyme." The company's duration is for 99 years, effective upon registration in the French trade and commercial register ("registre du commerce et des sociétés"), unless subject to dissolution or extension provided by the present company bylaws (Article 1 and 5).

Corporate Purpose

In France and abroad, the company's purpose is:

- to purchase, develop, administrate and manage a portfolio of equity security, securities, voting rights and other social rights in all companies regardless of their activity and this, by all means including by way of setting up of new companies, contribution in kind of any types of social rights, subscription rights, mergers, purchases of other social rights or incorporation of companies;

- to manage, conduct and coordinate the activities of its subsidiaries and affiliates; when applicable, to provide to said companies all services of an administrative, financial, accounting and legal nature and any opinion and advise or to order any studies or researches that are necessary for their development or growth;

- and more generally, all financial, commercial, industrial, personal and real property operations linked, directly or indirectly, to the above-mentioned corporate purpose or to all other complementary, related or similar purposes, which may promote the development or accomplishment thereof (Company bylaws, Article 2).

Trade and Commercial Register — APE Code
The company is registered with the "registre du commerce et des sociétés" of Marseille, under the number RCS B 314 093 352. Its economic activity code (APE) is 6420Z (Holding company activity).

Inspection of Legal Documents at the Registered Office of the Company

The Universal Registration Document may be viewed at the registered office of the company, on its website and on the website of the AMF. During the validity of the present Universal Registration Document, the bylaws, the Statutory Auditors' reports and the financial statements of the last three fiscal years, although with reports, mails and other documents, historical financial information of the company and its subsidiaries of the last three fiscal year, evaluation and declarations made by an expert, when these documents are statutory and any other statutory document, can be found at the registered office.

Financial Year

The financial year, also referred to as fiscal year, covers a period of twelve months, beginning on January 1 and ending on December 31 of each year (Company bylaws, Article 7).

Share capital

Sartorius Stedim Biotech S.A.'s issued capital amounted to €18.4 million as of December 31, 2021, and was divided into 92,180,190 shares, each with a calculated par value of €0.20. As some of the shares confer double voting rights, there were 160,526,383 voting rights in total as of the reporting date.

Specific Clauses in the Company Bylaws

Form of Shares

Shares may be in nominative or bearer form according to the shareholder's choice. These shares are entitled to be recorded in an account in accordance with French law (Company bylaws, Article 10).

Appropriation of Profits

The income statement that summarizes the income and expenses of the reporting year discloses by difference, after deduction of amortization, depreciation and provisions, the profit for said reporting year. At least 5% must be deducted from the annual profit reduced, where appropriate, by prior losses, to set up the legal reserve. This deduction ceases to be obligatory when the legal reserve amounts to one tenth of the share capital. This obligatory deduction resumes when, for whatever reason, the legal reserve falls below this one tenth. The distributable profit comprises the profit for the reporting year less prior losses and amounts transferred to reserves, pursuant to French laws and the company bylaws, and increased by profit brought forward. This profit is distributed among all shareholders in proportion to the number of shares each one holds. The Annual General Shareholders' Meeting may decide to distribute amounts taken from reserves available to it by expressly indicating the reserve from which the transfers are made. However, dividends are disbursed by way of priority from the annual profit for the reporting year. Except for a reduction in capital, no distribution may be made to shareholders when the equity falls below, or would consequently fall below, the amount of the capital together with the reserves that French laws or the company bylaws do not permit to distribute. Revaluation surplus is not distributable. It may be incorporated in full or part into the company's capital. However, after transferring the amounts to the reserves, pursuant to French law, the Annual General Shareholders' Meeting may transfer any amount it considers necessary to all available reserves, ordinary or extraordinary reserves, or carry it forward (Company's bylaws, Article 24).

Shareholders' Meetings (Company's bylaws, extract of Article 22)

(Description under normal circumstances, to the exclusion of a Covid 19 pandemics)

Convening

Annual (or Ordinary) General Shareholders' Meetings are those convened to take all decisions that do not result in a revision of the bylaws. Extraordinary General Shareholders' Meetings are those called to decide or authorize direct or indirect revisions to the bylaws. Special Meetings bring together the holders of a specific class of share to consider revisions to the rights of this class of share. Decisions made at the General Meetings are binding for all shareholders, even those who are absent, dissenting or legally incapable or incapacitated. General Meetings are convened by the Board of Directors or, by default, the independent auditors or a person thus empowered. General Meetings are held at the registered office or any other place stated in the notice of convocation. The forms and timescale of the notice of convocation are governed by French laws.

Agenda

The notices and letters of call shall indicate the indications required by the law, particularly the agenda, the company electronic address where written questions of Shareholders may be sent and, eventually the mention of the obligation to collect the opinion or the prior approval of the mass of securities Shareholders giving access to the share capital.

The meeting may only deliberate on the matters placed on the agenda. It may, however, remove one or more directors at any time.

One or more shareholders representing the percentage of share capital required by law may, under the conditions and time limits set forth by law, require the inclusion on the agenda of draft resolutions.

In accordance to the Articles R 225-71 to R 225-74 of the Commercial Code, requests made by the Shareholders to register draft resolutions on the agenda and written questions are sent to the Headquarters by registered letter with recorded delivery beginning on the publication of the Meeting announcement and until 25 days before the General Meeting, or in a delay of 20 days beginning on the publication of the Meeting announcement, when this one is published more than 45 days before the General Meeting (date of reception of the request by the company will be taken into account).

The request of a new item on the agenda must be motivated. The request to register draft resolutions is provided with the text of draft resolutions, which may have a short explanation of reasons. These requests are subject to justification of possession or representation of required Share capital, in accordance to regulatory rules

If the meeting has been unable to make a valid decision due to a lack of the required quorum, the second meeting and, where appropriate, the second meeting adjourned are called at least ten days in advance in the same form as the first meeting

Admission to Meetings — Powers

Every shareholder has the right to attend General Meetings and to participate in the discussions, in person or by proxy, regardless of the number of shares held, on simple proof of identity and the ownership of shares. The right to participate in a General Meeting is subject to the condition that the shares must be recorded, in the name of the shareholder or the shareholder's appointed broker, either in the nominative share accounts held by the company or in the bearer share accounts held by the authorized broker, by zero hours, Paris time, on the second working day prior to the meeting. The recording or registration of the shares in the bearer share accounts held by the authorized broker must be confirmed by a share certificate provided by the broker. This share certificate must be attached to the postal voting form, the proxy form or the application for an admission pass, issued in the name of the shareholder or on behalf of the shareholder represented by the appointed broker. A certificate must also be supplied to shareholders who wish to attend the General Meeting in person but who have not received an admission pass by zero hours, Paris time, on the second working day prior to the meeting.

A Shareholder may be represented by another Shareholder, his or her spouse or by the partner with who he or she signed a Civil Partnership. Furthermore, he or she may be represented by any other moral or physical person of his choice in accordance to the Articles L. 225-106 to -106-3 of the Commercial Code; in that aim, the representative must present valid proof of proxy.

The legal representatives of shareholders who are legally incapable or incapacitated and individuals representing corporate shareholders take part in meetings, whether or not they are shareholders.

All Shareholders may also have a postal voting, using a registration form and sent to the company according to the law and regulations; to be acceptable this registration must be received by the company three days before the date of the Meeting.

In case of remote voting using an electronic vote, or a proxy vote given by electronic signature, this vote is made according to the conditions of the current regulations.

All legal documents relative to legal information for shareholders are made available to them at the registered office of the company.

Board of Directors (Company bylaws, extract of Article15)

1. Subject to legal exemptions, the Company is directed by a Board of Directors composed of a minimum of three members and a maximum of eighteen.

   The composition of the Board of Directors is made with a balance number of men and women.

2. During the duration of the company's existence, directors shall be appointed or renewed in office by the ordinary general meeting. However, in case of merger, directors may be appointed by the extra-ordinary general meeting deciding on the transaction.

3. Each director must, during his entire term of office, own at least one share.

4. Directors have a term of office of three years.

   Directors' duties shall cease at the end of the ordinary general meeting deciding on the accounts of the financial year elapsed, held in the year when the term of office of the director concerned expires.

   Directors may be renewed in office. They may be removed from office at any time by the ordinary general meeting.

5. No person may be appointed director if, having reached the age of 75, his appointment would result in more than one third of the members of the board of directors exceeding that age. If that proportion is exceeded, the oldest director shall automatically be deemed to have resigned at the end of the ordinary general meeting approving the accounts of the financial year when exceeded.

6. Directors may be individuals or legal entities. Directors who are legal entities are required, upon their appointment, to appoint a permanent representative who is subject to the same conditions and obligations and who incurs the same liability as though personally a director, without prejudice to the several liability of the legal entity represented.

   When the legal entity who is a director terminates the mandate given to its permanent representative, it shall promptly notify the Company, by registered letter, of its decision as well as the identity of its new permanent representative. The same applies in the event of death or resignation of the permanent representative.

7. If one or more directors' seats become vacant between two general meetings due to death or resignation, the board of directors may proceed to make appointments on an interim basis so as to fill the seats on the Board. These appointments must be made within three months of the vacancy, when the number of directors has fallen below the minimum under the articles of association but without falling below the statutory minimum.

   Interim appointments made in this manner by the Board are subject to ratification by the next ordinary general meeting. Failing ratification, the decisions taken or the acts accomplished shall nonetheless remain valid.

   When the number of directors falls below the statutory minimum, the directors remaining in office are required to immediately call an ordinary meeting so as to fill the vacant seats on the Board.

   A director appointed in replacement of another shall only remain in office for the remaining term of office of his predecessor.

8. Directors who are individuals cannot concomitantly hold more than five seats on the board of directors or supervisory boards of sociétés anonymes having their registered office in metropolitan France, subject to the exceptions provided by law.

9. A Company employee may not be appointed a director unless his employment agreement corresponds to effective employment. He shall not lose the benefit of his employment agreement. The number of directors bound to the Company by an employment agreement may not exceed one third of the directors in office.

10. In accordance with the applicable law, there shall be one director representing employees when the number of directors is equal to or less than 8. The director representing employees is:

- elected by the employees of the company and its direct or indirect subsidiaries which have their registered office located in France under the conditions provided in this article, or

- appointed by the trade union organisation that obtained the most votes during the first round of the elections mentioned in Articles L. 2122-1 et L. 2122-4 of the French Labour Code in the Company and its direct or indirect subsidiaries which have their registered office located on France, or

- appointed by the works council.

When the number of directors is more than 8, a second director representing employees is:

- elected by the employees of the company and its direct or indirect subsidiaries which have their registered office located in France, or

- appointed by the trade union organisation that obtained the most votes during the first round of the elections mentioned in Articles L2122-1 et L2122-4 of the French Labour Code in the Company and its direct or indirect subsidiaries, of which the registered offices are located in France, or

- appointed by the works council; or

- appointed by the European works committee.

The absence of the appointment of one or more directors representing employees in application of the applicable law and the present constitution shall not entail the invalidity of the deliberations of the board of directors.

11. Directors representing employees are not included in the minimum number and maximum number of directors specified in Articles L.225-17 and L.225-18-1 of the French Commercial Code.

12. Directors representing employees must have an employment contract with the Company or with one of its direct or indirect subsidiaries which have their registered office located in France predating their appointment by at least two years and relating to an actual employment.

13. Directors representing employees are elected for 3 years. The term of office of the director thus appointed shall end during the ordinary shareholder's Meeting of the closing of the accounts, held the year of the end of the term of the office.

14. The termination of the employment contract shall end the office of the directors representing employees.

    Directors representing employees may not be dismissed other than for fault in the performance of their office by order of the judge of the Tribunal Judiciaire territorially competent, ruling by way of summary proceedings at the request of the majority of the members of the board of directors.

15. In the event of vacancy of an office of a director representing employees due to death, resignation, dismissal, breach of employment contract or for any reason whatsoever, the vacant office shall be filled pursuant to Article L.225-34 of the French Commercial Code.

Organization and management of the Board of Directors (Company bylaws, Article 16)

1. The Board of Directors elects a Chairman from among its members who are individuals and determines his remuneration. It sets the duration of the Chairman's term of office, which may not exceed his office as director.

2. No person may be appointed Chairman of the Board of Directors if over the age of 75. If the Chairman in office exceeds that age, he shall be deemed to have automatically resigned.

3. The Chairman represents the Board of Directors. He organizes and directs its work, and reports on it to the general meeting. He ensures the proper operation of the Company's decision-making bodies and ensures, in particular, that the directors are themselves in a position to fulfill their duties.

4. In case of absence or impediment affecting the Chairman, the Board of Directors appoints an acting Chairman of the meeting.

5. The Board of Directors appoints a secretary who may be chosen, either from among the directors or outside them. The secretary shall be replaced by simple decision of the Board.

Meetings and decisions of the Board (Company bylaws, Article 17)

1. The Board of Directors meets, upon the call of its Chairman, as often as required by the interest of the Company. However, directors representing at least one third of the members of the Board of Directors may, by precisely indicating the meeting's agenda, call a Board if it has not met within the last two months.

   The CEO, if not chairing the Board of Directors, may request the Chairman to call a Board meeting with a specified agenda.

2. The meeting shall take place at the registered office or in any other location indicated in the notice of call. The call to meeting, indicating the agenda, should be sent at least 7 days beforehand by letter, telegram, telex or fax. The call may be verbal and the meeting may be held immediately if all of the directors are in agreement.

3. For the Board of Directors to validly deliberate, at least one half of the directors are required to be present or represented.

   The Board's decisions are taken at a majority of the members present or represented.

   The acting Chairman has a casting vote.

4. An attendance sheet shall be held and signed by directors participating in the Board meeting.

5. The internal regulations established by the Board of Directors may provide that directors participating in a Board meeting by videoconference in accordance with the applicable regulations are deemed present for the purposes of calculating quorum and majority.

This provision shall not apply for the adoption of the following decisions:

- appointment, remuneration, removal of the Chairman, CEO and deputy CEO;

- closing of annual accounts, consolidated accounts and preparation of management report and report on the management of the group.

6. The Board of Directors' deliberations are recorded in minutes held in accordance with the applicable laws. The minutes are signed by the acting Chairman and by one or two directors.

Copies or excerpts of the minutes of the Board of Directors' deliberations shall be validly certified by the Chairman or by the CEO.

Powers of the Board of Directors (Company bylaws, Article 18)

1. The Board of Directors determines the Company's business guidelines and ensures that they are implemented. Subject to the powers expressly granted by law to shareholders' meetings and within the limit of its corporate objects, it deals with any matter relating to the proper running of the Company and by its deliberations governs the affairs of the company.

   In its dealings with third parties, the Company is bound even by acts of the Board of Directors that are outside its corporate purpose, unless it can prove that the third party knew that that act was ultra vires or could not reasonably have been unaware thereof in view of the circumstances, it being specified that mere publication of the articles of association does not suffice to establish proof thereof.

2. The Board of Directors shall carry out any controls and verifications it deems appropriate.

   Each director shall receive the information necessary to the performance of his duties and may obtain all documents he considers useful from the General Management.

3. The Board of Directors may give all delegations of authority to the representatives of its choice within the limit of its authority under the law and under these articles of association.

   The Board may decide on the creation of review committees in charge of studying the issues that the Board or its Chairman submits to it.

General Management (Company bylaws, Article 19)

Mode of operation

In accordance with Article L. 225-51-1 of the Commercial Code, the Company's General Management is ensured, under his responsibility, either by the Chairman of the Board of Directors or by any other individual appointed by the Board of Directors with the title of CEO.

The choice between these two modes of operation of General Management is made by the Board of Directors. The Board's decision concerning the choice of mode of operation of General Management is taken by majority vote of the directors present or represented. Shareholders and third parties are informed of the choice made by the Board of Directors under the conditions set forth by the applicable regulations.

The Board of Directors may modify the option chosen at any time.

A change in the mode of operation of General Management shall not entail any modification of the articles of association.

Depending on the mode of exercise chosen by the Board of Directors, the Chairman or a CEO shall ensure, under his responsibility, the General Management of the Company.

The CEO is appointed by the Board of Directors, which sets the duration of his term of office, determines his remuneration and, as applicable, the restrictions on his powers.

For the performance of his duties, the CEO must be under the age of 75. When this age limit is exceeded during the course of his term of office, the CEO shall be deemed to have automatically resigned and a new CEO shall be appointed.

The CEO may be removed from office at any time by the Board of Directors. Removal of a CEO who is not also the chairman may give rise to damages if decided without valid cause.

Powers of the CEO (scope and limitation)
The CEO is vested with the broadest powers to act in all circumstances on behalf and in the name of the Company. The CEO shall exercise these powers within the limit of the corporate objects, and subject to the powers expressly granted by law to shareholders' meetings and to the Board of Directors.The CEO represents the Company in its dealings with third parties. The Company is bound even by those acts of the CEO that are outside its corporate objects, unless it can prove that the third party knew that that act was ultra vires or could not reasonably have been unaware thereof in view of the circumstances, it being specified that mere publication of the articles of association does not suffice to establish proof thereof.

As the functions of Chairman of the Board of Directors and Chief Executive Officer are combined, the Board of Directors has enacted an internal regulations to ensure the balance of power. According to such internal regulations, the CEO and/or deputy CEO (s)cannot make certain decisions without the Board of Directors prior authorisation.

More precisely, the following decisions shall require the prior authorisation of the Board of Directors before being implemented by the CEO and/or deputy CEO(s):

<u>Internal regulations of the Board of Directors (extract)</u>

1. Investments, Financing

a) Determination of the corporate and financial plan as well as amendment of this plan if the impact on the EBIDTA plan is more than 5%.
b) Taking out of loans that are not included in the established corporate and financial plan according to Article 2, No. 1 a), and the nominal amount of which exceeds fifty million euros (in an individual case or taken together with comparable measures), as well as granting of loans. Prolongation of existing financial liabilities and loans as well as those between Affiliate companies are exempted from this rule.
c) Provision of sureties, guarantees or other securities for third parties that go beyond the ordinary scope of business. Affiliate companies are not third parties.

2. Business Activities, Investments

d) Engaging in new business activities and relocating business activities by more than 50km insofar as this affects more than 50 employees; establishing and closing sites where more than 50 employees are concerned.
e) Formation, capitalization, acquisition, sale, encumbrance and dissolution of affiliated companies or shareholdings, provided that the value of the measure exceeds five million euros or more than 50 employees are affected.

3. Human Resources

f) The conclusion of employment contracts for new employees requires the approval of the Board of Directors, after receiving the Remunerations and Nominations Committee's assent, if the annual remuneration including variable components exceeds three hundred fifty thousand euros.
g) The approval of severance pay upon the termination of employment contracts of managers (within the meaning of the legal regulations to be applied locally), provided that this exceeds twice the annual remuneration including the variable components, shall require the approval of the Board of Directors, after receiving the Remunerations and Nominations Committee's assent.
h) Adoption or acceptance of pension plans, pension commitments or changes to pensions requires the approval of the Board of Directors, after receiving the Remunerations and Nominations Committee's assent.

4. Contracts

i) The acquisition, sale or encumbrance of land, property and leasehold rights and similar rights thereto as well as real estate rights if the amount exceeds five million euros in each individual case.
j) The conclusion, material change and termination of contracts whose volume accounts for more than 5% of the planned EBITDA of the Sartorius Group and are not provided for in the corporate and financial plan according to Article 2, No. 1 a).
k) Consultancy contracts of any kind that give rise to financial liabilities of more than five hundred thousand euros per financial year and that are not provided for in the corporate and financial plan according to Article 2, No. 1 a).

5. Litigation

l) Initiation of proceedings before national courts or arbitration tribunals where the value of the amount in dispute is more than one million euros, and settlements in such proceedings.

6. Miscellaneous

m) Donations for charitable purposes as far as the total volume exceeds an amount of two hundred fifty thousand euros in the financial year.
n) Transactions or measures that go beyond the ordinary scope of business.

Additionally, in order to reinforce the balance of power and the prevention of conflict of interest, within his office of Board Membership, each Director must ensure that there is not conflict of interest against the company. To that end, the Charter sets out the rights and obligations of the Directors. It is delivered to each new Director when he takes up office.
Each Director undertakes to be bound by and put into practice the rules contained in the Charter.

<u>Charter of the Board's members (annexed to the Internal regulation)</u>

1. Knowledge of rights and obligations

Before accepting office, each Director must ensure that he has acquainted himself with the laws and regulations relating to his function as Director, the articles of association of the Company, this Charter and the operating rules of the Board of Directors as described in its Internal Regulations.
Each Director may at any time consult the Secretary of the Board of Directors on the meaning of such rules and regulations and the rights and obligations of his function as Director.

2. Shareholder representation

The Board of Directors collectively represents all of the shareholders and must act in all circumstances in the corporate interests of SARTORIUS STEDIM BIOTECH.
Whatever the manner of his appointment, each Director must act in all circumstances in the corporate interests of SARTORIUS STEDIM BIOTECH and represent the body of shareholders.

3. Directors' shares in the Company
Each Company's Director must hold in his personal capacity at least one share of the Company, in accordance with article 6 of the articles of association.

4. Corporate values
Excellence, Pride, in living an exceptional adventure together at SARTORIUS STEDIM BIOTECH, Respect and Loyalty, Team Spirit and Business Spirit are the values practiced daily by the Company.
Directors of SARTORIUS STEDIM BIOTECH must adhere to these values, respect and defend them.

5. Conflicts of interest
Directors must, as soon as they are aware of any conflict of interest situation or potential situation, inform the Board of Directors and abstain from taking part in any discussions or voting on related matters.
If any conflict of interest becomes permanent, the relevant Director must offer his resignation.

6. Information
Directors are obliged to inform themselves and ensure that they obtain in good time all information necessary for the performance of their duties. Directors must in particular within the necessary time frame, request from the Chairman of the Board of Directors such information as they consider necessary to be able to contribute to the debate on items included on the agenda of the Board meeting.
Conversely, it should be recalled that the Chairman of the Board of Directors is obliged to ensure that Directors are properly informed to enable them to carry out their mission.

7. Duty of care
Each Director must dedicate the necessary time and attention to his duties and, when accepting a new appointment, ask himself whether this appointment will allow him to satisfy that duty.
In all events, each Director, whether a natural person or standing representative of a legal entity, must comply with the laws, regulations and provisions of the articles of association (article 6) relating to multiple directorships.

8. Duty of regular attendance (or Regular Attendance)
Each Director must, unless it is actually impossible for him to do so, attend all Board meetings and, in respect of those Committees of which he is a member, Committee meetings as well as all General Meetings.

9. Insider Dealing (or Privileged Information)
Each Director shall refrain from carrying out any transactions on SARTORIUS STEDIM BIOTECH securities if he holds, by virtue of his office, to any information that has not yet been made public.
He also undertakes to comply with the internal rules of the Company relating to the use or communication of privileged information and with all applicable laws and regulations.
He shall report to the Secretary of the Board any difficulties encountered in applying this rule.

10. Professional secrecy
With respect to non-public information acquired during the course of his duties, each Director (of SARTORIUS STEDIM BIOTECH) must consider himself bound by an absolute obligation of secrecy which goes beyond the duty of discretion imposed by article L. 225-37 para 6 of the Code de Commerce relating to information of a confidential nature and presented as such by the Chairman of the Board of Directors.

Deputy Chief Executive Officers (Deputy CEOs)
Upon the motion of the CEO, whether this position is filled by the Chairman of the Board of Directors or by another person, the Board of Directors may name one or more individuals with responsibility for assisting the CEO with the title Deputy Chief Executive Officer (*Directeur Général Délégué*).

The maximum number of Deputy CEOs may not exceed five.

In agreement with the CEO, the Board of Directors shall determine the scope and the extent of the powers granted to the Deputy CEO and set their remuneration.

As regards third parties, the Executive Vice Presidents or the Executive Vice Presidents have the same powers as the CEO.

Upon the cessation of his duties or in case of impediment affecting the CEO, the Deputy CEOs shall retain, unless otherwise decided by the Board of Directors, their office and authority until the appointment of a new CEO.

The CEO may be removed from office at any time by the Board of Directors. Removal of a CEO who is not also the chairman may give rise to damages if decided without valid cause.

Conditions for the Exercise of Voting Rights — Majority Quorum

At Annual and Extraordinary General Meetings, the quorum is calculated on the basis of the shares comprising the share capital and, in Special Meetings, on the basis of all the shares of the class concerned, net of shares not entitled to voting rights by virtue of the law.

In the event of postal voting, only the forms received by the company prior to the meeting will be considered when calculating the quorum, under the conditions and timeframe set by the decree.

The right to vote conferred to shares is proportional to the capital they represent. With an equal par value, every share in capital or income right carries the right to one vote.

In the event that the shares are pledged, the voting right is exercised by the holder of the securities. The issuing company may not validly vote with shares subscribed, acquired or taken in pledge by it; these shares are not taken into account to calculate the quorum.

The voting takes place and the votes are cast by show of hands, or by those sitting and standing, or by roll call, as decided by the officers of the meeting.

Further Information on Voting Rights

There is no limit in the bylaws on voting rights.

A double voting right is conferred to the holders of registered shares that are fully paid up and that have been registered in the name of the same holder for at least four years.

In the event of conversion to bearer form, the converted share immediately forfeits its double voting right. In the event of a capital increase by incorporation of reserves, profits or share premium, this double voting right applies to new shares issued and allocated free of charge to a shareholder on the basis of existing shares that already carry this right. This revision to the bylaws was unanimously passed by the General Shareholders' Meeting in an extra-ordinary session on August 24, 1994. It may be cancelled by a General Shareholders' Meeting convened in an extraordinary session and after ratification by a Special Meeting of the beneficiary shareholders.

As of December 31, 2021, Sartorius AG has held 73.8% of the Stedim Biotech S.A.'s share capital and 84.8% of the voting rights outstanding. The remaining 26.2% of Stedim Biotech S.A. shares are in free float, corresponding to 15.2% of the voting rights outstanding.

The Annual General Shareholders' Meeting is held at least once a year, within six months of the year end, to consider the financial statements of that year, subject to an extension of this timeframe by a legal decision. The Annual General Shareholders' Meeting may only validly deliberate, upon the first convocation, if the shareholders present — represented or voting by post — hold at least one quarter of the shares with a right to vote. No quorum is required upon the second convocation. The meeting decides on the basis of the majority of votes held by shareholders present or represented, including shareholders voting by post.

Shareholders’ agreement

None

Crossing Legal Thresholds

Any shareholder whose shareholdings cross the legal thresholds defined by French law, either upwards or downwards, must declare said crossing by notification of the Autorité des Marchés Financiers, pursuant to the law in force. The bylaws of the company do not provide for any additional threshold declarations.

Identification of Shareholders

Within the legal and regulatory framework, the company is authorized to seek the identity of bearer shareholders.

Payment of Dividends

The Annual General Shareholders' Meeting has the power to give every shareholder, for all or part of a dividend payable, the option of receiving this dividend in shares, as provided by French law, or in cash.

The terms of the payment of the dividend in cash are set by the General Meeting or, by default, the Board of Directors. Cash dividends must be paid within a maximum of nine months after the end of the reporting year, unless this timeframe is extended by legal authorization. However, this profit may be distributed as an interim dividend prior to the approval of the annual financial statements when a balance sheet prepared during or at the end of a financial year and certified by the independent auditors discloses that the company has realized a profit since the close of the previous financial year, after recognition of the necessary amortization, depreciation and provisions, as well as after deduction, where relevant, of prior losses and amounts to be transferred to the reserves, as required by French laws or the company bylaws. These interim dividends may not exceed the profit thus defined. No reimbursement of dividends may be required from shareholders unless the distribution was made in violation of legal provisions and the company determines that the beneficiaries were aware of the illegality of this distribution at the time it occurred or could not ignore this nature of the dividends. Where this occurs, the shares in reimbursement are time-barred three years after the payment of these dividends. Dividends not collected within five years of their payment are time-barred (Company bylaws, Article 25).

Financial score

None

Other Information on the Assets, Financial Position and Results for the Group

Major Contracts

Several service agreements were entered into between entities of the divisions of the Sartorius Group and Sartorius Stedim Biotech Group, in order to enable the entities from both divisions to benefit from certain general administrative services under the same terms.

Among these service agreements, the service agreement with the highest volume and importance is in place between Sartorius Stedim Biotech GmbH and Sartorius Corporate Administration GmbH, a 100% subsidiary of Sartorius AG. Sartorius Corporate Administration GmbH provides general administrative services to Sartorius Stedim Biotech and the other entities of the Sartorius Group. Such services include, among others, accounting, treasury management, payroll accounting for human resources, IT systems and legal services. Sartorius Corporate Administration GmbH invoices its services on the basis of the internal and external costs incurred plus a margin of 3%. The services invoiced by Sartorius Corporate Administration GmbH to Sartorius Stedim Biotech GmbH in 2021 totalled €94.6 million against €66.6 million in 2020.

Apart from the above-mentioned service agreements, there are no other contracts with material obligations or commitments that have been concluded outside the ordinary course of the company's business or to which a member of the Sartorius Stedim Biotech Group is a party.

The strategy of the Sales and Marketing organization within the Sartorius Stedim Biotech Group towards customers is to create valuable long-term relationships. Therefore, for example, key account management endeavours to conclude long-term framework contracts with customers. As a total solution provider, Sartorius Stedim Biotech strives to use such contracts to cover the entire product portfolio of Sartorius Stedim Biotech that fits into the validated processes of the customer.

Special Report of the Statutory Auditors on Related Party Agreements

This is a translation into English of the statutory auditors' Special report on related party agreements of the Company issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

General meeting of Shareholders to approve the financial statements for the year ended 31 December 2021

To the Shareholders of Sartorius Stedim Biotech S.A.,

As statutory auditors of your company, we present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions including the reasons justifying their benefit to the company, of the related party agreements that we have been informed of or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements. It is your responsibility, in accordance with article R. 225-31 of the French commercial code ('Code de Commerce'), to evaluate the benefits resulting from these agreements prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French commercial code concerning the implementation, during the year, of the agreements already approved by the general meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body ('Compagnie nationale des commissaires aux comptes') relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Related Party Agreements Submitted for Approval by the General Meeting of Shareholders

Related party agreements authorized and concluded during the previous accounting period

We hereby inform you that we have not been advised of any agreements authorized and concluded during the previous accounting period to be submitted to the general meeting of shareholders for their approval in accordance with article L. 225-38 of the French Commercial Code.

Related party agreements from prior years not approved by the General meeting of the shareholders

We hereby inform you that the following agreement, authorized and concluded during the year ended 31 December 2018, which was mentioned in our special report on related party agreements for the year ended 31

December 2019 and 2020 and which was not approved by the general meeting of shareholders approving the financial statements for the year ended 31 December 2020.

General Assistance and Administrative Services Agreement

- With the company, Sartorius AG (SAG) 73.8% shareholder of the company Sartorius Stedim Biotech S.A. (SSB S.A.)

- Persons concerned: Mr Joachim Kreuzburg (Chairman and Chief Executive Officer of SSB SA and Chief Executive Officer of the Executive Committee of SAG) and Mr René Faber (Member of the Board of Directors of SSB S.A. and member of the Executive Committee of SAG)

- Nature and purpose: general assistance and administrative services agreement signed on 15 February 2018 with retrospective effect commencing 1 January 2015 for an indefinite duration. This agreement covers the recharging by SAG to SSB S.A. of a part of the remuneration of Mr Joachim Kreuzburg and Mr René Faber in respect of the services they perform and provide within the company.

- Details: the recharge of the said services of the person concerned is calculated using an allocation based on work performed and time spent by the executives for the benefit of SSB S.A.

The amounts invoiced (excluding tax) by SAG to SSB S.A. for the years ended 31 December 2018, 2019, 2020 and 2021 is detailed below:

	Mr Joachim Kreuzburg	Mr René Fáber
Fiscal year 2021:	€. 883 200	€. 511 599
Fiscal year 2020:	€. 761 917	€. 608 400
Fiscal year 2019:	€. 582 804	€. 410 004
Fiscal year 2018:	€. 674 216	

Related Party Agreements Already Approved by the General Meeting of Shareholders

We hereby inform you that we have not been advised of any agreements already approved by the general meeting of shareholders and which continued during the previous financial year.

Marseille, 11 February 2022

The Statutory Auditors
French original signed by

KPMG Audit
A division of KPMG S.A.
John Evans
Partner

Deloitte & Associés

Philippe Battisti
Partner

Sartorius Stedim Biotech

A public limited company ("*société anonyme*") with capital of € 18,436,038
Registered office: Zone Industrielle Les Paluds Avenue de Jouques 13400 AUBAGNE
314 093 352 R.C.S. MARSEILLE

DRAFT RESOLUTIONS
OF THE SHAREHOLDERS' GENERAL MEETING
OF MARCH 29, 2022

Agenda

Ordinary Part:

- Reading of the Board of Directors' management report on the financial statements including the Group's report;
- Reading of the Board of Directors' report on the proposed resolutions of the Shareholders' Meeting;
- Reading of the Board of Directors' corporate governance report;
- Reading of the Statutory Auditors' report on the financial statements for the year ended 31 December 2021;
- Reading of the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2021;
- Reading of the Statutory Auditors' report on the regulated agreements covered by Article L.225-38 and subsequent of the French Commercial Code;
- Approval of the financial statements for the year ended 31 December 2021 and discharge to all Directors; (Resolution N°1)
- Approval of the consolidated financial statements for the year ended 31 December 2021; (Resolution N°2)
- Assignment of the financial result for the year ended 31 December 2021; (Resolution N°3)
- Approval of regulated agreements covered by Article L.225-38 and subsequent of the French Commercial Code; (Resolution N°4)
- Approval of the remuneration policy and determination of the amount of the total annual remuneration to be allocated to the Board of Directors for the 2022 financial year; (Resolution N°5)

- Approval of the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2021 financial year; (Resolution N°6)

- Approval of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Chairman of the Board and Chief Executive Officer for the 2021 financial year; (Resolution N°7)

- Approval of the remuneration policy of the Chairman and Chief Executive Officer for the 2022 financial year; (Resolution N°8)

- Approval of the remuneration policy of the Deputy Chief Executive Officer for the 2022 financial year; (Resolution N°9)

- Authorization granted to the Board of Directors to enable the Company to trade in its own shares; (Resolution N°10)

- Renewal of the term of Mr. Joachim Kreuzburg as Director; (Resolution N°11)

- Renewal of the term of Mrs. Pascale Boissel as Director; (Resolution N°12)

- Renewal of the term of Mr. René Fáber as Director; (Resolution N°13)

- Renewal of the term of Mr. Lothar Kappich as Director; (Resolution N°14)

- Renewal of the term of Mr. Henri Riey as Director; (Resolution N°15)

- Proxy to carry out formalities. (Resolution N°16)

Extraordinary Part:

- Reading of the Board of Directors' report on the proposed resolutions of the Shareholders' Meeting;

- Reading of the Statutory Auditors' special reports;

- Delegation of authority granted to the Board of Directors to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, with preferential subscription rights of the shareholders; (Resolution N°17)

- Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders, through public offerings other than those referred to in Article L. 411-2 of the French Monetary and Financial Code; (Resolution N°18)

- Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company and/or the issuance of securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders, through public offerings addressed exclusively to qualified investors or to a restricted circle of investors as defined in Article L. 411-2 of the French Monetary and Financial Code; (Resolution N°19)

- Delegation of authority to the Board of Directors to increase the number of shares and/or securities giving or capable of giving access to the share capital of the Company to be issued in case of share capital increase, with or without preferential subscription rights of the shareholders; (Resolution N°20)

- Delegation of authority granted to the Board of Directors to decide to issue shares and/or securities giving or capable of giving access to the share capital of the Company as consideration for contributions in kind in shares and/or securities giving or capable of giving access to capital, without preferential subscription rights of shareholders; (Resolution N°21)

- Delegation of authority granted to the Board of Directors to increase the share capital of the Company through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted; (Resolution N°22)

- Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders; (Resolution N°23)

- Delegation of authority granted to the Board of Directors to grant free new or existing shares to the benefit of employees or corporate officers, in the limit of 10% of the capital; (Resolution N°24)

- Delegation of authority granted to the Board of Directors to reduce the capital in accordance with Article L. 22-10-62 of the French Commercial Code; (Resolution N°25)

- Proxy to carry out formalities. (Resolution N°26)

Resolutions submitted to the Ordinary Shareholders' Meeting

First resolution

(Approval of the financial statements for the year ended 31 December 2021 and discharge to all Directors)

The Shareholders’ Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders’ meetings, after having considered the annual financial statements for the year ended 31 December 2021, the report of the Board of Directors and the report of the Statutory Auditors concerning these financial statements, approved the financial statements for the year ended 31 December 2021, which disclosed a net profit of € 115,521,400 as presented, and the transactions reflected in these financial statements or summarized in these reports.

As a result, the Shareholders’ Meeting grants full and unreserved discharge to the Directors for the execution of their management duties for said reporting year.

The Shareholders’ Meeting asserts that no overall expenses referred to in Article 39, 4° of the French general tax code were noted.

Second resolution

(Approval of the consolidated financial statements for the year ended 31 December 2021)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings has, after having considered the consolidated accounts for the year ended 31 December 2021, the report of the Board of Directors and the report of the statutory auditors concerning these consolidated accounts, approved the consolidated financial statements for the year ended 31 December 2021, which disclosed a net profit of € 414,309,400 as presented, and the transactions reflected in these financial statements or summarized in these reports.

Third resolution

(Assignment of the financial result for the financial year ended 31 December 2021)

The Shareholders' meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, has decided to assign as follows, the income for the year ended 31 December 2021:

- Income of the year: € 115,521,400
- Year-earlier profit carried forward: € 75,362,590
- Distributable profit: € 190,883,990
- Total amount of dividends to be disbursed to shareholders: € 116,142,805 (excluding treasury shares)
- Balance resulting from disbursement: € 74,741,185

The amount of dividends was calculated on the basis of the total number of shares as of December 31, 2021 (92,180,190 shares).

Each share of the company with a nominal value of €0,20 will entitle its holder to a payment of a net dividend valued at €1.26.

The dividend will be paid as from March 30, 2022.

The Shareholders' Meeting notes that for individual shareholders domiciled for tax purposes in France, dividends received are subject, pursuant to Article 200 A, 1 A 1° of the French General Tax Code, to a single flat-rate withholding tax of 12.8%, at the shareholder's option, such income may be taxed at the progressive income tax rate. In the latter case, dividends are eligible for the 40% allowance referred to in Articles 158 3 2° and 243 bis of the French General Tax Code. In both cases, when dividends are paid, they are subject to a non-taxable withholding tax at the rate of 12.8% as an advance payment of income tax, which is deducted from the final tax due.

However, in accordance with the third paragraph of Article 117 quater of the French General Tax Code, individuals belonging to a tax household whose reference tax income is less than 50,000 euros for single, divorced or widowed taxpayers or € 75,000 for taxpayers subject to joint taxation, may request exemption from this 12.8% withholding tax under the conditions provided for in Article 242 quater of the French General Tax Code.

In addition, for individual shareholders domiciled in France for tax purposes, social security contributions are applied in all cases to dividends paid of 17.2%.

The Shareholders' Meeting notes, in accordance with the provisions of Article 243 bis of the French General Tax Code, that the dividends paid in respect of the last three financial years were as follows:

Exercise	Dividend[1]	Amount eligible for the 40% abatement	Amount not eligible for the 40% abatement	Dividend per shares[1]
Dec. 31, 2021	116,147,039	116,147,039	0	1.26 €
Dec. 31, 2020	62,682,529	62,682,529	0	0.68 €
Dec. 31, 2019	31,341,265	31,341,265	0	0.34 €

1 Prior deduction of social contribution on the dividend paid to physical person.

Fourth resolution

(Approval of regulated agreements covered by Article L.225-38 and subsequent of the French Commercial Code)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, after having considered the report of the Board of Directors and the special report of the Statutory Auditors concerning regulated agreements as referred in Articles L.225-38 and subsequent of the French Commercial Code:

- takes notice of the conclusions of said report and approves the regulated agreement concluded in fiscal years prior to 2021 with execution continuing in 2021 between the Company and Sartorius AG covering the recharge of services of Mr. René Fáber performed to the benefit of Sartorius Stedim Biotech S.A., which is mentioned in the special report of the Statutory Auditors;

- takes notice of the conclusions of said report and approves the regulated agreement concluded in fiscal years prior to 2021 with execution continuing in 2021 between the Company and Sartorius AG covering the recharge of services of Mr. Joachim Kreuzburg performed to the benefit of Sartorius Stedim Biotech S.A., which is mentioned in the special report of the Statutory Auditors;

The Shareholders' Meeting takes note, pursuant to the provisions of Article L. 225-40 of the French Commercial Code, that the shares of Sartorius AG, shareholder who has interest to the regulated agreement mentioned in the special report, are not taken into account for the calculation of the quorum and of the majority.

Fifth resolution

(Approval of the remuneration policy and determination of the amount of the total annual remuneration to be allocated to the Board of Directors for the 2022 financial year)

The Shareholder's Meeting, pursuant to Articles L. 225-45, L. 22-10-8 and L.22-10-14 of the French Commercial Code, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings:

- approves the remuneration policy applicable to the directors and the terms and conditions of the distribution of the amount to be allocated by the Shareholders' Meeting; and

- sets the total maximum annual amount of directors' remuneration at € 331,800, to be distributed among the directors in respect of the financial year ending 31 December 2022 in accordance with the policy approved above.

Sixth resolution

(Approval of the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2021 financial year)

The Shareholders' Meeting, pursuant to Article L. 22-10-34 of the French Commercial Code, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, and after having considered the corporate governance report of the Board of Directors, approves the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2021 financial year as described in the corporate governance report of the Board of Directors.

Seventh resolution

(Approval of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Chairman of the Board and Chief Executive Officer for the 2021 financial year)

The Shareholders' Meeting, pursuant to Article L. 22-10-34 of the French Commercial Code, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, and after having considered the corporate governance report of the Board of Directors, approves the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to Mr. Joachim Kreuzburg, Chairman of the Board and Chief Executive Officer, for the 2021 financial year.

Eighth resolution

(Approval of the remuneration policy of the Chairman and Chief Executive Officer for the 2022 financial year)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, after having considered the corporate governance report of the Board of Directors, pursuant to Article L. 22-10-8 of the French Commercial Code, approves the remuneration policy of the Chairman of the Board and Chief Executive Officer as described in the corporate governance report of the Board of Directors.

Ninth resolution

(Approval of the remuneration policy of the Deputy Chief Executive Officer for the 2022 financial year)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, after having considered the corporate governance report of the Board of Directors, pursuant to Article L. 22-10-8 of the French Commercial Code, approves the remuneration policy of the Deputy Chief Executive Officer as described in the corporate governance report of the Board of Directors.

Tenth resolution

(Authorization granted to the Board of Directors to enable the Company to trade in its own shares)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors, in compliance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, the directly applicable provisions of the European Commission regulation no. 2273/2003 of 22nd December 2003, the General regulation of the Autorité des marchés financiers (AMF – Financial Markets Authority), and the market practices accepted by the AMF:

1. authorizes the Board of Directors, having the right to sub-delegate in compliance with applicable laws and regulations, to make the Company acquire, hold, or transfer, on one or more occasions, shares of the Company in connection with the implementation of a share buyback program subject to the provisions of Articles L. 225-209 et seq. of the French Commercial Code;

2. decides that the acquisition, sale or transfer of such shares may be achieved by any means on the market or over-the-counter, including through the acquisition of blocks of shares; these means include the use of any derivative financial instrument traded on a regulated market or over-the-counter or the delivery of shares as a result of the issuance of securities giving access to the Company's capital through conversion, exchange, redemption, exercise of a warrant or in any other manner either directly or through an investment service provider; the maximum share of the capital acquired or transferred in blocks may reach the entire program; these transactions may be carried out at any time, including during periods of public offer on the capital of the Company, in compliance with the regulations in force;

3. decides that the share buyback program will have, in order of priority, the following objectives:

- to promote liquidity and stimulate the market price of the Company's shares under a liquidity contract in accordance with the AMAFI Code of Ethics recognized by the AMF;

- the cancellation of all or part of the shares thus purchased, within the maximum legal limit of 10% of the total number of shares composing the capital, for a period of twenty-four (24) months, pursuant to the twenty-fifth (25th) resolution of this Shareholders' Meeting and subject to the adoption of the twenty-fifth (25th) resolution;

- the delivery of shares (for exchange, payment or otherwise) in the context of external growth, merger, demerger or contributions;

- the delivery of shares upon the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, exercise of a warrant or in any other manner;

- the delivery of shares to its corporate officers and employees as well as those of companies affiliated to it, under the conditions and in the terms provided for by law, particularly in the context of stock option plan, free granting plan of issued or to be issued shares or company or inter-companies saving plans;

- the conservation of the shares for purposes of patrimonial and financial management.

4. decides that the terms and conditions of the share buyback program are the followings:

- duration of the program: a maximum of 18 months, starting from the date of this Shareholders' Meeting and expiring on the date when any shareholders' meeting of the Company adopts a new share buyback program or, alternatively, on September 29, 2023;

- maximum percentage: 0.10% of the share capital, i.e. 92,180 shares on the basis of 92,180,190 shares making up the share capital at the date of this Shareholders' Meeting; being specified that this limit applies to an amount of the share capital of the Company, which may be adjusted by the Board of Directors to take account of transactions affecting the share capital after the date of the present Shareholders' Meeting, the acquisitions made by the Company cannot in any case cause it to hold, directly or indirectly through its subsidiaries, more than 10% of its share capital; when the shares are acquired within the frame of a liquidity contract concluded with an investment firm in order to encourage the liquidity of the Company's shares under the conditions defined by the AMF's general regulations, the number of shares taken into account for the calculation of this limit will correspond to the number shares purchased net of the number of shares resold during the term of the authorization;

- maximum share purchase price (excluding fees and commissions): € 750, i.e. a maximum theoretical amount allocated to the share buyback program of € 69,135,000 on the basis of the maximum percentage of 0.10%, excluding trading costs, the maximum theoretical amount will be adjusted by the Board of Directors to take into account transactions affecting the share capital after the date of this Shareholders' Meeting.

5. decides that the dividends attached to the treasury shares of the Company shall be affected to the retained earnings account;

6. grants all necessary powers to the Board of Directors, with right to sub-delegate in compliance with applicable laws and regulations, to implement this authorization and in particular to establish the terms and conditions of the share buy-back program in compliance with applicable laws and with the present resolution, and notably to proceed, as the case may be, with any adjustment required by transactions on the share capital; to place any purchase order on the stock market; to enter any agreement, notably for the keeping of registers of sale and purchase of shares, to make any and all declarations to the AMF and any other organization, to carry out all formalities, and more generally, to take all appropriate measures.

7. this delegation invalids, in the future, the delegation granted by the shareholders' meeting of 24 March 2021 in its ninth (9th) resolution.

Eleventh resolution

(Renewal of the term of Mr. Joachim Kreuzburg as Director)

The Shareholders' Meeting, voting in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors:

- takes note that the term of Mr. Joachim Kreuzburg as Director expires at the end of this Shareholders' Meeting,

- decides to renew this term of duty for a period of three years, i.e. until the end of the shareholders' meeting of 2025 convened to approve the financial statements for the year ended 31 December 2024.

Twelfth resolution

(Renewal of the term of Mrs. Pascale Boissel as Director)

The Shareholders' Meeting, voting in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors:

- takes note that the term of Mrs. Pascale Boissel as Director expires at the end of this Shareholders' Meeting,
- decides to renew this term of duty for a period of three years, i.e. until the end of the shareholders' meeting of 2025 convened to approve the financial statements for the year ended 31 December 2024.

Thirteenth resolution

(Renewal of the term *of Mr. René Fáber as Director)*

The Shareholders' Meeting, voting in accordance with the quorum and majority applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors:

- takes note that the term of Mr. René Fáber as Director expires at the end of this Shareholders' Meeting,
- decides to renew this term of duty for a period of three years, i.e. until the end of the shareholders' meeting of 2025 convened to approve the financial statements for the year ended 31 December 2024.

Fourteenth resolution

(Renewal of the term *of Mr. Lothar Kappich as Director)*

The Shareholders' Meeting, voting in accordance with the quorum and majority applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors:

- takes note that the term of Mr. Lothar Kappich as Director expires at the end of this Shareholders' Meeting,
- decides to renew this term of duty for a period of three years, i.e. until the end of the shareholders' meeting of 2025 convened to approve the financial statements for the year ended 31 December 2024.

Fifteenth resolution

(Renewal of the term *of Mr. Henri Riey as Director)*

The Shareholders' Meeting, voting in accordance with the quorum and majority applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors:

- takes note that the term of Mr. Henri Riey as Director expires at the end of this Shareholders' Meeting,
- decides to renew this term of duty for a period of three years, i.e. until the end of the shareholders' meeting of 2025 convened to approve the financial statements for the year ended 31 December 2024.

Sixteenth resolution

(Proxy to carry out formalities)

The Shareholders' Meeting gives full authority to the bearer of an original, a copy or an extract of the minutes from the present Shareholders' Meeting to accomplish each necessary procedure.

Resolutions submitted to the Extraordinary Shareholders' Meeting

Seventeenth resolution

(Delegation of authority granted to the Board of Directors to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, with preferential subscription rights of the shareholders)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to the extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report and after having acknowledged that the share capital has been fully paid-up, and in accordance with the provisions of Articles L. 225-129 to L. 225-129-6, L. 225-132 to L. 225-134, L. 22-10-49 and L. 228-91 to L. 228-93 of the French Commercial Code:

1. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, with preferential subscription rights of the shareholders maintained, through public offerings by the Company, with the issuance of (i) shares of the Company, other than preference shares (ii) and/or securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving access to the share capital of the Company, in new or existing shares, (iii) and/or securities giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by Articles L. 228-91 et seq. of the French Commercial Code;

2. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, with preferential subscription rights of the shareholders maintained, (i) the issuance of securities giving access to the share capital of companies in which the Company holds directly or indirectly more than half of the share capital and/or (ii) the issuance of securities giving access to the share capital of any company which directly or indirectly holds more than half of the Company's share capital, subject to the authorization by the competent body of the companies referred to in (i) and (ii) above;

3. sets the following limits to the amounts of the issuances that may be carried out pursuant to the present delegation of authority:

a/ the nominal amount of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority, shall not exceed a maximum amount of six million euros (€ 6,000,000.00), or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made in order to protect the rights of the holders of securities giving access to the

Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified that this limit is autonomous;

b/ the nominal value of the debt instruments that may be issued pursuant to this delegation of authority shall not exceed a maximum amount of five hundred millions euros (€ 500,000,000.00), or the equivalent value of this amount as at the date of the issuance decision, it being specified that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the limits of issuance of debt instruments set from the eighteenth (18th) to the twenty-first (21st) resolutions submitted to this Shareholders' Meeting shall be deducted from this overall limit;

4. decides that the subscription of the shares and securities of the Company above may be made either in cash or by way of set-off;

5. decides that the Company's shareholders will have a preferential right to subscribe for the issuance or issuances of shares and/or securities that the Board of Directors may decide pursuant to this delegation of authority on an irreducible basis in proportion of the number of shares then owned by them;

6. acknowledges that the Board of Directors may grant shareholders additional preferential rights by introducing a reducible subscription right exercisable in proportion to shareholders' existing preferential rights and within the limits of their requests, as well as to provide for an extension clause exclusively intended to satisfy subscription orders on a reducible basis which could not be served;

7. acknowledges that this delegation of authority automatically entails, to the benefit of the holders of securities which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of the Company of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

8. acknowledges that, pursuant to Article L. 225-134 of the French Commercial Code, if irreducible, and, if applicable, reducible subscriptions do not absorb the entirety of the issuance of the shares or the securities giving access to the share capital of the Company, the Board of Directors may use, on the conditions provided by law and in the order as it shall determine, any or all of the options listed below:

- to limit the capital increase to the amount of the subscriptions, provided that said amount equals at least three quarters of the amount of the issuance decided upon;
- to freely allocate some or all the unsubscribed shares or securities giving access to the share capital of the Company;
- to offer all or part of the unsubscribed shares or securities giving access to the share capital of the Company to the public on French market or abroad;

9. decides that any issuance of warrants giving entitlement to subscribe for the Company's shares may also be made by way of free allocations to the owners of existing shares, it being specified that the Board of Directors may decide that fractional allotment rights will be neither negotiable nor transferable and that the corresponding securities will be sold;

10. acknowledges that the Board of Directors shall report on the use made by it of such delegation of authority to the next ordinary shareholders' meeting in accordance with applicable laws and regulations;

11. grants the Board of Directors any necessary powers, with the right to sub-delegate in accordance with applicable law and regulations, to implement this delegation of authority and, in particular:

- decide the share capital increase and determine the nature of the shares and/or the securities to be issued;

- decide the amount of the share capital increase, the issue price of the shares and/or securities to be issued and, if applicable, the amount of the issue premium;

- determine the dates, the terms and conditions of the share capital increase, the characteristics of the shares and/or securities to be issued, in addition, in the case of bonds or other debt instruments, determine whether or not they are subordinated and, if so, their level of subordination, in accordance with the provisions of Article L. 228-97 of the French Commercial Code, set their interest rate (interest rate which may be fixed or variable, or zero-coupon or indexed), specify any circumstances of compulsory or optional suspension or cancellation of interest payments, stipulate their term (fixed or perpetual) and the possibility of a reduction or increase in their nominal value, and set the other terms of issuance, including the granting of guarantees or security interests, and of amortization, including the possibility of redemption by delivery of Company assets; if necessary, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt instruments as defined by the market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights); and amend, during the term of the relevant shares and/or the securities, the above terms, in compliance with the applicable formalities;

- determine the means of payment of the shares and/or of the securities giving access or that may give access to the share capital of the Company to be issued immediately or in the future;

- set, where necessary, the terms for the exercise of rights, such as rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as shares and/or securities already issued by the Company, attached to the shares and/or securities giving access or that may give access to the share capital of the Company to be issued immediately or in the future and, in particular, the period, which may be retrospective, from which dividends will be payable on the new shares, as well as all other terms and conditions of the completion of the share capital increase(s);

- set the terms under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange or off-market securities giving access to the share capital of the Company issued or to be issued immediately or in the future with the purpose of cancelling such securities or not, taking into account the applicable legal provisions;

- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to shares may be temporarily suspended;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

12. notes that this delegation invalids, in the future, the delegation granted by the shareholders' meeting of June 24, 2020 in its eleventh (11th) resolution.

This delegation of authority is granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Eighteenth resolution

(Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders, through public offerings other than those referred to in Article L. 411-2 of the French Monetary and Financial Code)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to the extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report and after having acknowledged that the share capital has been fully paid-up, and in accordance with the provisions of Articles L. 225-129 to L.225-129-6, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-51, L. 22-10-52 and L. 228-91 to L. 228-93 of the French Commercial Code:

1. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, with the issuance through one or several public offering(s), other than public offerings addressed exclusively to qualified investors and/or to a restricted circle of investors as defined in Article L. 411-2 of the French Monetary and Financial Code and submitted to this Shareholders' Meeting in its nineteenth (19th) resolution, of (i) shares, other than preference shares, and/or (ii) securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving access to the share capital of the Company, in new or existing shares, and/or (iii) securities giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by Articles L. 228-91 et seq. of the French Commercial Code;

2. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, through public offerings, with the issuance through one or several public offering(s) by the Company, other than public offerings addressed exclusively to qualified investors and/or to a restricted circle of investors as defined in Article L. 411-2 of the French Monetary and Financial Code and submitted to this Shareholders' Meeting in its nineteenth (19th) resolution, of shares and/or of securities giving or capable of giving access to the share capital of the Company following the issuance by the companies that the Company holds directly or indirectly more than half of the share capital or by any company which directly or indirectly holds more than half of the Company's share capital, of securities giving or capable of giving access to the share capital of the Company; this delegation of authority automatically entails an express waiver by the shareholders of their preferential subscription rights in respect of the shares and/or the securities giving or capable of giving access to the share capital of the Company to which these securities may give access;

3. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed, through one or several public offering(s) by the Company, other than public offerings addressed exclusively to qualified investors and/or to a restricted circle of investors as defined in Article L. 411-2 of the French Monetary and Financial Code and submitted to this Shareholders' Meeting in its nineteenth (19th) resolution, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, in euro or in any other currency or monetary unit established by reference to a basket of currencies, with the issuance of (i) securities giving access to the share capital of companies in which the Company holds directly or indirectly more than half of the share

capital and/or (ii) securities giving access to the share capital of any company which directly or indirectly holds more than half of the Company's share capital, subject to the authorization by the competent body of the companies referred to in (i) and (ii) above;

4. sets the following limits to the amounts of the issuances that may be carried out pursuant to this delegation of authority:

a/ the nominal value of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of six million euros (€ 6,000 000.00), or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made in order to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified that this limit is autonomous;

b/ the nominal value of the debt instruments that may be issued immediately or pursuant to this delegation of authority shall not exceed a maximum amount of five hundred millions euros (€ 500,000,000.00), or the equivalent value of this amount as at the date of the issuance decision, it being specified that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the nominal value of the debt instruments shall be deducted from the overall limit set in paragraph 3.b/ of the seventeenth (17th) resolution submitted to this Shareholders' Meeting;

5. decides that the subscription of the shares and securities of the Company above may be made either in cash or by way of set-off;

6. decides to waive the shareholders' preferential subscription rights on the shares and/or securities which may be issued pursuant to this delegation of authority, it being specified that the Board of Directors may grant shareholders a priority subscription period, in respect of all or part of the issuance of shares and/or securities giving access to the share capital of the Company for such period and on such terms as it shall determine in accordance with the provisions of Article L. 22-10-51 of the French Commercial Code, this priority subscription period shall not give rise to the creation of negotiable rights, shall be exercised in proportion to the number of shares owned by each shareholder and may be exercised, as the Board of Directors considers appropriate, on a reducible and irreducible basis, it being specified that shares and/or securities not subscribed for in said manner will be the subject to a public offering in France or abroad;

7. acknowledges that this delegation of authority automatically entails, to the benefit of the holders of securities giving or capable of giving access to the share capital of the Company, which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

8. acknowledges that pursuant to Article L. 22-10-52 of the French Commercial Code:

- the issue price of the shares to be issued shall be at least equal to the minimum set forth by applicable law and regulations as at the date of the issuance decision;

- the issue price of the securities giving or capable of giving access to the share capital of the Company to be issued shares shall be such that the amount collected by the Company immediately, increased if applicable, by the amount which could be collected later on by the Company shall be, for each share issued consequently to the issue of these securities, at least equal to the amount set forth in the paragraph above;

9. acknowledges that the Board of Directors shall report on the use made by it of such delegation of authority to the next ordinary shareholders' meeting in accordance with applicable laws and regulations;

10. The Shareholders' Meeting grants the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide to increase the share capital and determine the nature of the shares and/or the securities to be issued;

- decide the amount of the capital increase, the issue price of the shares and/or securities to be issued and, if applicable, the amount of the issue premium;

- determine the dates, terms and conditions of the capital increase or increases, the characteristics of the shares and/or securities to be issued; in addition, in the case of bonds or other debt instruments, determine whether or not they are subordinated and, if so, their level of subordination, in accordance with the provisions of Article L. 228-97 of the French Commercial Code, set their interest rate (interest rate which may be fixed or variable, or zero-coupon or indexed), specify any circumstances of compulsory or optional suspension or cancellation of interest payments, stipulate their term (fixed or perpetual) and the possibility of a reduction or increase in their nominal value, and set the other terms of issuance, including the granting of guarantees or security interests, and of amortization, including the possibility of redemption by delivery of Company assets; if necessary, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt instruments as defined by the market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights); and amend, during the term of the shares and/or the securities in question, the above terms, in compliance with the applicable formalities;

- determine the means of payment of the shares and/or of the securities giving or capable of giving access to the share capital of the Company to be issued immediately or in the future;

- set, where necessary, the terms for the exercise of rights, such as rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as shares or securities already issued by the Company, attached to the shares and/or securities giving access to the share capital of the Company to be issued immediately or in the future and, in particular, the period, which may be retrospective, from which dividends will be payable on the new shares, as well as all other terms and conditions of the completion of the share capital increase(s);

- set the terms under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange or off-market securities giving access to the share capital of the Company issued or to be issued immediately or in the future with the purpose of cancelling such securities or not, taking into account the applicable legal provisions;

- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving access to shares may be temporarily suspended;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

11. notes that this delegation invalids, in the future, the delegation granted by the shareholders' meeting of June 24, 2020 in its twelfth (12th) resolution.

This delegation of authority is granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Nineteenth resolution

(Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company and/or the issuance of securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders, through public offerings addressed exclusively to qualified investors or to a restricted circle of investors as defined in Article L. 411-2 of the French Monetary and Financial Code)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to the extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report and noted that the share capital has been fully paid-up, and in accordance, on the one hand, with the provisions of Articles L. 225-129 to L. 225-192-3, L. 225-192-5, L.225-129-6, L. 225-135, L. 225-136, L. 22-10-49, L. 22-10-51, L. 22-10-52 and L. 228-91 to L. 228-93 of the French Commercial Code, and, in the other hand, with those of Article L. 411-2 of the French Monetary and Financial Code:

1. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed, under public offerings addressed exclusively to qualified investors and/or to a restricted circle of investors referred to in Article L. 411-2 of the French Monetary and Financial Code, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, under the conditions and maximum limits determined by laws and regulations, with (i) the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving or capable of giving access to the share capital of the Company, in new or existing shares, and/or (ii) the issuance of securities which are equity securities giving access to other equity securities or giving the right to the allotment of debt instruments, for valuable consideration or free of consideration, governed by Articles L. 228-91 et seq. of the French Commercial Code;

2. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed, through one or several public offering(s) addressed exclusively to qualified investors and/or to a restricted circle of investors referred to in Article L. 411-2 of the French Monetary and Financial Code, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, under the conditions and maximum limits determined by laws and regulations, with the issuance of shares and/or securities giving or capable of giving access to the share capital of the Company to issue after the issuance, by the companies in which the Company holds directly or indirectly more than half of the share capital or by any company that holds directly or indirectly more

than half of the share capital, of securities giving or capable of giving access to the share capital of the Company; this decision shall automatically entails, to the benefits of the holders of the securities that may be issued by the above companies, an express waiver by shareholders of their preferential subscription rights in respect of the shares or securities giving or capable of giving access to the capital of the Company to which these securities entitle;

3. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed, through one or several public offering(s) addressed exclusively to qualified investors and/or to a restricted circle of investors referred to in Article L. 411-2 of the French Monetary and Financial Code, in one or several times, in France or abroad, in the proportion and at the times it considers appropriate, under the conditions and maximum limits determined by laws and regulations, with the issuance of (i) securities giving or capable of giving access to the share capital of companies in which the Company holds directly or indirectly more than half of the share capital and/or (ii) securities giving or capable of giving access to the share capital of any company which directly or indirectly holds more than half of the Company's share capital, subject to the authorization by the competent body of the companies referred to in (i) and (ii) above;

4. sets the following limits to the amounts of the issuances that may be carried out pursuant to this delegation of authority:

a/ the nominal value of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of six million euros (€ 6,000,000.00) or the equivalent value of this amount as at the date of the issuance decision, not including the nominal value of the shares to be issued, if applicable, pursuant to the adjustments made, in order to protect the rights of the holders of securities giving access to the Company's share capital, in accordance with applicable law and regulations as well as contractual provisions, it being specified that this limit is autonomous;

b/ the nominal value of the debt instruments that may be issued pursuant to this delegation of authority shall not exceed a maximum amount of five hundred million euros (€ 500,000,000.00) or the equivalent value of this amount as at the date of the issuance decision, it being specified, that (i) this amount does not include any above-par reimbursement premium, if any were provided for and (ii) the nominal amount of debt instruments shall be deducted from the overall limit set in the paragraph 3.b/ of the seventeenth (17th) resolution submitted to this Shareholders' Meeting;

5. acknowledges that, pursuant to Article L. 225-136, 2° of the French Commercial Code, the issue of new shares shall be limited to 20% of the share capital per year;

6. decides that the subscription of the shares and securities of the Company above may be made either in cash or by way of set-off;

7. decides to waive the preferential subscription rights of the shareholders of the Company on shares and/or securities that may be issued pursuant to this delegation of authority;

8. acknowledges that this delegation of authority automatically entails, to the benefit of the holders of securities giving or capable of giving access to the capital of the Company which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of the Company of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

9. acknowledges that, pursuant to Article L. 22-10-52 of the French Commercial Code:

- the issue price of shares issued directly shall be at least equal to the minimum stipulated by the laws and regulations applicable on the date of the issuance decision,

- the issue price of securities giving or capable of giving access to the share capital of the Company will be such that the sum received immediately by the Company, increased, if applicable, by that likely to be subsequently received by it for each share issued as a result of the issuance of these securities, shall be at least equal to the minimum subscription price referred to in the preceding paragraph;

10. acknowledges that the Board of Directors shall report on the use made by it of such delegation of authority to the next ordinary shareholders' meeting in accordance with applicable laws and regulations;

11. grants the Board of Directors any necessary powers, with the right to sub-delegate in accordance with applicable law and regulations, to implement this delegation of authority and, in particular:

- decide the share capital increase and determine the nature of the shares and/or the securities to be issued;

- decide the amount of the share capital increase, the issue price of the shares and/or securities to be issued and, if applicable, the amount of the issue premium;

- determine the dates, terms and conditions of the capital increase or increases, the characteristics of the shares and/or securities to be issued; in addition, in the case of bonds or other debt instruments, determine whether or not they are subordinated and, if so, their level of subordination, in accordance with the provisions of Article L. 228-97 of the French Commercial Code, set their interest rate (interest rate which may be fixed or variable, or zero-coupon or indexed), specify any circumstances of compulsory or optional suspension or cancellation of interest payments, stipulate their term (fixed or perpetual) and the possibility of a reduction or increase in their nominal value, and set the other terms of issuance, including the granting of guarantees or security interests, and of amortization, including the possibility of redemption by delivery of Company assets; if necessary, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt instruments as defined by the market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights), and amend, during the term of the shares and/or the securities in question, the above terms, in compliance with the applicable formalities;

- determine the means of payment of the shares and/or of the securities giving or capable of giving access to the share capital of the Company to be issued immediately or in the future;

- set, where necessary, the terms for the exercise of rights, such as rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as shares or securities already issued by the Company, attached to the shares and/or securities giving access to the share capital of the Company to be issued immediately or in the future and, in particular, the period, which may be retrospective, from which dividends will be payable on the new shares, as well as all other terms and conditions of the completion of the share capital increase(s);

- set the terms under which the Company will have, if necessary, at any time or during fixed periods, the right to purchase or exchange on the stock exchange or off-market securities giving access to the share capital of the Company issued or to be issued immediately or in the future with the purpose of cancelling such securities or not, taking into account the applicable legal provisions;

- determine the conditions under which, in accordance with applicable law, the allotment rights of holders of securities giving or capable of giving access to shares may be temporarily suspended;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

- determine and make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;
- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

12. notes that this delegation invalids, in the future, the delegation granted by the shareholders' meeting of June 24, 2020 in its thirteenth (13th) resolution.

This delegation of authority is granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Twentieth resolution

(Delegation of authority to the Board of Directors to increase the number of shares and/or securities giving or capable of giving access to the share capital of the Company to be issued in case of share capital increase, with or without preferential subscription rights of the shareholders)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to the extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 225-135-1 and R. 225-118 of the French Commercial Code:

1. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to decide, for each of the issuances made pursuant to the seventeenth (17th) to nineteenth (19th) resolutions, to increase the number of shares and/or securities giving or capable of giving access to the capital of the Company to be issued in case of share capital increase of the Company with or without preferential rights of shareholders at the same price as the price for the initial issuance and within the time and limits provided by law and regulations and market practices in the day of the issuance decision, and to this day for a period of thirty (30) calendar days from the closing of the subscription and within the limit of fifteen percent 15% of the initial issue, particularly in order to grant an over-allotment option, provided that the release of shares and/or other securities issued under this delegation of authority may be made either in cash or by way of set-off against certain, due and payable receivables (*compensation de créances certaines, liquides et exigibles*) held upon the Company;

2. decides that the nominal value of any share capital increases decided pursuant to this delegation of authority shall be deducted from the amount of the autonomous limit applicable to the initial issuance.

3. decides that the Board of Directors may not, without prior authorization granted by the Shareholders' Meeting, use this delegation as from the filing by a third party of a public tender offer on the Company's securities until the end of the offer period.

4. notes that this delegation invalids, in the future, the delegation granted by the shareholders' meeting of June 24, 2020 in its fourteenth (14th) resolution.

This delegation of authority is granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Twenty-first resolution

(Delegation of authority granted to the Board of Directors to decide to issue shares and/or securities giving or capable of giving access to the share capital of the Company as consideration for contributions in kind in shares and/or securities giving or capable of giving access to capital, without preferential subscription rights of shareholders)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 225-129 et seq., L. 225-147, L. 22-10-53 and L. 228-91 to L. 228-93 of the French Commercial Code:

1. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to decide, in one or several times, in the proportion and at the times it considers appropriate, on the report of the contribution appraiser referred to in Article L. 225-147 of the French Commercial Code, the issuance of shares, excluding preference shares and / or securities of any kind whatsoever, excluding securities giving or capable of giving entitlement to preference shares, giving or capable of giving access to the share capital of the Company, whether new or existing shares, in consideration for contributions in kind granted to the Company and consisting of shares and/or securities giving or capable of giving access to the capital when the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable;

2. decides that the nominal amount of any share capital increases that may be realized immediately or in the future under this delegation of authority may not exceed ten percent 10% of the share capital of the Company at the moment of the capital increase, it being specified that this limit is autonomous;

3. decides that the securities giving or capable of giving access to the capital of the Company issued may consist of debt securities or be associated with the issuance of such securities or enable their issuance as intermediate securities, it is being specified, firstly, that the nominal amount of debt securities that may be issued pursuant this delegation of authority may not exceed the sum of five hundred millions euros (€ 500,000,000.00) or the equivalent value of the amount on the date of the issuance decision, and, secondly, the nominal amount of debt securities shall be deducted from the overall limit set in paragraph 3.b/ of the seventeenth (17th) resolution of this shareholders' meeting;

4. decides to waive the preferential subscription rights of the shareholders of the Company on shares and/or securities giving or capable of giving access to the share capital of the Company that may be issued pursuant to this delegation to the holders of shares and/or securities, subject of the above contributions in kind;

5. notes that this delegation of authority automatically entails, to the benefit of the holders of securities giving or capable of giving access to the share capital of the Company and which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of the Company of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

6. grants the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, with all powers to implement this delegation of authority and, in particular:

- decide to increase the share capital of the Company in consideration of the above contributions in kind and determine the nature of the shares and/or securities to be issued;

- set the list of shares and/or securities contributed, approve the valuation of contributions in kind, establish the terms for the issuance of shares and/or securities remunerating these contributions, and if necessary, the amount of the cash payment to be made, approve the granting of particular advantages, and reduce, if the contributors consent, the valuation of contributions in kind or the compensation of particular advantages;

- determine the issuance procedures and characteristics of the securities remunerating contributions in kind and make all adjustments to take into account the impact of transactions on the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

7. notes that this delegation invalids, in the future, the delegation granted by the shareholders' meeting of June 24, 2020 in its fifteenth (15th) resolution.

This delegation of authority is granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting

Twenty-second resolution

(Delegation of authority granted to the Board of Directors to increase the share capital of the Company through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to ordinary shareholders' meetings, having considered the Board of Directors' report and in accordance with the provisions of Articles L. 225-129 to L. 225-129-6, L. 225-130, L. 22-10-49 and L. 22-10-50 of the French Commercial Code:

1. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, in one or several times, in the proportion and at the times it considers appropriate, the increase of the share capital of the Company by the incorporation of share premiums, reserves, earnings or other amounts that may be converted into capital successively or simultaneously in accordance with applicable law and the articles of association, by freely allocating new shares and/or by increasing the nominal value of existing shares, or through a combination of the two procedures according to the terms that it will set;

2. resolves that the nominal amount of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of six million euros (€ 6,000,000.00), it being specified that this limit is autonomous.

3. grants the Board of Directors any necessary power, with the right to sub-delegate in accordance with applicable law and regulations, to implement this delegation of authority and, in particular:

- determine the amount and nature of sums to be incorporated into the capital, set the number of new shares to be issued and/or the amount by which the nominal value of the existing shares is to be increased and decide the date, which may be retrospective, from which the new shares will be entitled for dividend or the increase in the nominal value of the existing shares will take effect;

- decide, in the event of shares to be issued:

  - that fractional rights will not be negotiable and that the corresponding shares will be sold, the proceeds of such sale being allocated to the holders of the rights on terms specified in the law and regulations;

  - make all adjustments to take account of the impact of transactions involving the share capital of the Company, in particular a change in the nominal value of the share, increase in share capital by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital, and set all other terms enabling, where necessary, the rights of holders of securities giving access to the share capital of the Company to be preserved;

- at its own discretion, charge, if any, the costs of capital increases against available reserves arising thereon and deduct from this amount the sums necessary to increase the legal reserve;

- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and

- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

4. notes that this delegation invalids, in the future, the delegation granted by the shareholders' meeting of June 24, 2020 in its sixteenth (16th) resolution.

This delegation of authority is granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Twenty-third resolution

(Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 et seq., L. 225-138, L. 225-138-1, L. 22-10-49 and L. 228-91 of the French Commercial Code and with Articles L. 3332-1 et seq. of the French Labor Code:

1. delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to proceed with, in one or several times, in the proportion and at the times

it considers appropriate, the issuance of shares, other than preference shares, and/or of securities of any kind whatsoever, other than securities giving the right to the issuance of preference shares, giving or capable of giving access to the share capital of the Company, in new or existing shares, reserved for members of company savings plans or any other plan for whose members a capital increase may be reserved on equivalent terms under Article L. 3332-18 of the French Labor Code, implemented within a French or foreign entity or group of entities falling within the scope of the Company's consolidated or combined financial statements pursuant to Articles L. 3344-1 and L. 3344-2 of the French Labor Code, it being specified that the payment of the shares and/or securities may be subscribed either in cash or by way of set-off against certain, due and payable receivables (*compensation de créances certaines, liquides et exigibles*) held upon the Company, either by the incorporation of the reserves, the benefits or the premiums to the share capital in the event of free share allocation as the result of the discount and/or the abundance;

2. decides that the nominal amount of the share capital increase or share capital increases that may be carried out immediately or in the future pursuant to this delegation of authority shall not exceed a maximum amount of six million euros (€ 6,000,000.00), it being specified that this limit is autonomous;

3. decides to waive the preferential subscription rights of shareholders of the Company with respect to the shares and/or the securities giving access to the share capital of the Company which may be issued pursuant to this delegation of authority, in favor of the beneficiaries defined in paragraph 1 above, and notes that this delegation of authority automatically entails, to the benefit of the holders of securities which may be issued pursuant to this delegation of authority, an express waiver by the shareholders of the Company of their preferential subscription rights in respect of the shares to which securities may give access immediately or in the future;

4. decides that the issue price of the shares and/or securities giving or capable of giving access to the share capital of the Company will be set in accordance with Articles L. 3332-18 et seq. of the French Labor Code, provided that, the discount set shall not be lower than thirty per cent (30%) of the volume weighted average of the prices of the Company share over the last twenty (20) trading days on the regulated market of Euronext Paris preceding the date of the decision setting the opening date of the subscription period reserved for the members of company savings plans; however the Shareholders' Meeting expressly authorizes the Board of Directors to reduce or cancel the aforementioned discount, as it considers appropriate, in particular in order to take into consideration the international accounting standards, or, inter alia, locally applicable legal, accounting, tax or social provisions in the countries of certain beneficiaries, the Board of Directors may also substitute all or part of the discount by granting shares and/or securities giving access to the share capital of the Company pursuant to the provisions below;

5. authorizes the Board of Directors, according to this delegation of authority, to freely allot shares and/or securities giving access immediately or in the future to share capital of the Company to the members of company savings plans to replace in part or all of the discount and/or, if applicable the abundance, it being specified that the total advantage resulting from this allocation in relation with the discount and/or the abundance may not exceed the legal and regulatory limits;

6. grants the Board of Directors any necessary power, with the right to sub-delegate in accordance with applicable law and regulations, to implement this delegation of authority and, in particular:

- establish in accordance with the law a list of companies or groups of companies for which the beneficiaries indicated in paragraph 1 above may subscribe for the shares and/or securities giving or capable of giving access to the capital of the Company thereby issued and who may be freely allotted shares and/or securities giving or capable of giving access to the capital of the Company;

- decide that subscriptions for the shares and/or securities may be made directly by beneficiaries belonging to an entity or group savings plan, or via dedicated mutual funds or other vehicles or entities permitted under the applicable law and regulations;
- determine the conditions, in particular as regards length of service, that must be met by the beneficiaries of the new shares or securities that may be issued by the capital increases made according to this resolution;
- set the opening and closing dates for subscriptions of the shares and/or securities;
- set the amounts of the issuances to be made under the present delegation of authority and in particular determine the issue price, terms and conditions of subscription, payment, delivery and date of entitlement to dividends of the shares and/or the securities, which may be retrospective, rules for reduction in the event of oversubscription and any other terms and conditions of the issues, subject to applicable legal and regulatory limits;
- provide for the possibility to proceed, according to the conditions it shall determine, as the case may be, with any adjustments required in accordance with the legal and regulatory provisions;
- in the case of an issue of new shares, charge any amounts required to pay up said shares against reserves, profits, or share premium;
- at its own discretion, charge the costs of capital increases against the premium arising thereon and deduct from this premium the sums necessary to increase the legal reserve;
- duly record completion of each capital increase carried out pursuant to this delegation of authority and make the necessary amendments to the articles of association of the Company; and
- generally, enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and accomplish all formalities required for the issuance, listing and financial administration of shares and/or securities issued under this delegation of authority and the exercise of the rights attached thereto.

7. notes that this delegation invalids, in the future, the delegation granted by the shareholders' meeting of June 24, 2020 in its seventeenth (17th) resolution.

This delegation of authority is granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Twenty-fourth resolution

(Delegation of authority granted to the Board of Directors to grant free new or existing shares to the benefit of employees or corporate officers, in the limit of 10% of the capital)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L. 225-197-1 et seq. and L. 22-10-59 of the French Commercial Code:

1. delegates its authority to proceed, to the benefit of the employees that it shall determine and/or the corporate officers of the Company or of any subsidiary company under the provision of Article L. 225-197-2 of the French Commercial Code it shall decide, with a granting of free new or existing shares;

2. decides that the granting of shares pursuant to this authorization shall not exceed a number of existing or new shares representing a percentage greater than 10% of the Company's share capital calculated on the attribution date, subject to any adjustments that may be made in accordance with the applicable laws and regulations and, where applicable, to preserve the rights of holders of securities or other rights giving access to the capital;

3. decides that the granting of free shares to their beneficiaries shall be definitive after a period of vesting of one (1) year and that the period of retention of the shares by the beneficiaries is set to one (1) year;

   however, in case of disability of the beneficiary meeting the conditions provided in Article L. 225-197-1 of the French Commercial Code, the definitive vesting of the shares shall occur before the end of the period of vesting. The shares shall be freely transferable from their delivery;

4. decides that the Board of Directors shall proceed with the granting of free shares and shall determine, in particular:

- the identity of the beneficiaries and the number of shares allotted to each of them; and
- the conditions and criteria of the granting of the shares that shall mandatorily apply to the employees and/or the corporate officers beneficiaries;

5. acknowledges that this delegation of authority automatically entails, to the benefit of the beneficiaries, an express waiver by the shareholders of the Company of their preferential subscription rights in respect of the shares that would be issued under this resolution;

6. grants any necessary power to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to implement this authorization, in the conditions set out above and within the limits provided by the law in force and, in particular, to determine, if necessary, the terms and conditions of the issuances that would be carried out under this authorization and the moment of the enjoyment of the new shares, to acknowledge the achievement of the capital increases, to amend the Bylaws subsequently, and, generally, to accomplish any necessary procedure for the issuance, the quotation and the financial service of the shares issued under the present resolution, and to accomplish any useful procedure under the law and regulations in force;

The Board of Directors shall give notice to the shareholders' meeting each year, in the legal and regulatory conditions, in particular pursuant to Article L. 225-197-4 of the French Commercial Code, of the transactions carried out under this resolution.

This delegation of authority is granted for a period of thirty-eight (38) months as from the date of this Shareholders' Meeting.

Twenty-fifth resolution

(Delegation of authority granted to the Board of Directors to reduce the capital in accordance with Article L. 22-10-62 of the French Commercial Code)

The Shareholders' Meeting, in accordance with the quorum and majority requirements applicable to extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory

Auditors' special report, in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code:

- delegates its authority to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to reduce the social capital, in one or several times and at any time as it deems appropriate, through the cancellation of shares that the Company owns or shall buy pursuant to the implementation of the share buyback program authorized in this Shareholders' Meeting in its tenth (10th) resolution or any later resolution with the same object within the maximum limit of 10% of the capital of the Company and by periods of twenty-four (24) months, and to proceed in the corresponding proportions at a capital reduction, it being specified that this limit shall be adjusted, if necessary, in order to take into account the transactions that would affect it after this Shareholders' Meeting;

- gives the broadest powers to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, to adopt the terms and conditions of the share buyback, charge the difference between the accounting value of the cancelled shares and their nominal value against reserves or share premium, or to amend the articles of association subsequently to this authorization and to accomplish any necessary procedure;

- notes that this delegation invalids, in the future, the delegation granted by the shareholders' meeting of March 24, 2021 in its fifteenth (15th) resolution.

This delegation of authority is granted for a period of twenty-four (24) months as from the date of this Shareholders' Meeting.

Twenty-sixth resolution

(Powers for formalities)

The Shareholders' Meeting gives full powers to the bearer of an original, copy or extract of the minutes of this Shareholders' Meeting to carry out any and all formalities that may be necessary.

Report of the Board of Directors

REPORT OF THE BOARD OF DIRECTORS
ON THE RESOLUTIONS PROPOSED
TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING
OF MARCH 29, 2022

Dear Shareholders,

We have convened you to an ordinary and extraordinary shareholders' meeting of Sartorius Stedim Biotech (hereinafter the "Company"), on March 29, 2022 at 2:00pm, in order to deliberate on the following agenda:

Ordinary Part

- Reading of the Board of Directors' management report on the financial statements including the Group's report;
- Reading of the Board of Directors' report on the proposed resolutions of the Shareholders' Meeting;
- Reading of the Board of Directors' corporate governance report;
- Reading of the Statutory Auditors' report on the financial statements for the year ended 31 December 2021;
- Reading of the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2021;
- Reading of the Statutory Auditors' report on the regulated agreements covered by Article L.225-38 and subsequent of the French Commercial Code;
- Approval of the financial statements for the year ended 31 December 2021 and discharge to all Directors; (Resolution N°1)
- Approval of the consolidated financial statements for the year ended 31 December 2021; (Resolution N°2)
- Assignment of the financial result for the year ended 31 December 2021; (Resolution N°3)
- Approval of regulated agreements covered by Article L.225-38 and subsequent of the French Commercial Code; (Resolution N°4)
- Approval of the remuneration policy and determination of the amount of the total annual remuneration allocated to the Board of Directors; (Resolution N°5)

- Approval of the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2021 financial year; (Resolution N°6)

- Approval of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Chairman of the Board and Chief Executive Officer for the 2021 financial year; (Resolution N°7)

- Approval of the remuneration policy of the Chairman and Chief Executive Officer for the 2022 financial year; (Resolution N°8)

- Approval of the remuneration policy of the Deputy Chief Executive Officer for the 2022 financial year; (Resolution N°9)

- Authorization granted to the Board of Directors to enable the Company to trade in its own shares; (Resolution N°10)

- Renewal of the term of Mr. Joachim Kreuzburg as Director; (Resolution N°11)

- Renewal of the term of Mrs. Pascale Boissel as Director; (Resolution N°12)

- Renewal of the term of Mr. René Fáber as Director; (Resolution N°13)

- Renewal of the term of Mr. Lothar Kappich as Director; (Resolution N°14)

- Renewal of the term of Mr. Henri Riey as Director; (Resolution N°15)

- Proxy to carry out formalities. (Resolution N°16)

Extraordinary Part

- Reading of the Board of Directors' report on the proposed resolutions of the Shareholders' Meeting;

- Reading of the Statutory Auditors' special reports;

- Delegation of authority granted to the Board of Directors to issue shares and/or securities giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, with preferential subscription rights of the shareholders; (Resolution N°17)

- Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company and/or securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders, through public offerings other than those referred to in Article L. 411-2 of the French Monetary and Financial Code; (Resolution N°18)

- Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company and/or the issuance of securities giving the right to the allotment of debt instruments, without preferential subscription rights of the shareholders, through public offerings addressed exclusively to qualified investors or to a restricted circle of investors as defined in Article L. 411-2 of the French Monetary and Financial Code; (Resolution N°19)

- Delegation of authority to the Board of Directors to increase the number of shares and/or securities giving or capable of giving access to the share capital of the Company to be issued in case of share capital increase, with or without preferential subscription rights of the shareholders; (Resolution N°20)

- Delegation of authority granted to the Board of Directors to decide to issue shares and/or securities giving or capable of giving access to the share capital of the Company as consideration for contributions in kind in shares and/or securities giving or capable of giving access to capital, without preferential subscription rights of shareholders; (Resolution N°21)

- Delegation of authority granted to the Board of Directors to increase the share capital of the Company through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted; (Resolution N°22)

- Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders; (Resolution N°23)

- Delegation of authority granted to the Board of Directors to grant free new or existing shares to the benefit of employees or corporate officers, in the limit of 10% of the capital; (Resolution N°24)

- Delegation of authority granted to the Board of Directors to reduce the capital in accordance with Article L. 22-10-62 of the French Commercial Code (Resolution N°25);

- Proxy to carry out formalities. (Resolution N°26)

The purpose of this report is to present a general explanation of the draft resolutions proposed by the Board of Directors.

A description of the Company's operations is provided in the management report and the universal registration document prepared by the Company. In order to complete your information, we invite you to read these documents as well as the statutory auditors' reports at the Shareholders' Meeting.

All documents related to the Shareholders' Meeting, in particular the draft resolutions proposed to the Shareholders' Meeting, the management report, the report of the Board of Directors on corporate governance, the universal registration document and the statutory auditors' reports are made available to you in the manner and within the time limits provided for by law. These documents are available on the Company's website (https://www.sartorius.com).

I. Details of Draft Resolutions submitted by the Board of Directors

I. 1 Ordinary Part

Approval of the financial statements and the consolidated financial statements for the financial year ending 31 December 2021 and discharge to the Directors (Resolutions N°1 and 2)

In the first resolution, we propose that you take the following decisions:

- approval of the financial statements of Sartorius Stedim Biotech for fiscal year 2021, which show a profit of € 115,521,400 and to grant discharge to the directors,

- taking note of the absence of expenses referred to in Article 39.4° of the General Tax Code.

In the second resolution, we propose that you approve the consolidated financial statements for the financial year 2021, which show a profit of € 414,309,400.

The annual and consolidated financial statements for the year ended December 31, 2021 are reproduced in the management report and the universal document registration relating to the audit of the financial year. These documents are available on the Company's website.

Assignment of the financial result for the year ended 31 December 2021 (Resolution N°3)

The annual accounts for the financial year ending 31 December 2021 show a net profit of € 115,521,400, to which is added the previous retained earnings of € 75,362,590, resulting in a distributable profit of € 190,883,990.

We propose that you allocate this distributable profit by distributing € 116,142,805 as dividends and allocating the balance, i.e. € 74,741,185, to the "Retained earnings" account.

The amount of the proposed dividend has been calculated on the basis of the number of shares entitled to dividends as of December 31, 2021, i.e. 92,180,190 shares. Thus, each share with a par value of € 0.20 would give rise to the payment of a net dividend of € 1.26.

The dividend would be paid as from March 30, 2022.

We would like to inform you that for individual shareholders who are tax residents in France, dividends received are subject, pursuant to Article 200 A, 1 A 1° of the French General Tax Code, to a single flat-rate withholding tax of 12.8%. At the shareholder's option, this income may be taxed at the progressive rate of income tax. In the latter case, the dividends are eligible for the 40% deduction mentioned in Articles 158 3 2° and 243 bis of the French General Tax Code. In both cases, when dividends are paid, they are subject to a non-discharging withholding tax at the source at the rate of 12.8%, as an interim income tax chargeable against the tax definitively due.

However, in accordance with the third paragraph of Article 117 quater of the French General Tax Code, individuals belonging to a tax household whose taxable income is less than 50,000 euros for single, divorced or widowed taxpayers or 75,000 euros for taxpayers subject to joint taxation, may request exemption from this 12.8% withholding tax under the conditions provided for in Article 242 quater of the French General Tax Code.

In addition, for individual shareholders who are tax residents of France, social security contributions are applied in all cases on the amount of dividends paid, up to a maximum of 17.2%.

Pursuant to the provisions of Article 243 bis of the French General Tax Code, we hereby inform you that the amounts distributed for the last three financial years were as follows:

Exercise	Dividend[1]	Amount eligible for the 40% abatment	Amount not eligible for the 40% abatment	Dividend per shares[1]
Dec. 31, 2021	116,147,039	116,147,039	0	1.26 €
Dec. 31, 2020	62,682,529	62,682,529	0	0.68 €
Dec. 31, 2019	31,341,265	31,341,265	0	0.34 €

1 Before deduction, where applicable, of social security deductions from the dividend for individuals.

Approval of regulated agreements covered by Article L. 225-38 et seq. of the French Commercial Code (Resolution N°4)

We submit to your approval the regulated agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, as described in the special report of the statutory auditors, which mentions, in particular, their financial terms and conditions and the amounts invoiced during the financial year ending December 31, 2021.

We invite you to take note of the statutory auditors' special report on regulated agreements, which will be read to you at the Shareholders' Meeting and which are made available to you in the manner and within the time limits provided for by law. These documents are available on the Company's website.

In accordance with the provisions of Article L. 225-40 of the French Commercial Code, the shareholders interested in these agreements will not take part in the vote on these resolutions. The shares held by the interested parties will not be taken into account for the calculation of the quorum and of the majority.

Approval of the remuneration policy and determination of the amount of the total annual remuneration allocated to the Board of Directors (Resolution N°5)

We submit to your approval the remuneration policy applicable to the directors and the terms and conditions of the distribution of the amount allocated by the Shareholders' Meeting.

We invite you to set the total annual amount of directors' remuneration at € 331,800, to be distributed among the directors in respect of the financial year ending 31 December 2022 in accordance with the policy approved above.

Approval of (i) the information mentioned in Article L. 22-10-9 of the French Commercial Code concerning the remuneration due or awarded to the corporate officers for the 2021 financial year, (ii) of the fixed, variable and extraordinary components of the remuneration and the benefits of all kinds due or awarded to the Chairman of the Board and Chief Executive Officer for the 2021 financial year, (iii) of the remuneration policy of the Chairman and Chief Executive Officer for the 2022 financial year, and (iv) of the remuneration policy of the Deputy Chief Executive Officer for the 2022 financial year (Resolutions N°6 to 9)

In accordance with the applicable law, the Board of Directors has prepared its report on corporate governance which is integrated in the universal registration document. The report on corporate governance contains in particular all the information required by Article L. 22-10-9 of the French Commercial Code, details of the elements comprising the compensation of the Chairman and Chief Executive Officer for the 2021 financial year, as well as the remuneration policy of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer for the 2022 financial year.

We invite you to take note of the Board of Directors' report on corporate governance, which will be read to you at the Shareholders' Meeting and which is made available to you in the manner and within the time limits provided for by law and regulations. It is available on the Company's website.

In this context, we submit to your approval:

- in the sixth (6th) resolution, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, on the information mentioned in I of Article L. 22-10-9 of the French Commercial Code as described in the Board of Directors' report on corporate governance,

- in the seventh (7th) resolution, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, on the fixed, variable and exceptional components of the remuneration and benefits of any kind due or allocated to Mr. Joachim Kreuzburg, Chairman of the Board and Chief Executive Officer, for the financial year ended December 31, 2021, as described in the Board of Directors' report on corporate governance,

- in the eighth (8th) resolution, in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, on the remuneration policy of the Chairman of the Board and Chief Executive Officer as described in the Board of Directors' report on corporate governance,

- in the ninth (9th) resolution, in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, on the remuneration policy of the Deputy Chief Executive Officer as described in the Board of Directors' report on corporate governance.

Authorization granted to the Board of Directors to enable the Company to trade in its own shares (Resolution N°10)

We remind you that the shareholders' meeting of March 24, 2021 in its ninth (9th) resolution, set up a share buyback program for a period of 18 months. The purpose of this program was to promote liquidity and stimulate the market price of the Company's shares under a liquidity contract, within the limit of 0.10% of the share capital and for a maximum buyback price of € 500 per share.

We invite you to renew this share buyback program and therefore we submit to your approval the authorization granted to the Board of Directors to enable the Company to acquire, hold, or transfer, its own shares, during a period of 18 months starting from the date of this Shareholders' Meeting, up to a limit of 0.10% of the share capital.

The purpose of the share buyback program would be to promote liquidity and stimulate the market price of the Company's shares under a liquidity contract that complies with the code of ethics of the French Association of Financial Market ("Association Française des Marchés Financiers") recognized by the French Financial Markets Authority ("Autorité des Marchés Financiers – AMF").

The share buyback program would have, in order of priority, the following objectives:

- to promote liquidity and stimulate the price of the Company's shares under a liquidity contract that complies with the ethical charter of the Association Française des Marchés Financiers recognized by the AMF,

- the cancellation of all or part of the shares thus purchased, within the maximum legal limit of 10% of the total number of shares composing the capital, for a period of twenty-four (24) months, pursuant to the twenty-fifth (25th) resolution this Shareholders' Meeting and subject to the adoption of the fifteenth twenty-fifth (25th) resolution,

- the delivery of shares (for exchange, payment or otherwise) in the context of external growth, merger, demerger or contributions,

- the delivery of shares upon the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, exercise of a warrant or in any other manner,

- the delivery of share to its corporate officers and employees as well as those of companies affiliated to it, under the conditions and in the terms provided for by law, particularly in the context of stock option plan, free granting plan of issued or to be issued shares or company or inter-companies saving plans,

- the conservation of the shares for purposes of patrimonial and financial management.

The terms and conditions of the share buyback program would be as follows:

- Duration of the program: a maximum of 18 months, starting from the date of this Shareholders' Meeting and expiring on the date when any shareholders' meeting of the Company adopts a new share buyback program or, alternatively, on September 29, 2023,

- Maximum redemption percentage allowed: 0,10% of the share capital, i.e. 92,180 shares on the basis of 92,180,190 shares comprising the share capital as of the date of this Shareholders' Meeting; being specified that this limit applies to an amount of the Company's share capital which will be adjusted, if necessary, by the Board of Directors to take into account transactions affecting the share capital subsequent to this Shareholders' Meeting, and that the acquisitions made by the Company may not, under any circumstances, result in the Company holding, directly or indirectly through its subsidiaries, more than 10% of its share capital, when the shares are acquired in order to promote the liquidity of the Company's shares under the conditions defined by the general regulations of French Financial Market Authority (Autorité des Marchés Financiers), the number of shares taken into account for the calculation of this limit shall correspond to the number of shares purchased less the number of shares resold during the term of the authorization,

- Maximum unit purchase price (excluding fees and commissions): € 750, i.e. a maximum theoretical amount allocated to the share buyback program of € 69,135,000 on the basis of the maximum percentage of 0.10%, excluding trading fees, the maximum theoretical amount will be adjusted, if necessary, by the Board of Directors to take into account transactions affecting the share capital subsequent to this Shareholders' Meeting.

The dividends from those shares would be allocated to the retained earnings account.

We also propose that you grant full powers to the Board of Directors, with the option of sub-delegation under the conditions provided for by law and regulations, to implement this authorization, and in particular to determine the terms and conditions of the share buyback program in accordance with the law and this resolution, and, in particular, make any adjustments related to capital transactions, place any stock market orders, enter into any agreements, in particular for the keeping of registers of purchases and sales of shares, make any declarations to the AMF and any other body, complete any formalities and, in general, do whatever is necessary.

This authorization would render ineffective for the future the authorization granted by the shareholders' meeting of March 24, 2021 in its ninth (9th) resolution.

Renewal of the terms of Mr. Joachim Kreuzburg, Mrs. Pascale Boissel, Mr. René Fáber, Mr. Lothar Kappich and Mr. Henri Riey as Directors (Resolutions N°11 to 15)

In view of the skills and contribution of Mr. Joachim Kreuzburg, Mrs. Pascale Boissel, Mr. René Fáber, Mr. Lothar Kappich and Mr. Henri Riey as directors, we propose, in the eleventh (11th) to the fifteenth (15th) resolutions respectively, to take note that these terms expire at the end of this Shareholders' Meeting and to renew them for a period of three years, i.e. until the end of the shareholders' meeting to be held in 2025 and called to approve the financial statements for the fiscal year ending December 31, 2024.

In order to complete your information, we invite you to read the chapter Board of Directors and its Committees of the universal registration document containing all the information relating to Mr. Joachim Kreuzburg, Mrs. Pascale Boissel, Mr. René Fáber, Mr. Lothar Kappich and Mr. Henri Riey, in particular their corporate offices held.

Proxy to carry out formalities (Resolution N°16)

We propose that you give full powers to the bearer of a copy or extract of the minutes of the Shareholders' Meeting to carry out all legal formalities.

<u>I. 2 Extraordinary Part</u>

Delegation of authority granted to the Board of Directors for the purpose of deciding to issue shares and/or securities giving or capable of giving access to the Company's share capital and/or securities giving entitlement to the allocation of debt securities, with maintenance of the shareholders' preferential subscription right (Resolution N°17)

We submit to your approval the delegation to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, in accordance with the provisions of Articles L.225-129 to L.225-129-6, L.225-132 to L.225-134, L. 22-10-49 and L. 228-91 to L. 228-93 of the French Commercial Code, of your authority to decide, on one or more occasions, in the proportions and at the times it considers appropriate, both in France and abroad, to issue, with shareholders' preferential subscription rights maintained, (i) shares in the Company, excluding preference shares, (ii) and/or securities of any kind whatsoever, excluding securities giving or that may give entitlement to preference shares, giving or that may give access to the Company's share capital, whether new or existing shares, (iii) and/or securities giving entitlement to the allocation of debt securities, whether for payment or free of charge, governed by Articles L. 228-91 and seq. of the French Commercial Code.

The Board of Directors, with the right to sub-delegate under in accordance with applicable law and regulations, may also decide, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, either in euros or in any other currency or monetary unit established by reference to several currencies, with shareholders' preferential subscription rights being maintained, (i) the issuance of securities giving or capable of giving access to the share capital of any company in which the Company directly or indirectly owns more than half of the share capital and/or (ii) the issue of securities giving or capable of giving access to the share capital of any company that directly or indirectly owns more than half of the Company's share capital, subject to the authorization of the competent body of the companies referred to in (i) and (ii) above concerned.

The nominal amount of the capital increase(s) that may be carried out immediately or in the future pursuant to this delegation of authority may not exceed a maximum amount of six million euros (€ 6,000,000), or the equivalent value of this amount on the date of the decision to issue, not taking into account the par value of the shares to be issued, if any, in respect of adjustments to be made, in accordance with applicable laws and regulations and any applicable contractual provisions, to preserve the rights of the holders of securities giving or that may give access to the Company's share capital. It is specified that this limit shall be autonomous.

In addition, the nominal amount of the securities that may be issued pursuant to this delegation of authority may not exceed a maximum amount of five hundred million euros (€ 500,000,000.00), or the equivalent value of this amount on the date of the issuance decision. This amount does not include the redemption premium(s) above par that would be provided for, if applicable. The limits for the issuance of debt securities stipulated under the terms from the eighteenth (18th) to the twenty-first (21st) resolutions submitted for the approval of this Shareholders' Meeting, described below, will be deducted from this overall limit.

The funds resulting from the possible use of this delegation will be entirely dedicated to the operational development of the Company and will be used to finance the growth of its business, promote its development and make operational investments.

Subscriptions of the shares and securities of the Company above may be made either in cash or by way of set-off.

The issuance of shares and/or securities likely to be decided by the Board of Directors in accordance with this delegation of authority shall be reserved in preference to the Company's shareholders, who may subscribe to these possible issues on an irreducible basis in proportion to the number of shares then owned by them.

The Board of Directors shall have the power to institute an additional subscription right subject to reduction, which shall be exercised in proportion to the subscription rights available to the Company's shareholders and within the limit of their requests, as well as to provide for an extension clause exclusively intended to satisfy subscription orders on a reducible basis which could not be served.

This delegation of authority would automatically entail an express waiver by the Company's shareholders of their pre-emptive right to subscribe for the shares to which these securities give or may give access to the Company's share capital and which may be issued pursuant to this delegation of authority, in favor of the holders of securities giving or that may give access to the Company's share capital and which may be issued by virtue of this delegation of authority.

If subscriptions by way of irrevocable entitlement and, where applicable, subscriptions subject to reduction, have not absorbed the entire issue of shares or securities giving or capable of giving access to the Company's share capital, the Board of Directors may use, under the conditions provided for by law and in the order that it shall determine, one and/or other of the following options:

- to limit the capital increase to the amount of the subscriptions, provided that this reaches at least three-quarters of the amount of the issuance decided;
- to freely allocate some or all of the unsubscribed the shares or securities giving access to the Company's share capital;
- to offer all or part of the unsubscribed shares or securities giving access to the share capital of the Company to the public on French market or abroad;

Any issuance of warrants to subscribe for the Company's shares on the basis of this delegation could be carried out by way of a subscription offer, but also by free allocation to owners of existing shares, it being specified that the Board of Directors will have the power to decide that the allocation rights forming fractional shares will not be negotiable and that the corresponding securities will be sold.

If this resolution is adopted, the Board of Directors will have to report to the next ordinary shareholders' meeting, in accordance with the law and regulations, on the use made of this delegation of authority.

We also invite you to give full powers to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, in order to implement this delegation of authority, and in particular:

- decide on the capital increase and determine the nature of the shares and/or securities to be issued;

- decide on the amount of the capital increase, the issue price of the shares and/or securities to be issued and the amount of the premium that may, if applicable, be attached to the issue in accordance with the terms and conditions provided for by law and regulations;

- determine the dates, terms and conditions of the capital increase(s), the characteristics of the shares and/or securities to be issued; decide, in addition, in the case of bonds or other debt securities, whether or not they are subordinated and, if so, their subordination ranking, in accordance with the provisions of Article L. 228-97 of the French Commercial Code, set their interest rate (in particular fixed or variable rate interest or zero coupon or indexed interest) and provide, where applicable, for mandatory or optional cases of suspension or non-payment of interest, provide for their term (fixed or indefinite), the possibility of reducing or increasing the nominal value of the shares and/or securities and the other terms of issue, including the granting of guarantees or sureties, and of redemption, including redemption by delivery of Company’s assets; where applicable, these shares and/or securities may be accompanied by warrants giving the right to the allotment, acquisition or subscription of bonds or other debt securities, or provide for the possibility for the Company to issue debt securities (assimilated or not) in payment of interest whose payment has been suspended by the Company, or take the form of complex bonds within the meaning of the stock market authorities (for example, because of their terms of repayment or remuneration or other rights such as indexation or option rights); modify, during the life of the shares and/or securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities;

- determine the method for paying up the shares and/or securities giving or that may give access to the Company's share capital to be issued immediately or in the future;

- set, if applicable, the terms and conditions for exercising rights, where applicable, rights to conversion, exchange, redemption, including by delivery of Company assets such as shares and/or securities already issued by the Company, attached to the shares and/or securities giving or that may give access to the Company's share capital to be issued immediately or in the future and, in particular, set the date, even retroactively, from which the new shares will carry dividend rights, as well as all other terms and conditions for carrying out the capital increase(s);

- set the terms and conditions under which the Company shall have the option of purchasing or exchanging, on or off the market, at any time or during specified periods, the securities issued or to be issued immediately or in the future that give or may give access to the Company's share capital, with a view to cancelling them or not, taking into account the legal provisions in force;

- provide for the possibility of suspending the exercise of the rights attached to the securities issued in accordance with the legal provisions in force;

- at its sole initiative, charge the costs of the capital increase against the amount of the related premiums and deduct from this amount the sums necessary to fund the legal reserve;

- make any adjustments to take into account the impact of transactions affecting the Company's share capital, in particular in the event of a change in the par value of the share, capital increase by capitalisation of reserves, free allocation of shares, stock split or reverse stock split, distribution of reserves or any other assets, amortisation of capital, or any other transaction affecting shareholders' equity, and set the terms and conditions under which the rights of holders of securities giving or potentially giving access to the Company's share capital will be preserved, where applicable;

- record the completion of each capital increase decided pursuant to this delegation of authority and make the corresponding amendments to the Company's Articles of Association; and

- in general, enter into any and all agreements, in particular in order to successfully complete the planned issues, take all measures and carry out all formalities required for the issue, listing and financial servicing of the shares and/or securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto.

This delegation would render ineffective for the future the delegation granted by the Shareholders' Meeting of June 24, 2020 in its eleventh (11th) resolution.

This delegation of authority would be granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Delegation of authority granted to the Board of Directors to decide to issue shares and/or securities giving or capable of giving access to the Company's share capital and/or to issue securities entitling their holders to the allocation of debt securities, with cancellation of the shareholders' preferential subscription right, through public offerings (Resolutions N°18 and 19)

In accordance with the provisions of Articles L.225-129 and seq., L. 22-10-49, L. 22-10-51, L. 22-10-52 and L.228-91 and seq. of the French Commercial Code, we invite you to delegate the following powers to the Board of Directors, your authority to decide, on one or more occasions, in France or abroad, in the proportions and at the times it deems appropriate, through one or more public offering(s) of the Company, including public offers addressed exclusively to qualified investors or to a restricted circle of investors as defined in the Article L. 411-2 of the French Monetary and Financial Code, the issuance of the following financial securities:

- shares, other than preference shares, and/or securities, excluding securities giving access to preference shares, giving access to existing or future shares of the Company or to securities entitling their holders, whether for consideration or free of charge, to the allocation of debt securities governed by Articles L. 228-91 and seq. of the French Commercial Code.

- shares and/or securities giving or capable of giving access to the Company's share capital to be issued the issue by companies in which the Company directly or indirectly owns more than half of the share capital or by any company that directly or indirectly owns more than half of the Company's share capital, of securities giving or capable of giving access to the Company's share capital; these delegations of authority would automatically entail an express waiver by the shareholders of their preferential subscription rights in respect of the shares and/or the securities giving or capable of giving access to the share capital of the Company to which these securities may give access;

- securities giving or that may give access to the share capital of companies of which the Company directly or indirectly owns more than half of the share capital and/or (ii) the issue of securities giving or that may give access to the share capital of any company that directly or indirectly owns more than half of the Company's share capital, subject to the authorization of the competent body of the companies referred to in (i) and (ii) above concerned.

The nominal amount of the capital increase(s) that may be carried out immediately or in the future pursuant to these delegations of authority may not exceed a maximum amount of six million euros (€ 6,000,000.00), or the equivalent value of this amount on the date of the issuance decision, not taking into account the par value of the shares to be issued, if any, in respect of adjustments to be made, in accordance with the applicable laws and regulations and any applicable contractual provisions, to preserve the rights of the holders of securities giving or that may give access to the Company's share capital. It is specified that this limit shall be autonomous to each resolution.

In respect of public offerings addressed exclusively to qualified investors and/or to a restricted circle of investors referred to in Article L. 411-2 of the French Monetary and Financial Code, the issue of new shares shall be limited to 20% of the share capital per year pursuant to Article L. 225-136, 2° of the French Commercial Code.

In addition, the nominal amount of the debt securities that may be issued immediately or in the future pursuant to this delegation of authority may not exceed a maximum amount of five hundred million euros (€ 500,000.000.00), or the equivalent value of this amount on the date of the issuance decision, it being specified that (i) this amount does not include the redemption premium(s) above par that would be provided for, if applicable, and (ii) the nominal amount of the debt securities will be deducted from the overall limit provided for in paragraph 3.b) of the seventeenth (17^{th}) resolution described above.

Subscriptions for shares or securities giving access to the Company's share capital or debt securities may be made either in cash or by offsetting debts.

The purpose of these resolutions is to provide the Company with all the flexibility necessary to rapidly realize financing opportunities and to be able to open, if necessary, depending on market conditions, its capital to outside investors.

Consequently, we propose that you waive your preferential subscription rights to the shares and/or securities that may be issued pursuant to these delegations of authority, while leaving it to the Board of Directors, in application of Article L. 225-135 paragraph 5 of the French Commercial Code, the right to grant the Company's shareholders, during a period and on terms and conditions that it will determine in accordance with applicable laws and regulations and for all or part of an issue carried out, a priority subscription period that does not give rise to the creation of negotiable rights, which must be exercised in proportion to the number of shares owned by each shareholder and which may be supplemented by a reducible subscription, it being specified that the shares and/or securities not subscribed for within the said priority period may be the subject of a public offering in France or abroad.

These delegations of authority would automatically entail an express waiver by the Company's shareholders, in favor of the holders of securities giving or that may give access to the Company's share capital that may be issued pursuant to this delegation of authority, of their preferential subscription rights to the shares to which these securities give immediate or future entitlement.

The issue price of the shares to be issued directly would be at least equal to the minimum provided for by the laws and regulations applicable on the date of the issuance decision. The issue price of the securities giving or that may give access to the Company's share capital would be such that the amount received immediately by the Company, plus, where applicable, the amount that may be received subsequently by the Company, for each share issued as a result of the issue of these securities, would be at least equal to the subscription price of the shares issued directly.

If these resolutions are adopted, the Board of Directors shall report to the next ordinary shareholders' meeting, in accordance with the applicable law and regulations, on the use made of this delegation of authority.

We also propose that you grant full powers to the Board of Directors, with the option to sub-delegate such powers in accordance with the law and regulations, to implement this delegation of authority, and in particular to:

- decide on the capital increase and determine the nature of the shares and/or securities to be issued;
- decide on the amount of the capital increase, the issue price of the shares and/or securities to be issued and the amount of the premium that may, if applicable, be attached to the issue;

- determine the dates, terms and conditions of the capital increase(s), the characteristics of the shares and/or securities to be issued; decide, in addition, in the case of bonds or other debt securities, whether or not they are subordinated and, if so, their subordination ranking, in accordance with the provisions of Article L. 228-97 of the French Commercial Code, set their interest rate (in particular fixed or variable rate interest or zero coupon or indexed interest) and provide, where applicable, for mandatory or optional cases of suspension or non-payment of interest, provide for their term (fixed or indefinite), the possibility of reducing or increasing the nominal value of the shares and/or securities and the other terms of issue, including the granting of guarantees or sureties, and of redemption, including redemption by delivery of Company’s assets; where applicable, these shares and/or securities may be accompanied by warrants giving the right to the allotment, acquisition or subscription of bonds or other debt securities, or provide for the possibility for the Company to issue debt securities (assimilated or not) in payment of interest whose payment has been suspended by the Company, or take the form of complex bonds within the meaning of the stock market authorities (for example, because of their terms of repayment or remuneration or other rights such as indexation or option rights); modify, during the life of the shares and/or securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities;

- determine the method of paying up the shares and/or securities giving or that may give access to the Company's share capital, whether immediately or in the future;

- set, if applicable, the terms and conditions for exercising rights, where applicable, rights to conversion, exchange, redemption, including by delivery of Company’s assets such as shares and/or securities already issued by the Company, attached to the shares and/or securities giving or that may give access to the Company's share capital to be issued immediately or in the future and, in particular, set the date, even retroactively, from which the new shares will carry dividend rights, as well as all other terms and conditions for carrying out the capital increase(s);

- set the terms and conditions under which the Company will have the option to purchase or exchange on or off the market, at any time or during specified periods, the securities giving or that may give access to the Company's share capital issued or to be issued immediately or in the future with a view to cancelling them or not, taking into account the legal provisions in force;

- provide for the possibility of suspending the exercise of the rights attached to the securities issued in accordance with the legal provisions in force;

- at its sole initiative, charge the costs of the capital increase against the amount of the related premiums and deduct from this amount the sums necessary to fund the legal reserve;

- make any adjustments to take into account the impact of transactions affecting the Company's share capital, in particular in the event of a change in the par value of the share, capital increase by capitalisation of reserves, free allocation of shares, stock split or reverse stock split, distribution of reserves or any other assets, amortisation of capital, or any other transaction affecting shareholders' equity, and set the terms and conditions under which the rights of holders of securities giving or potentially giving access to the Company's share capital will be preserved, where applicable;

- record the completion of each capital increase decided pursuant to this delegation of authority and make the corresponding amendments to the Company's Articles of Association; and

- in general, enter into any and all agreements, in particular in order to successfully complete the planned issues, take all measures and carry out all formalities necessary for the issue, listing and financial servicing of the shares and/or securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto.

These delegations would render ineffective for the future the delegations granted by the shareholders' meeting of June 24, 2020 in its twelfth (12^{th}) and thirteenth (13^{th}) resolutions.

Finally, these delegations of authority would be granted for a term of twenty-six (26) months as from the date of this Shareholders' Meeting.

Delegation of authority granted to the Board of Directors to increase the number of shares and/or securities giving or that may give access to the Company's share capital to be issued in the event of a capital increase, with or without shareholders' preferential subscription rights (Resolution N°20)

We invite you to delegate to the Board of Directors, pursuant to Articles L. 225-135-1 and R. 225-118 of the French Commercial Code, your authority to increase the number of shares and/or securities giving or capable of giving access to the capital of the Company to be issued with or without preferential subscription rights decided pursuant to the seventeenth (17^{th}) to nineteenth (19^{th}) resolutions presented above, at the same price as that used for the initial issuance and within the time and limits provided for by law and regulations as well as market practices in the day of the issuance decision, for a period of thirty (30) calendar days from the closing of the subscription, up to a maximum of 15% of the initial issue.

The shares and/or other securities issued pursuant to this delegation of authority may be paid up either in cash or by way of set-off.

This delegation of authority would enable the Board of Directors to increase the volume of the capital increase and to set the parameters as close as possible to investors' demand in accordance with the Company's interests.

The nominal amount of the share capital increase(s) decided pursuant to this delegation of authority will be deducted from the amount of the autonomous limit applicable to the initial issuance.

The Board of Directors may not use this delegation of authority from the date of filing by a third party of a public offer for the Company's securities until the end of the offer period, unless the Shareholders' Meeting has given its prior authorization to do so.

This delegation would render ineffective for the future the delegation granted by the shareholders' meeting of June 24, 2020 in its fourteenth (14^{th}) resolution.

This delegation of authority would be granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Delegation of authority granted to the Board of directors to decide to issue shares and/or securities giving or capable of giving access to the share capital of the Company as consideration for contributions in kind in shares and/or securities giving or capable of giving access to capital, without preferential subscription rights of shareholders (Resolution N°21)

We invite you to delegate to the Board of Directors, pursuant to the provisions of Articles L. 225-129 et seq., L. 225-147, L. 22-10-53 and L. 228-91 to L. 228-93 of the French Commercial Code, your authority to decide, on one or more occasions, in the proportions and at the times it deems appropriate, on the issue, on the basis of the report of the contribution appraiser mentioned in Article L. 225-147 of the French Commercial Code, of shares, excluding preference shares, and/or securities of any kind whatsoever, excluding securities giving or that may give entitlement to preference shares, giving or that may give access to the Company's share capital, whether new or existing shares, in order to remunerate contributions in kind granted to the Company and consisting of shares and/or securities giving or that may give access to the share capital, when the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable.

The nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this delegation of authority may not exceed 10% of the Company's share capital on the date of the capital increase, it being specified that this limit shall be autonomous.

The securities giving or that may give access to the Company's share capital thus issued may, in particular, consist of debt securities or be associated with the issue of such securities, or allow the issue of such securities as intermediate securities, it being specified, on the one hand, that the nominal amount of the debt securities that may be issued under this delegation of authority may not exceed the sum of five hundred million euros (€ 500,000,000.00) or the equivalent value of this amount on the date of the decision to issue, and, secondly, the nominal amount of the debt securities will be deducted from the overall limit provided for in paragraph 3.b/ of the seventeenth (17^{th}) resolution of this Shareholders' Meeting.

This resolution would enable the Company's senior management to be granted the necessary resources to enable the rapid issuance of financial securities in the context of external growth transactions and to promote the expansion of the Company and its group.

This delegation of authority would automatically entail an express waiver by the Company's shareholders of their preferential subscription rights to the shares to which these securities may give immediate or future entitlement, in favor of the holders of securities giving or that may give access to the Company's share capital and that may be issued pursuant to this delegation of authority.

We propose that you grant the Board of Directors full powers, with the option of sub-delegation under the conditions set by law and regulations, to implement this delegation of authority, and in particular to:

- decide to increase the Company's share capital in consideration for the above-mentioned contributions in kind and determine the nature of the shares and/or securities to be issued ;

- establish the list of shares and/or securities contributed, approve the valuation of the contributions in kind, set the terms and conditions of the issue of shares and/or securities in consideration for such contributions, as well as, if applicable, the amount of the balancing payment to be made, approve the granting of special benefits, and reduce, if the contributors agree, the valuation of the contributions in kind or the consideration for special benefits;

- determine the characteristics of the securities remunerating the contributions in kind and make any adjustments intended to take into account the impact of transactions on the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by capitalisation of reserves, or the allocation of free shares, share splits or reverse splits, distribution of reserves or any other assets, amortization of capital, or any other transaction affecting shareholders' equity, and set the terms and conditions for preserving the rights of holders of securities giving or that may give access to the Company's share capital, where applicable;

- at its sole initiative, charge the costs of the capital increase against the amount of the related premiums and deduct from this amount the sums necessary to fund the legal reserve;

- record the completion of each capital increase decided pursuant to this delegation of authority and make the corresponding amendments to the Company's Articles of Association; and

- in general, enter into any and all agreements, in particular in order to successfully complete the planned issues, take all measures and decisions and carry out all formalities required for the issue, listing and financial servicing of the shares and/or securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto.

This delegation would render ineffective for the future the delegation granted by the shareholders' meeting of June 24, 2020 in its fifteenth (15th) resolution.

This delegation of authority would be granted for a period of twenty-six (26) months as from this Shareholders' Meeting.

Delegation of authority granted to the Board of Directors to increase the share capital of the Company through the capitalization of reserves, earnings or premiums or any other sum upon which capitalization would be permitted (Resolution N°22)

We propose that you delegate to the Board of Directors, with the option of sub-delegation under the conditions laid down by law and regulations, pursuant to the provisions of Articles L.225-129 to L. 225-129-6, L. 225-130, L. 22-10-49 and L. 22-10-50 of the French Commercial Code, your authority to decide, on one or more occasions, in the proportions and at the times it deems appropriate, to increase the Company's share capital by successive or simultaneous capitalisation of all or part of the reserves, profits and share premiums, merger or contribution or any other sum whose capitalization is permitted by law and the Articles of Association, in the form of the creation and free allocation of shares and/or an increase in the nominal value of existing shares or through a combination of the two procedures according to the terms that it will set.

This delegation would enable the Company to increase its share capital using its own resources and would give the Board of Directors additional flexibility in the implementation of the Company's strategy.

The nominal amount of the share capital increase(s) that may be carried out immediately or in the future pursuant to this delegation of authority may not exceed a maximum amount of six million euros (€6,000,000.00), it being specified that the nominal amount stipulated above constitutes a limit that is autonomous.

We invite you to give full powers to the Board of Directors, with the right to sub-delegate in accordance with applicable law and regulations, in order to implement this delegation of authority, and in particular:

- determine the nature and amount of the sums to be incorporated into the share capital, set the number of new shares to be issued and/or the amount by which the par value of the existing shares making up the share capital will be increased, set the date, even retroactively, as from which the new shares will be entitled to dividends or the date on which the increase in par value will take effect;

- decide, in the case of shares to be issued :

  - that the rights forming fractional shares will not be negotiable or transferable and that the corresponding shares will be sold, the proceeds of the sale being allocated to the holders of the rights under the conditions provided for by law and regulations;

  - to make all adjustments to take into account the impact of transactions on the Company's share capital, in particular in the event of a change in the par value of the share, capital increase by capitalisation of reserves, free allocation of shares, stock split or reverse stock split, distribution of reserves or any other assets, amortisation of capital, or any other transaction affecting shareholders' equity, and to set the terms and conditions according to which the holders of securities that give or may give access to the Company's share capital will be protected, where applicable.

- at its sole initiative, charge, if necessary, to one or more available reserve accounts, the amount of the expenses relating to the corresponding capital increase and deduct from this amount the sums necessary to endow the legal reserve;

- record the completion of each capital increase decided pursuant to this delegation of authority and make the corresponding amendments to the Company's Articles of Association; and

- in general, enter into any agreement, in particular in order to successfully complete the planned issues, take all measures and carry out all formalities and declarations required for the issue, listing and financial servicing of the shares issued pursuant to this delegation of authority as well as for the exercise of the rights attached thereto.

This delegation would invalid, in the future, the delegation granted by the shareholders' meeting of June 24, 2020 in its sixteenth (16th) resolution.

This delegation of authority would be granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Delegation of authority granted to the Board of Directors to issue shares and/or securities giving or capable of giving access to the share capital of the Company, reserved for members of company savings plan, without preferential subscription rights of the shareholders (Resolution N°23)

Several requests for delegation of authority to increase the share capital in cash have just been proposed to you. Pursuant we applicable law, we are required to propose a capital increase reserved for the Company's employees. Indeed, the legislator wanted to require companies that carry out capital increases in cash to decide on the opening of their capital to their employees and to the employees of companies related to them.

We do not believe that this method is the most appropriate and the Company has, in fact, put in place tools to retain and motivate its employees.

For these reasons, we invite you to reject the resolution referred to in this paragraph.

Nevertheless, in the event that you do not wish to follow our recommendations, we inform you that in this resolution, your authority would be delegated to the Board of Directors for the purpose of deciding, in one or several times, in the proportion and at the times that it considers appropriate, to issue shares, excluding preference shares, and/or securities of any kind whatsoever, with the exception of securities giving or that may give entitlement to preference shares, giving or that may give access to the Company's share capital, whether new or existing shares, to the benefit of members of one or more company savings plans, or any other plan to whose members Article L. 3332-18 of the French Labour Code would allow a capital increase to be reserved under equivalent conditions set up within a French or foreign company or group of companies falling within the scope of consolidation or combination of the Company's accounts pursuant to Articles L. 3344-1 and L. 3344-2 of the French Labor Code, it being specified that the shares and/or securities subscribed for may be paid up either in cash, or by set-off against certain, due and payable receivables held upon the Company, or by capitalization of reserves, profits or share premiums in the event of a free allocation of shares under the discount and/or the employer's contribution.

The amount of the capital increase(s) that may be carried out immediately or in the future pursuant to this delegation of authority may not exceed a maximum amount of six million euros (€6,000,000.00), it being specified that this limit is autonomous.

The issue price of the shares and/or securities giving or that may give access to the Company's share capital would be determined under the conditions set forth in Articles L. 3332-18 and seq. of the French Labor Code and may not be lower than thirty per cent (30%) of the volume weighted average of the prices of the Company share over the last twenty (20) trading days on the regulated market of Euronext Paris preceding the date of the decision setting the opening date of the subscription period for the capital increase reserved for members of a company savings plan. If it deems it appropriate, in particular in order to take into account new international accounting provisions or the legal, accounting, tax and social security regimes applicable in the countries of residence of certain beneficiaries, the Board of Directors may reduce or eliminate the aforementioned discount, within the legal and regulatory limits. The Board of Directors could also replace all or part of the discount by the allocation of shares and/or securities giving access to the Company's share capital pursuant to the provisions below.

The Board of Directors, under the terms of this delegation of authority, may proceed with the free allocation of shares and/or other securities giving immediate or future access to the Company's shares in substitution for all or part of the discount and/or, where applicable, the employer's contribution, it being understood that the total benefit resulting from this allocation by way of discount and/or employer's contribution may not exceed the legal and regulatory limits.

In addition, full powers would be given to the Board of Directors, with the option of sub-delegation under the conditions laid down by law and regulations, to implement this delegation of authority, and in particular:

- draw up, in accordance with the law, a list of the companies or groups of companies whose beneficiaries indicated in paragraph 1 above may subscribe to the shares and/or securities giving or that may give access to the Company's share capital thus issued and benefit, where applicable, from the shares and/or securities giving or that may give access to the Company's share capital allocated free of charge;

- decide that subscriptions for shares and/or securities may be made directly by beneficiaries who are members of a company savings plan, or through the intermediary of company mutual funds or other structures or entities permitted by applicable legal and regulatory provisions;

- determine the conditions, in particular seniority conditions, to be met by the beneficiaries of the new shares or securities that may be issued in connection with the capital increases covered by this resolution;

- set the opening and closing dates for subscriptions to the shares and/or securities;

- set the amounts of the issues that will be carried out pursuant to this delegation of authority and, in particular, set the issue prices, dates, deadlines, terms and conditions of subscription, payment, delivery and dividend rights of the shares and/or securities, even retroactively, the reduction rules applicable in the event of oversubscription, as well as the other terms and conditions of the issues, within the legal and regulatory limits in force;

- provide for the right to make any adjustments required in accordance with the legal and regulatory provisions, in accordance with the terms and conditions that it shall determine;

- in the event of the issue of new shares, charge, if applicable, the sums necessary to pay up the said shares against reserves, profits or share premiums;

- at its sole initiative, charge the costs of the capital increase against the amount of the related premiums and deduct from this amount the sums necessary to fund the legal reserve;

- record the capital increase(s) carried out pursuant to this delegation of authority and amend the Company's Articles of Association accordingly; and

- in general, enter into any and all agreements, in particular in order to successfully complete the planned issues, take all measures and decisions and carry out all formalities necessary for the issue, listing and financial servicing of the shares and/or securities issued pursuant to this delegation of authority and the exercise of the rights attached thereto.

This delegation would invalid for the future the delegation granted by the shareholders' meeting of June 24, 2020 in its seventeenth (17th) resolution.

This delegation of authority is granted for a period of twenty-six (26) months as from the date of this Shareholders' Meeting.

Delegation of authority granted to the Board of directors to grant free new or existing shares to the benefit of employees or corporate officers, in the limit of 10% of the capital (Resolution N°24)

We invite you to authorize the Board of Directors, pursuant to Article L. 225-197-1 et seq. and L. 22-10-59 of the Commercial Code, to make a free allocation of existing or new shares of the Company, on one or more occasions, to the benefit of such members of staff as it may determine from among the eligible employees and corporate officers of the Company and of companies or groupings related to it under the conditions set out in Article L. 225-197-2 of the Commercial Code.

This authorization would enable the Board of Directors to benefit from an attractive scheme to attract and retain employees and corporate officers, to give them additional motivation and consequently to promote the success of the Company.

The grants of shares made pursuant to this authorization may not relate to a number of existing or new shares representing a percentage greater than 10% of the Company's share capital calculated on the attribution date, subject to any adjustments that may be made in accordance with applicable laws and regulations and, as the case may be, to preserve the rights of holders of securities or other rights giving access to the share capital.

We also propose that you set the duration of the vesting period, at the end of which the allocation of shares to their beneficiaries would be definitive, and the duration of the period of retention of the shares at one year.

However, in the case of disability of the beneficiary meeting the conditions set by Article L. 225-197-1 of the French Commercial Code, the shares would be definitively allocated before the end of the vesting period. The shares would be freely transferable as from their delivery.

The Board of Directors would proceed with the free allocation of shares and would determine in particular:

- the identity of the beneficiaries and the number of shares allocated to each of them; and
- the conditions and criteria for the allocation of the shares to which the beneficiary employees and/or corporate officers will be compulsorily subject.

This authorization would automatically entail, in favor of the beneficiaries, an express waiver by the shareholders of their preferential subscription rights to the shares that would be issued pursuant to this resolution.

We also propose that you grant the Board of Directors full powers, with the option to sub-delegate such powers in accordance with the legal and regulatory conditions, to implement this authorization, under the above conditions and within the limits authorized by the laws and regulations in force and, in particular, to set, where applicable, the terms and conditions of the issues that would be carried out under this authorization and the dividend entitlement date of the new shares, record the completion of the capital increases, amend the Articles of Association accordingly, and more generally, complete all formalities required for the issue, listing and financial servicing of the securities issued under this resolution and do all that is useful and necessary within the framework of the laws and regulations in force.

The Board of Directors would inform the shareholders' meeting each year, in accordance with the legal and regulatory conditions, in particular Article L. 225-197-4 of the Commercial Code, of the transactions carried out under this resolution.

This delegation would be valid for a period of thirty-eight (38) months as from the date of this Shareholders' Meeting.

Delegation of authority granted to the Board of Directors to reduce the capital in accordance with Article L. 22-10-62 of the French Commercial Code (Resolution N°25)

We invite you to authorize the Board of Directors, pursuant to Article L. 22-10-62 of the French Commercial Code, with the right to sub-delegate in accordance with applicable law and regulation, to reduce the social capital, in one or several times and at any time as it deems appropriate, through the cancellation of shares that the Company owns or shall buy pursuant to the implementation of the share buyback program authorized in this Shareholders' Meeting in its tenth (10th) resolution or any later resolution with the same object within the maximum limit of 10% of the capital of the Company and by periods of twenty-four (24) months, and to proceed in the corresponding proportions at a capital reduction, it being specified that this limit shall be adjusted, if necessary, in order to take into account the operations that would affect it after this Shareholders' Meeting.

The purpose of this delegation is to provide the Board of Directors with an additional option in the conduct of its financial strategy and would enable it to ensure the preservation of your rights, particularly in periods of high financial volatility.

We also propose that you grant the Board of Directors the broadest powers, with the option to subdelegate such powers in accordance with the law, to set the terms and conditions for the cancellation of shares, to allocate the difference between the book value of the cancelled shares and their par value to any reserve or additional paid-in capital accounts, to make the amendments to the bylaws resulting from this authorization and to carry out all necessary formalities.

This delegation would render ineffective for the future the delegation granted by the shareholders' meeting of March 24, 2021 in its fifteenth (15th) resolution.

This delegation would be valid for a period of twenty-four (24) months as from the date of this Shareholders' Meeting.

Proxy to carry out formalities (Resolution N°26)

We propose that you grant full powers to the bearer of an original, copy or extract of these minutes for the purpose of carrying out all filing, publication and other formalities provided for by the law and regulations in force relating to the decisions taken in the context of this Shareholders' Meeting.

We thank you for your trust and ask you to adopt the decisions that we submit to your vote.

Aubagne,
February 9, 2022
The Board of Directors

Information on the URD and the Annual Financial Report

Declaration of Responsibility for the Universal Registration Document and the 2021 Annual Financial Report

I hereby certify, that the information contained in the present Universal Registration Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the company and all the activities included in the consolidation, and that the management report enclosed presents a fair review of the development and performance of the business and financial position of the company and of all the activities included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the auditors stating that they have audited the information contained in this Universal Registration Document about the financial position and financial statements and that they have read this document in its entirety.

February 16, 2022

Joachim Kreuzburg

Chairman of the Board and CEO

Table of Reconciliation

The cross-reference table identifies the main information required by the Delegated Regulation No. 2019/980 of the European Commission dated March 14, 2019 (the "Regulation"). The table indicates the pages of this Universal Registration Document where is presented the information related to each item.

Glossary

Industrial | Product-specific Terms

Antibody drug conjugates (ADC)
New class of highly potent biological drugs built by attaching a small molecule anticancer drug or another therapeutic agent to an antibody, with either a permanent or a labile linker

Bags, single-use
Plastic disposable bag used in bioreactors and for storing liquids, such as culture media, intermediate products and biopharmaceuticals

Biopharmaceuticals, also biologics or biological medical drugs
Any pharmaceutical drug products manufactured using biotech means and genetically modified organisms

Bioprocessing technology
Covers the process engineering aspects of biotech manufacturing operations. Such aspects include general planning and implementation of a production process, its monitoring and control, and all technologies required for these purposes

Bioreactor
In English-speaking countries, a bioreactor is used as a vessel for cultivating animal or human cells in a culture medium. In non-English-speaking countries, this term is also used synonymously with "fermentor" that is a system in which microorganisms (bacteria, yeast, fungi) multiply. In any case, these vessels are used to obtain cells, parts of these or one of their metabolites.

CAR T cells
New class of highly effective biopharmaceuticals used in cell and gene therapy in which the patient's own T cells are collected from the blood and genetically modified so that they can identify and destroy cancer cells

Cell culture media
Growth media that provide cells and organisms the nutrients needed to support their propagation in cultures

Cell line technology
Covers various technologies used within the scope of analytical and process steps to develop stable and productive cell lines

Chromatography
A key process step for downstream processing of active pharmaceutical ingredients of biopharmaceuticals; this step isolates the product from fermentation or cell culture broth (known as "capture") and covers subsequent purification steps (referred to as "polishing")

Downstream processing
Collective term for the various steps that follow fermentation or cell cultivation in the production of biopharmaceuticals; for example separation, purification and concentration

EMA – European Medicines Agency
European Union agency for the evaluation of medicinal products.

FDA — Food and Drug Administration
U.S. governmental agency responsible for monitoring foods and biotechnological, medical, veterinary and pharmaceutical products.

Fermentation
Technical process used to produce or transform intra- or extracellular substances with the help of microorganis

Fluid management technologies
Technologies and systems for use in handling sensitive biological liquids; for example single-use bags for the preparation, storage and transport of biopharmaceutical solutions, intermediates and final bulk products

Life sciences
Collective term for all natural sciences dealing with the study of processes or structures of living organisms or in which such organisms are involved. This term is often commonly used in relation with application-oriented fields of science that focus on manufacturing pharmaceuticals using biotechnology.

Liquidity provider
Investment service provider that is mandated by an issuer to improve the liquidity of shares

Market Abuse Regulation (MAR)
EU Regulation that aims to increase market integrity and investor protection by preventing insider dealing, the unlawful disclosure of inside information and market manipulation (market abuse) on European financial markets

Membrane chromatography
Selective separation of mixtures of substances by adsorption to specifically modified membranes (membrane adsorbers) in a flowing system

Membrane (filter)
Thin film or foil made of polymers;because of its porous structure, this film is used as core component for all filtration applications.

Monoclonal antibodies
Synthetic antibodies that are increasingly being used in medical diagnosis and treatment

Purification
In downstream processing, a step covering all process technologies used after cell harvesting to further separate an active pharmaceutical compound from other components present in fermentation or cell culture broth in order to obtain a pure and concentrated final product

Single-use | Reusable product
In biopharmaceutical production, the term “single-use” defines an item intended to be used only one time. Such an item consists of plastic and is disposed of after use. By contrast, reusable products are made of stainless steel or glass and entail time and effort to clean them afterwards for repeated use.

Upstream processing
Upstream processing is defined as the entire process from early cell isolation and cultivation, to cell banking and culture expansion of cells until final harvesting. It refers to the part of the bioprocess in which cells or cell lines are grown in bioreactors (see bioreactor).

Validation
Systematic checking of essential steps and facilities in research and development and in production, including testing pharmaceuticals, to ensure that the products manufactured can be made reliably and reproducibly in the desired quality

Business | Economic Terms

Amortization
Amortization relates exclusively to potential reductions in the value of goodwill and the allocation of the purchase price to intangible assets acquired as carried out in accordance with IFRS 3.

CAPEX ratio
Investment payments in relation to sales revenue for the same period

Cash pooling agreements
The term "cash pooling" or "liquidity bundling" refers to intra-group liquidity balancing by a central financial management system, usually assumed by the parent company of a group, which withdraws excess liquidity from the group companies or offsets liquidity shortfalls by loans. It is an element of cash management.

Cash flow
Cash balance of inflows and outflows of funds, representing the operating activities of an organization. Alternative: Difference between the available cash at the beginning of an accounting period and that at the end of the period

Constant currencies; currency-adjusted
In the presentation of figures, identical exchange rates are used for each of the comparative periods.

Derivative financial instruments
Instruments for hedging against the risks of changes in market prices in foreign currencies

EBIT
Earnings before interest and taxes

EBIT margin
Ratio of EBIT (see EBIT) to sales revenue

EBITDA
Earnings before interest, taxes, depreciation and amortization.

EBITDA margin
Ratio of EBITDA (see EBITDA) to sales revenue

Equity ratio
The ratio of equity to the balance sheet total

Extraordinary items
Extraordinary items essentially cover one-time expenses for corporate projects and integration and acquisition related items.

Factoring program
Sale of trade receivables to a bank or a financial service institute

Fixed assets
Sum of intangible assets, property, plant and equipment and financial assets

Free float
Shares of a public company that are freely available to the investing public

Goodwill
Difference between the price paid for a company or business and its net assets. Goodwill is a form of intangible asset.

Normalized financial result
Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability

Normalized income tax
Normalized income tax based on the underlying profit before taxes and non-cash amortization

Order intake
All customer orders contractually concluded and booked during the respective reporting period

Ratio of net debt to underlying EBITDA
Quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period

Supply chain management
Setup and coordinated control of integrated flows of materials, information and finances (supply chains) over the entire value-added process

Treasury
Short- and medium-term liquidity management

Underlying EBITDA
EBITDA (see EBITDA) adjusted for extraordinary items (see extraordinary items)

Underlying EBITDA margin
Ratio of operating EBITDA (see underlying EBITDA) to sales revenue

Underlying (consolidated) net profit
Profit adjusted for extraordinary items, non-cash amortization and based on the normalized financial result (see normalized financial result) as well as the corresponding tax effects for each of these items.

Working capital
Inventories, including trade receivables, minus trade payables

Financial Schedule

Annual Shareholders' Meeting	March 29, 2022
Payment of dividends[1]	April 4, 2022
Publication of first-quarter figures for 2022	April 20, 2022
Publication of first-half figures for 2022	July 21, 2022
Publication of nine-month figures for 2022	October 19, 2022
Publication of preliminary figures for fiscal 2022	January 2023
Annual Shareholders' Meeting	March, 2023
Publication of first-quarter figures for 2023	April 2023

1 Subject to approval by the Annual Shareholders' Meeting

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